



Investment sheet

Overview

Company:	WakaWaka
Website:	Waka-Waka.com
Target amount (minimum):	€400.000
Maximum amount:	€1.500.000
Financial instrument:	Convertible loan
Interest:	6%
Tenor:	Until conversion (max 36 months) or 60 months

Pitch of the entrepreneur

WakaWaka: Celebrating “Return on Impact”

WakaWaka is a fast growing social enterprise who offers you the possibility to become a shareholder. More than a billion people worldwide have no safe access to light or electricity. They depend on dangerous, toxic and very expensive kerosene lamps and candles. Together they spend over \$30 billion on kerosene year in year out for just a tiny bit of light in the evening. These are the most important target customers for WakaWaka and the company focus is to provide access to light and power for those people in particular. Lack of electricity access is also problematic for phone charging in those regions. WakaWaka offers safe, sustainable and affordable off-grid solutions, powered by the sun. Every WakaWaka sold in Europe and the US helps to provide access to light and energy in off-grid areas around the world.

More than 700,000 WakaWakas have been sold already thanks to the diligent work of our team and reliable network of partners and suppliers. But we could never had realized this success without the strong support of our crowd, our Agents of Light.

Invest in: Safe Sustainable Solar For All

WakaWaka offers the same-quality products to both developed and developing markets. Everyone has a right to access the best quality products. You invest in WakaWaka’s activities worldwide, through the WakaWaka Holding, both in the US, Europe, and Rwanda.

What do we offer?

We offer you a subordinated convertible loan with a yearly interest rate of 6%. You have the right and the choice to convert this loan to certificate shares. Below, you can read more about the terms and conditions for your “Return on Impact” (our view on Return on Investment).

What is our impact?

Every WakaWaka sold in Europe and the US provides access to light and energy in off-grid areas around the world. Every purchase supports our Share the Sun program, governed by the [WakaWaka Foundation](#), which, among others, donates WakaWakas to people caught in crisis situations. As a result, we've distributed WakaWakas to victims of the Ebola crisis in Sierra-Leone, to refugees traveling from Syria, to victims of the earthquake in Nepal, and to the recent victims of Hurricane Matthew. When darkness descended, they were in the possession of an affordable and clean source of light. Thanks to you – a fellow Agent of Light – more and more people in off-grid areas can get the most out of their day as they are now able to work or do their homework at night.

Moreover, through training programs established by our organization in Rwanda, we create jobs for people in rural areas, and we help to finance WakaWakas for rural corporations. To realize these projects, we work closely with organizations including Save the Children, Habitat for Humanity, The Federation of International Red Cross and Red Crescent Societies, the International Rescue Committee, and World Vision.

Since its founding in 2012 WakaWaka has achieved the following:

- Over 700,000 WakaWakas sold, to date
- More than 1 million people in crisis situations provided with light
- €11 million in revenues over the last four years (average revenue growth of 56%)
- Winner of various prestigious (innovation) awards
- Distribution in over 40 countries and offices in the Netherlands, the US and Rwanda
- More than €5 million in gross media value generated in international press (TV, print, online)
- Reached Clinton Global Initiative commitment of “1 million lives impacted”
- Received support from a large number of international thought leaders and activists including:
 - President Bill Clinton, Kofi Annan, Al Gore, Archbishop Desmond Tutu, Marco Borsato, Will.I.Am, Arianna Huffington (Huffington Post), Sir Richard Branson, Janet Jackson, David Copperfield, Rose McGowan, Donna Karan, Bert & Ernie, various presidents, CEO's and ambassadors, among others. We call them, together with tens of thousands of other fans, employees, customers, and followers, our **Agents of Light!**

WakaWaka is still seeing rapid growth in its early stages. Thanks to earlier investments by our worldwide community of crowdfunders, Eneco, FMO, Wero Panga and various other Angel investors from i.e. the PYMWYMIC network, we have built our organization and developed our current product portfolio.

With distribution to over 40 countries and offices in the Netherlands, the US, and Rwanda, we can call ourselves a truly international organization. Meanwhile, we have proven that WakaWaka is not just a strong brand, but the business model we've chosen is both unique and successful.

What will the investment be used for?

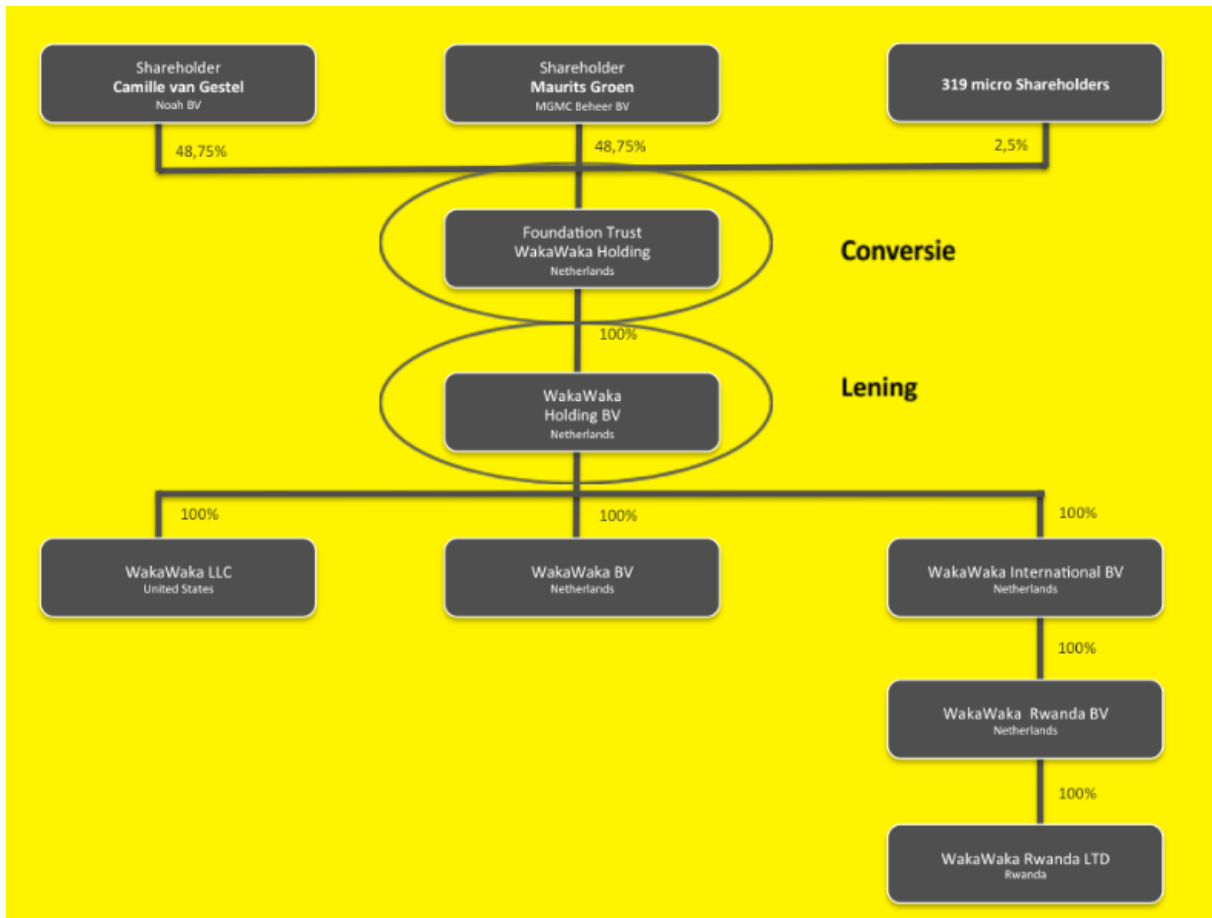
Product road map

The WakaWaka Power+ was developed in 2012 thanks to a campaign on OnePlanetCrowd and has undergone a few developments ever since. Now is the time to broaden our range of products with new models, an even longer battery life and the latest LED and solar technologies, which will make WakaWaka even more efficient.

Enlarging the international distribution

Currently WakaWaka's can be found at multiple Dutch retailers, including, Bever, ANWB, Bol.com and Coolblue. To increase our impact we want to expand our distribution network to ensure our products are available in as many places as possible. In the USA WakaWaka can be found at Brookstone, Best Buy and Amazon. To increase our impact, we want to enlarge and scale our distribution in order to ensure that our WakaWaka's are available at even more places

Describe the legal structure of the company



Founders Maurits Groen and Camille van Gestel own 97.5% of the shares of the WakaWaka Holding B.V. The remaining 2.5% of the shares is owned by 319 shareholders thanks to a crowdfunding campaign on platform Symbid.

The convertible loan will be dispensed to the WakaWaka Holding, the 'umbrella' structure over all WakaWaka companies. When you choose to convert, at any given time, the loan will be converted into a certificate of shares in the 'Foundation Trust WakaWaka Holding' which holds all shares in the WakaWaka Holding.

The WakaWaka Holding subsidiaries include:

- WakaWaka LLC (USA)
- WakaWaka BV (Netherlands)
- WakaWaka Rwanda Ltd (Rwanda)

The reason for the umbrella structure above WakaWaka Rwanda Ltd is for preparation of activities in other countries. These new entities will then be part of WakaWaka International.

WakaWaka Foundation

Separate from the above mentioned structure is the WakaWaka Foundation. A not-for-profit organization with ANBI status, which ensures the allocation of the goods contributing to our impact programs in Rwanda and emergency aid areas. The Foundation is governed by Maurits Groen and has a [Supervisory Board](#) consisting of five members.

Thanks to our impact programs we are creating job opportunities for unemployed youth in Rwanda, 'solar education' programs, and we help agricultural cooperations with financing to be used for WakaWakas. Read more about our impact and where we are active on the [impact map](#) on our website. This is why we do it!

#sharethesun

What is your funding need?

Over the past four years WakaWaka has experienced strong growth. To continue this growth rate, we want to expand our distribution network in the US, Rwanda and Europe, and continue developing our product portfolio

Goal: €400,000

Product development

- Start WakaWaka accessory range (pocket lights, USB cables, worldcharger)

Expansion of distribution

- Belgium
- USA

Stretch Goal: €1,000,000

Product development

- Portfolio expansion: even better battery capacity, more efficient LED, new solar technology, redesign WakaWaka Power and external 'supercharge' panels

Expansion of distribution

- Germany, Austria, Switzerland
- UK

Stretch Goal: €1.500.000

Product development

- 'Internet of Things' version of the WakaWaka Power (an App communication with the WakaWaka, ensuring increased functionality & fun, real-time tracking of the impact we are generating through our Agents of Light & lots more!)

Product Development

When we reach our funding goals we can extent our product range with new varieties with an even longer battery duration and the newest LED and solar technology to make the WakaWaka even more efficient. We are currently working with, among others, the American company SunPower and the Dutch company DSM to make this possible. Next to that, as many of you have requested, we are planning to develop an accessory range; new panels (which can be used to charge your WakaWaka extra fast and can charge your phone directly from the sun), extra lights for the WakaWaka Base and many other product concepts that will help our customers use our WakaWaka solar technology to the max. Our team in Rwanda has indicated that there is a need for an extension of the product portfolio in Rwanda as well. This is something we would like to work on. We are currently researching the market needs with a team from TU Delft.

Expansion of Distribution

Our expansion focus within Europe lies specifically in Germany and the UK. In Germany WakaWaka is already available at [Globetrotter](#) and in the UK we will soon be available at Maplin. With the funding we receive through this campaign we will invest in further developing our product portfolio as well as our in-store materials, to ensure we can strengthen WakaWaka's growth in Germany and the UK and increase our distribution in Belgium. Furthermore, we hope to start selling WakaWakas in France and Spain. With the right partners in Germany we can also start in Switzerland and Austria in the coming years.

In the USA we are in negotiations with well-known retailers such as Macy's, REI, Best Buy and Urban Outfitters. Additional investments in marketing are essential to secure WakaWaka's inclusion in multiple large retail outlets in the coming year.

What is the financial position of your company?

Income statement

€ x 1000	2014	2015	2016	2017	2018	2019	2020
Revenue	2,386	4,136	4,513	8,107	13,317	18,798	25,906
Cost of Goods Sold	-1,874	-3,105	-2,890	-4,401	-7,473	-10,977	-15,551
Gross margin	512	1,031	1,623	3,706	5,844	7,821	10,355
Staffing	-989	-1,115	-1,059	-1,908	-2,253	-2,413	-2,585
Research & Development	-93	-69	-89	-163	-226	-278	-336
Marketing & Promotion	-203	-189	-243	-608	-866	-1,067	-1,322
Administrative costs	-215	-223	-222	-136	-175	-198	-218
Other	-224	-247	-266	-190	-210	-255	-275
EBITDA	-1,212	-812	-255	701	2,114	3,609	5,619

This year, we are expecting revenues to surpass our record 2015 results, with a small growth of 10%. Through some large, incidental, orders in 2015 the average growth was a higher (80%). In below graphs the revenue and EBITDA are split per region. You will notice that the current estimated growth as of 2017 can be attributed to a large extent to WakaWaka US' revenues. As of 2017 WakaWaka is expecting a positive EBITDA.

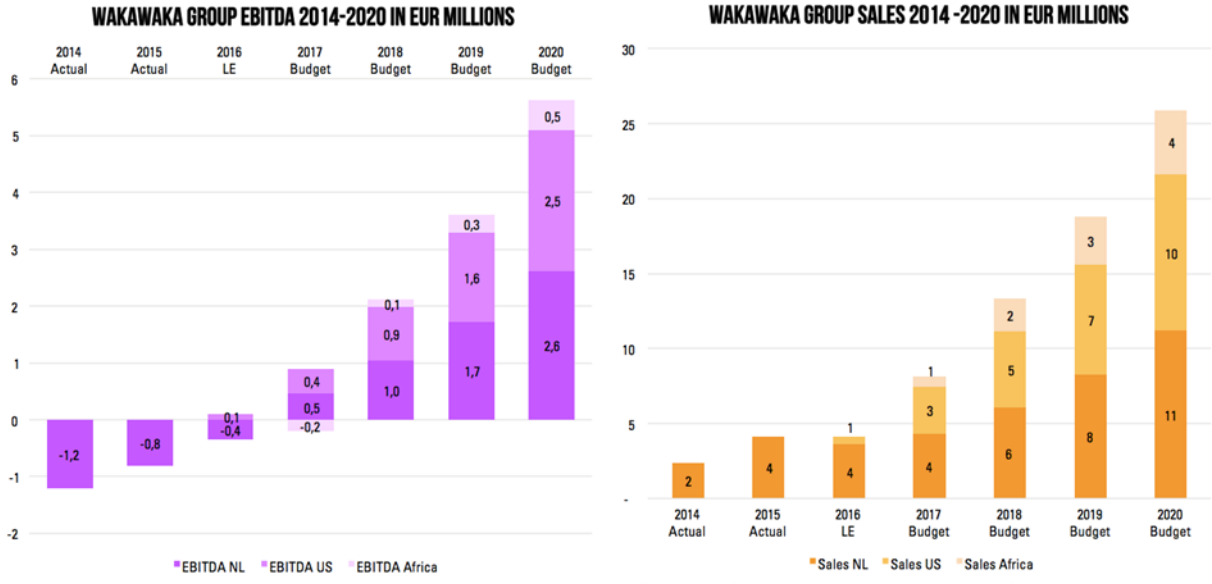
After strong growth in 2014 and 2015 the revenues this year have remained relatively equal to the previous year while significantly improving EBITDA. In 2016 we focussed mainly on professionalising our internal organisation, as well as improving our cash flow management. We have attracted new management from different disciplines and reinforced our team this way. For 2016 we expect to end just below a positive EBITDA.

The gross margin strongly improves in the next few years thanks to better buying conditions and better margins towards our distributors. WakaWaka is now also delivering directly to retailers, which led to an additional improvement of gross margins. Staffing costs this year has remained relatively unchanged while undergoing staff changes in the reorganisation. In 2016 other costs have been higher than average due to professionalization of the organisation and hired consultancy. This has led to margin improvements as well as better buying conditions.

After a successful test period for WakaWaka Rwanda during 2015 and 2016, we are now expanding our operation as of 2017 and WakaWaka Rwanda is part of the forecast as of next year. The largest increase in terms of revenue we still expect to arise from our operations in the US, due to our investment in sales activities, expansion of the retail network and building of the local team. The expected turnover for

WakaWaka US is estimated at approximately €3 million of a total of €8 million in 2017. Approximately €1 million derives from our operation in Rwanda and €4 million from Europe.

As of 2018 the expected increase in revenues can be attributed largely to WakaWaka Rwanda (40-60%). We expect our activities in Europe and the US to increase around 30% and 50% respectively as of 2017 (in line with previous years). Now that the testing phase in Rwanda is finished and the organisation is now focussing on scaling of the operations and the distribution network, we expect our operation there to grow faster. We expect to achieve a group revenue in 2020 of around €26 million, with an EBITDA of over €5.5 million.



Where does the growth come from?

In Europe and the US the growth mainly comes from an expansion of retail (in brick and mortar shops and e-commerce). Through a steady sales per outlet, our growth is relatively predictable. Our own online sales are growing above average, mainly due to an increase in knowledge concerning marketing and sales. WakaWaka was selected by Google to take part in Google Digital Growth Workshop, through which we are currently learning about the world of online branding and sales.

The EBITDA on average is higher in Europe and the US than in Rwanda because we want to ensure availability and affordability for everyone. As of 2017, we will be able to partially finance our geographic expansion in Africa with the operational cash flows from our subsidiaries in Europe and the US.

This forecast does not yet take into account the impact from strategic partnerships with large companies and governments. WakaWaka is already in contact with companies such as Unilever, Google, Vodafone, Eneco, ABN AMRO. Additionally, there are several governments on the African continent already showing interest in large scale programs using our products. The impact and revenues that would derive from this are not taken into account in the budget. Project sizes of these types of projects can vary from 100.000 to 1 million units.

Below is the balance sheet per June 30th, 2016. The balance as of end of September shows no noteworthy changes in comparison. Line item "Share the Sun" shows our financial obligation with regard to the WakaWakas that need to be donated. This obligation increases as our revenue increases and decreases once we donate WakaWakas to emergency relief projects. A further explanation can be found in the footnote in the next paragraph.

Activa (30-06-2016)	k€	Passiva (30-06-2016)	k€
Vaste activa	644	Eigen vermogen	-2.846
Vlottende activa		Kortlopende schulden	
Voorraad	584	Crediteuren	992
Debiteuren	256	Share the Sun verplichtingen ²	326
Vorderingen groepsvennootschappen ¹	1.368	Accruals	415
Liquide middelen	40	Overig	161
Overig	311		
		Langlopende schulden	4.155
Totaal:	3.203	Totaal:	3.203

Previous investments & loans

WakaWaka has managed to attract a wide variety of financial support in the past few years including:

Investments

In 2012, 319 people invested a total of €75,000 via crowdfunding platform Symbid, thereby taking up 2.5% of the WakaWaka shares. At the moment, co-founders Maurits Groen and Camille van Gestel are holding the other 97.5% of the shares.

Loans

Through a crowdfunding campaign on OnePlanetCrowd in 2012, 70 people have lent a total of €121,000 to WakaWaka with an interest rate of 4.5%. Of these loans, €53,750 has been paid off in accordance with prior arrangements. Of the 70 investors, almost half (32) has prolonged or raised their loan. The remaining €80,890 is expected to be paid off with the regular cash flow on 11 January 2017.

In 2015, WakaWaka has raised a loan of €498,000 through crowdfunding platform GeldVoorElkaar. We pay off this loan through monthly instalments. Currently the remaining loan is approximately €310,000 with 6% interest, which is expected to be paid off in full in May 2019.

Moreover, there are various investors who have provided loans with a total of €1.4 million. The interest rates of these loans vary between 3% and 5% and the pay off dates vary between the last quarter of 2016 and 2019. The last loan is expected to be paid off in August 2019.

The funding from this campaign will be used to benefit the growth of WakaWaka. Agreements have been made that when no additional funding of at least EUR 1mln is attracted a maximum of 10% of the total outstanding amount can be used for short term redemption payments, which are to be paid before

¹ These are the current accounts with the US and Rwanda entity, predominantly for the delivery of product. This is how the local entities are currently financed. We see these current accounts as a good way to manage cash flows in the coming years.

² See paragraph "Pitch" for a further explanation about our Share the Sun program

end of June 2017. (exceptions are the outstanding crowdfunding loans which will be paid off as scheduled and agreed).

No agreements have been made with regard to redemptions after 2017. In the event that we are not able to raise additional funding and/or don't meet our forecast, we will cut down on expenses and slow down international expansion. We would also need to make new arrangements with our lenders about redemption of outstanding loans. Should we not be successful in any of these, then there is a risk that WakaWaka has insufficient means to pay of all lenders.

Convertible loans

Various investors have provided a total of €2.3 million in convertible loans. They have the right or the obligation, depending on terms and conditions, to convert these loans to shares. The largest investor of a convertible loan intends to convert to shares. Should they choose for redemption instead, agreements are made that the pay-back schedule will not jeopardize the continuity of WakaWaka.

Which conversion & exit opportunities do you expect for the investor?

Conversion to shares

As crowdfunder and investor you get a one time opportunity to convert the outstanding loan plus accrued interest into certificate shares in WakaWaka. This opportunity presents itself when a new investor, who has not previously invested in the company, invests a minimal amount of €200,000 and thus acquires a share in the enterprise.

Currently WakaWaka is negotiating with external investors in addition to this convertible loan. Our expectation is that we will close a deal within 3 months after the end of this campaign. Conversion to certificate shares with this convertible loan is only possible after this period of 3 months.

If this conversion happens between 3 and 12 months after closing the campaign, you will be able to convert your loan into certificate shares with a 15% discount on the price that was paid for the shares by the new investor. If the conversion moment takes place more than 12 months after signing the loan, you will receive a 30% discount on this price.

See header 'financing conditions' for more information about the convertible loan and the specific conditions for this loan.

Information and communication

WakaWaka publicizes annual figures at the Chamber of Commerce. These are accessible and available upon request. Through our newsletter we inform all our partners and investors about the latest developments. As a crowdfunder you will receive a business update twice a year.

Selling shares (exit scenario)

After you have converted your loan into certificate shares, there are different exit scenarios. This means there are different moments at which you can sell your shares. When WakaWaka attracts new capital over the next years, it is not unusual that the larger, new investor puts an offer on the table for the shares of existing shareholders. Another possibility is that WakaWaka in the future may present its own offer. Finally, it is possible that we decide to offer (a part of) WakaWaka to a larger public by a stock-exchange listing (IPO). This could be a potential scenario in case WakaWaka needs significantly more work capital to maximize distribution and thus impact.

Who is part of the (management) team?

WakaWaka Holding BV comprises different work subsidiaries: WakaWaka NL, WakaWaka US, and WakaWaka Rwanda. Most of the activities fall under WakaWaka NL, including product development, production, logistics, and finance. US and Rwanda have their own sales and marketing activities.

Managementteam

The management team of WakaWaka Holding BV exists of:

[Maurits Groen](#) (Co-CEO)

- Sustainability Expert
- #1 in the Dutch Sustainable top-100, 2015 edition
- Co-founder of multiple sustainable enterprises (Greenem, Kipster, DoTheBrightThing)
- Founder of environmental communication consultancy MGMC (1982)
- Speaker & adviser for sustainability
- Owns publishing house, focussed on “books that matter”
- Invited international speakers, including Al Gore, multiple times to the Netherlands

[Camille van Gestel](#) (Co-CEO)

- Serial entrepreneur
- 20 years of experience with product development and production in the East Asian Market
- Former director of sales promotion enterprise
- Various sales and project management roles
- Led 9 successful crowdfunding campaigns for WakaWaka
- Last round “EY Entrepreneur of the Year” (2014)
- [TEDx Speaker](#)

[Peter Kievit](#) (CFO)

- Entrepreneurial CFO
- Startup Mentor
- CFO/Managing Director at various start-ups & enterprises
- Various senior investment banking, corporate finance and management positions at ABN AMRO and ING

[Karianne van Biezen](#) (COO)

- Successful and experienced entrepreneur
- Investor in startups
- Owner of a successful marketing company for more than 10 years, €8M revenue (50 full-time en 1,000 part-time personnel)
- Co-founder of 2 sports magazines
- Extensive experience with marketing, sales, logistiek, finances and HR
- People manager

WakaWaka North America LLC

[Rene Hart](#) (Managing Director)

- 16 years of experience in US Retail (Brookstone, trend store)
- Operational Vice President, Merchandise Director, Buyer at Bookstone
- Extensive sales & marketing experience (both in-store and online)
- Significant product experience, created large product portfolios himself
- Started his own company to help starting entrepreneurs with penetration into the US retail market

WakaWaka Rwanda Ltd.

[Alexander Brummeler](#) (Managing Director)

- Managing Director Wilshire Private Equity Hong Kong
- Extensive financial experience, needed for the local funding of Rwanda Ltd.
- 2013: Grameen Shakti, the biggest off-grid solar & micro finance company in the world
- A lot of market knowledge about the off-grid solar & accessories market

The WakaWaka team comprises a total of 36 enthusiastic and passionate people, including 3 interns, 5 freelancers, 3 employees in the US and 11 employees in Rwanda, amongst whom 10 locals. Together they are responsible for the production, the logistics, the sales and for building an amazing brand with an incredible impact.

Describe the market & competition

Market

The market for mobile phone chargers and flashlights worldwide is enormous. The expectation is that the market for chargers will rise to over €16 billion in 2020. For the market in flashlights there are a few core figures: MagLite sells about 12 million torches per year globally. In the US alone, 150 million flashlights have been sold in 2015, a growth of 6% compared to 2014.

The market of solar chargers and solar flashlights is relatively new, both in off-grid areas as well as in developed countries. This market is growing exponentially thanks to solar panels that are quickly becoming more efficient and cheaper. WakaWaka has a global market share of 1% in the off-grid pico solar branch. Pico-solar are small solar products. One of our competitors on the off-grid solar market is D.Light. They sell approximately 2 million solar-led lights per month in rural areas.

Competition

Direct competitors:

- X-torm, Dutch company that mainly sells phone chargers, but also some solar products (~20% of their sales). X-torm products are cheaper but also of poorer quality, and they're not a social enterprise. Their total revenue worldwide is estimated to be around €10 million. They mainly focus on the European and Dutch market.
- Goal Zero, an American company that mainly sells solar products is currently the market leader in the US. Goal Zero was sold to the American utility company NRG for an estimate \$100 million. WakaWaka's products are superior in quality and comparable in price. However, Goal Zero doesn't have a social component, and their main market is the US market.
- D-light is the current market leader in the off-grid solar market. Since 2007 (5 years before the start of WakaWaka) they make affordable, but also qualitatively less efficient products. They have a large global sales team and are in the meantime well-funded. Recently they reached \$40 million in funding and provided 65 million people of light.

However, the global market is very large and the penetration of solar lights is still very low. Therefore, the most important competition in off-grid areas still remains to be kerosene lamps.

Competitive advantage

For the developing markets, mainly cheap products of low quality are produced and competitors in Western countries hardly care about the 1.2 billion people who live in the dark. WakaWaka has managed to develop a strong brand and proposition. The only brand in the world that delivers same quality products to two completely different markets. We do this because we believe that someone who earns less than \$2 a day deserves the same quality products as customers who live in more developed countries. We develop new innovative distribution models to make our products affordable. In developed

markets, we strengthen our proposition with impact stories from our off-grid activities, and customers contribute directly to this impact through our Share the Sun program: with every purchase you help a family that doesn't have access to the electricity grid by providing them with a much needed, safe and sustainable source of light.

Moreover, WakaWaka uses better components (i.e. Samsung, SunPower) compared to our competitors, including a patented chip by Intivation; a Dutch innovator that enables WakaWaka to be the most efficient solar charger and light by using advanced software and hardware. Our LiPo batteries are extremely safe, possess a long lifespan and are high-temperature resistant.

Partners & adviseurs

Partners

Finance:

[EY](#) (control)

[Brouwer & Oudhof](#) (administration in NL)

[Keating](#) (administration in the US)

[Acacia](#) (administration in Rwanda)

[FMO](#) (investor Rwanda)

[Eneco](#) (investor Holding)

Production:

[Intertek](#) (productcontrol in China)

[SunPower](#) (production of our solar panels)

[TU Delft](#) (product development off-grid)

[Country Mate Technology](#) (production)

Product Development:

[Intivation](#) (technology partner) in collaboration with Stereo Design (3D)

Publicity : [U-PR](#), [Pride PR](#) (PR in NL)

Webdesign: [Lab Digital](#) (NL)

Grafisch: [Ray Meur Design](#)

Sales: [Sightline](#) (retail experts in the US)

Juridisch: [Kennedy van der Laan](#) (NL & US)

Advisors

Sales : Diederik Nederlof (retail expert: TomTom, Philips, Sony)

Financieel : Wim Schreuder Goedheit (former ABN boardmember)

Antoinette Dijkhuizen (4You Accountancy)

Describe the technology used

WakaWaka uses top notch components. The solar panel is produced by SunPower, an American company that manufactures the most efficient solar panels in the world. We have started a collaboration with the Dutch company, DSM, to increase the efficiency even further with new technologies and in the near future we will potentially switch from 100% recycled plastic to a completely cradle-to-cradle certified production material after it has passed all the tests. Currently the outer casing is resistant to temperatures of over 100°C / 200 F. The electronics are driven by a patented chip from Intivation. This chip ensures the highest system efficiency. The battery is of excellent quality and also resistant to high temperatures. The software makes sure the battery protects itself against extreme conditions.

- Our brand “WakaWaka” is registered in over 30 countries.
- Our tagline “Share the Sun” is protected in the US and the EU.
- Our technology is globally protected and patented by Intivation, our technology partner.
- The iconic design is property of WakaWaka and protected by copyright under the Bern Convention.

Analysis by Oneplanetcrowd

Findings

- WakaWaka was established already in 2012 and has accomplished a lot in the past few years. Most noteworthy: a strong brand, growing revenues and a solid global distribution network.
- WakaWaka’s management team has been reorganised in Q2 of 2016. WakaWaka now has a strong, experienced management team which is complementary to one another. In addition Maurits Groen is a unique ambassador and CEO who holds a #1 position in the Dutch Sustainability Index
- WakaWaka’s suit of products has proven itself over and over again: more than a million people worldwide use WakaWaka products.
- The market for off-grid solar lighting is large: 1.2 billion people are not connected to the electricity grid. With her strong brand, solid network and distribution channels is it likely that WakaWaka can increase her market share. In addition the market in developed countries is large as well and growing and WakaWaka anticipates this with her operations in Europe and the US.

Risks & Mitigants

- **Risk:** WakaWaka has a lot of long- and short term debt on her balance sheet, among which a substantial amount of creditors. The equity position is still negative.

Mitigant: this risk is mitigated by a couple of agreements which have been made between WakaWaka and Oneplanetcrowd: 1) until at least €1 million in additional funding is attracted, only 10% of outstanding loans can be redeemed (€199k). This concerns mature debt which needs to be redeemed in 2016 and 2017. No agreements have been made for redemption after 2017. If no new funding is raised, new agreements need to be made in order not to jeopardize the continuity of WakaWaka. As a result of this agreement, the majority of the investment raised through this campaign can be allocated towards growth and not towards redemption of mature loans. 2) WakaWaka will ask a formal approval on this agreement of her lenders (who’s loans mature between now and the end of 2017). 3) When WakaWaka either reaches her forecasts or raises additional funding, it can both fulfil its obligations towards lenders and continue its growth. 4) The risk of negative equity is partially mitigated by outstanding convertible loans who can cover this once these convert into equity. In addition a positive EBITDA is forecasted for 2017.

- Risk:** Should WakaWaka not be able to raise additional funds and/or does not meet her forecast, then the company won't be able to meet her obligations towards lenders and the crowd after 2017 (given abovementioned agreements until the end of 2017).
Mitigant: WakaWaka shows growth over the past few years and has been successful on multiple occasions to raise growth capital. In addition the company has a strong leadership team and the forecast still has room to cut back on expenses and slow down the expansion into new countries. WakaWaka is speaking to various external investors to complement the convertible loan from Oneplanetcrowd. Expectation is that this process will be completed within three months following the end of this campaign.
- Risk:** current investors of convertible loans decide not to convert but request redemption.
Mitigant: the largest lender of a convertible loan has the intention to convert into equity. Should they choose for redemption instead, agreements are made that the pay-back schedule will not jeopardize the continuity of WakaWaka.
- Risk:** WakaWaka uses a certain unique patented technology in her products. If this partner is no longer able to provide this technology this could be a problem. This could also be the case for certain manufacturing partners.
Mitigant: should this partner no longer be able to provide their patented technology then WakaWaka can still manufacture her products without this technology only slightly less efficient. In addition, WakaWaka is working on a new technology which could mitigate this loss in efficiency. With regard to the loss of manufacturing partners, WakaWaka has the ability to quickly switch between two or more manufacturing partners.

Financing conditions

Subordinated convertible loan

The subordinated convertible loan offers crowdfunders the option to convert their loan into shares at a later date. Crowdfunders get return on their investment the moment their shares get sold, which usually takes 4-8 years.

A convertible loan provides the option to become shareholder of a potentially rapidly growing company, without having to make a valuation of the company now. Click [here](#) to read detailed information about the subordinated convertible loan and its risks and why Oneplanetcrowd uses this instrument.

Below you can find the conditions of this specific convertible loan. For more information about a condition please click on the explanation link to get forwarded to our FAQ section.

Loan conditions

Annual interest rate:	6% (will not be paid out directly)
Tenor:	5 years
Time to conversion offer:	maximum 3 years
Subordination:	Subordinated to current/future bank financing

Collateral:

No securities are provided by the entrepreneur. Entrepreneur commits to not use her assets as collateral towards any third party, unless this is a bank. Exception are a few agreements where a part of the inventory positions are used as collateral. (negative pledge)

Conversion conditions

A (subordinated) convertible loan is a loan with the right to convert the loan into certificates of shares. We call this moment the “conversion offer”.

Conversion triggers

1. A new investor invests a minimum of €200.000 in the company
2. The company is sold (a minimum of 50% of the shares falls into others' hands)
3. Should the above mentioned two situations not occur with 3 years then you will receive an offer to convert into shares after 3 years.

Discount on share price

- 15% if conversion takes place between 3 months and 12 months
- 30% if conversion takes place after 12 months

Right to decide not to convert

Should you decline the conversion offer, then your convertible loan will be redeemed like a normal loan.

- Your investment will remain to be a loan
- The negative pledge is discontinued (see above)
- As of the next January 1st after the conversion moment the company will start with a linear redemption of the full amount including accrued interest
- Last redemption payment including accrued interest will take place at the end of the 5 year duration.
- The entrepreneur can redeem the full amount penalty free prior to the end of the duration.
-

Conditions of shareholders' phase

The full overview of your and the entrepreneur's rights will be presented to you before completing your investment.

Below you will find a selection of the most important rights and obligations of your certificates of shares.

- **Shareholders structure:** Certificates in Foundation Trust or “STAK” (without voting rights). (STAK is the legal term for a Dutch ‘administrative office’)
- **Pre-emptive right:** If more shares get published at a later moment in time you will be permitted to buy extra shares to prevent dilution.
- **Anti-dilution:** If new shares with a lower price than during conversion get published within 12 months after the conversion moment, you will get extra shares for free to prevent dilution.
- **Drag-along:** If a minimum of 70% of the regular shareholders (not crowdfunders) sell their shares, all crowdfunders are obliged to sell their shares (in other words, one cannot stop the sales).

- **Tag-along:** If a minimum of 15% of the regular shareholders (not crowdfunders) wants to sell their shares, crowdfunders are permitted to sell their shares proportionally. (in other words, one cannot sell the company without selling the crowdfunders' shares).