



The Smart international Development Fund

Bruxelles, 12 April 2021

Attention : Smart IB

Dear Mapi,

Dear Helène,

As announced to all members of the Fund, this is to notify you about the financing decision taken by the investor(s) concerning the request that you have introduced to the Smart international Development Fund.

We are pleased to inform you that the Investor has taken the following decision regarding your request of funding for the following Financial Products and amounts:

Total amount requested: 368.000 Euros

Of which (amounts in Euros):

Cash flow - liquidity 368.000

- approved
- approved without guaranteeing 100% of the total requested budget (see suspensive clause)
- rejected

With the following suspensive clause(s):

The total budget requested by members currently exceeds the availability of the Fund by (an estimated) 11%. Therefore, and as long as the annual financial ceiling for 2021 is to be exceeded, the Fund cannot guarantee the totality of the requested amounts.

Increased Smart fee: we need planning ahead to prepare and implement (one year in advance)

With the following point(s) of attention:

The Fund expresses serious concerns on the ability of the business model in IB to reach sustainability without a clear move towards:

- A plan with clearly defined priorities, possibly aligned on the unique selling points of the Smart model (see note on elements of convergence*)
- A rationale on the sources of incomes and the increase of members' participation to cost recovery, taking into account the above

The development plan: territorial presence inevitably generates fixed costs for the STR, diluting the benefits of growth across several offices. The plan seems to be still very much affected by a logic of

recovery - to the detriment of a clear entrepreneurial vision (development priorities in the next three years?); we feel that the plan would benefit a thorough review to foster ownership by members and mutualised workers along. This would entail working out the implications of the business model on the different members' categories (how to deal with turnover of members, and development of activities)

With the following observations and remarks:

We would like to commend the effort of clarification made around historical background and in answering questions posed on the model and in general the inclination to share lessons learned from past experience.

We are concerned about pressure on HR : we would recommend to figure out actions that could protect mutualised workers from excessive workload and more generally that would increase well being and satisfaction of workers through a global set of adequate measures.

Taking into consideration the above, as well as the elements notified in our communication dated April 1st 2021 on the possible budget overrun, we would welcome receiving a payment request under the "Break-even support" (A) Financial product of the Fund as a first instalment for an amount of up to: 184.000 Euros

Yours Sincerely

Anne-Laure Desgris

Maxime Dechesne

CEOs
