

3 year plan - August '24

Sheltersuit International Impact Plan

Making impact together plan

We are Sheltersuit Foundation

Vision

A world where everyone has access to shelter and is treated with dignity calls for **people helping people**.

Mission

Bridging the gap between those who need shelter and those willing to help. Through impactful products, caring for **dignity** and **building trust**.

Ambition

To be the **global leader** in bridging the gap between those who need shelter and those willing to help. While **facilitating jobs** and reducing **waste streams**.

Sheltersuit Foundation is such a strong concept; with clear governance and goal setting it can accelerate impact massively

- **Sheltersuit Foundation** is becoming a **movement**; thousands of Sheltersuit products are keeping the homeless warm during cold nights (street sleepers + disaster relief)
- **Sheltersuit Foundation** is a success as it appeals to all stakeholders:
 - Life saving products for the **homeless**
 - Enjoyable and safe workplace **for atelier staff**
 - Direct impact gives a high feelgood factor for **donors**
 - ...which also resonates in the **media**
- **The team** is **highly intrinsically motivated** to make Sheltersuit Foundation successful and help as many homeless as possible
- As **demand is 'infinite'** (the homeless by far outnumber how much SF can produce), there is ample room for growth
- The current structure (independent countries without clear guidance / central coordination capacity) however doesn't allow for scaling
 - Markets operate more or less independently with minimal central support (as the right capacity, skills and toolkit are missing)
 - Markets operations follow the 'style' of local management rather than a set structure (brand, operations)
 - There is limited cooperation and learnings / best practice sharing between markets
- With a **clearly defined implemented organisation structure and clear goals as its foundation**, Sheltersuit can **scale up massively**
- As in every growth plan, **investments precede results**. The aim is to let **investments and growth go hand in hand** as much as possible

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Job creation forecast

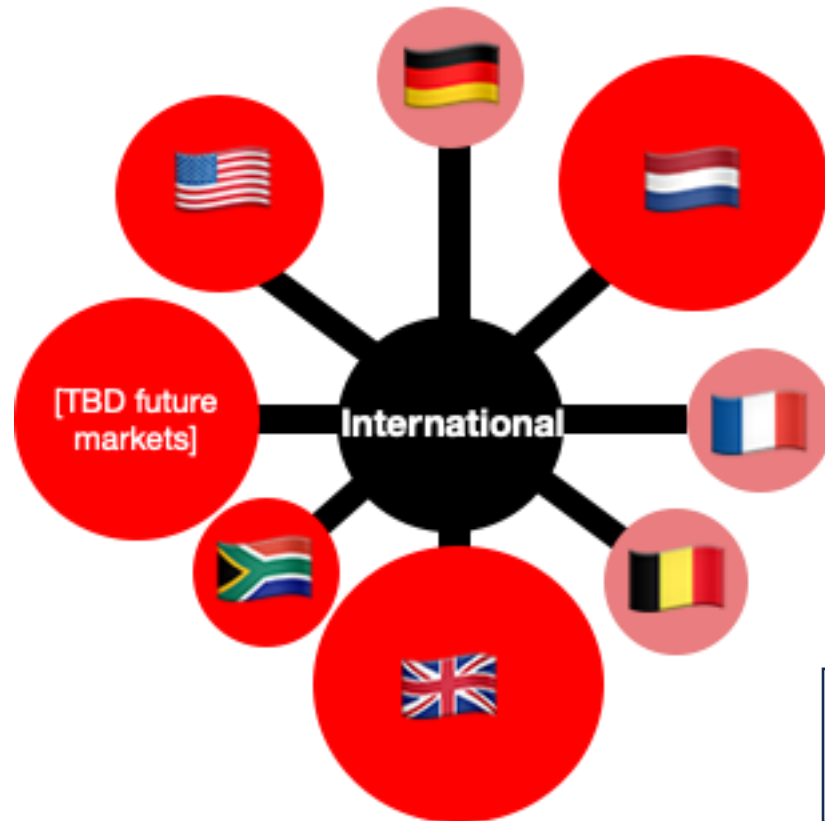


GOVERNANCE

Sheltersuit Foundation can accelerate impact under a hard franchise* model, led by a small International team

Federal hard franchise model

A small central international team ensures a clear grid and coordination for the countries (hard franchise), so that the markets can focus on maximising impact



In exchange for service provided, markets will pay service charge to team International (TBD method and how much)

Active on core activities:
(fundraising, production, distribution)



Ongoing distribution, currently driven by NL market team:



International “grid + coordination”

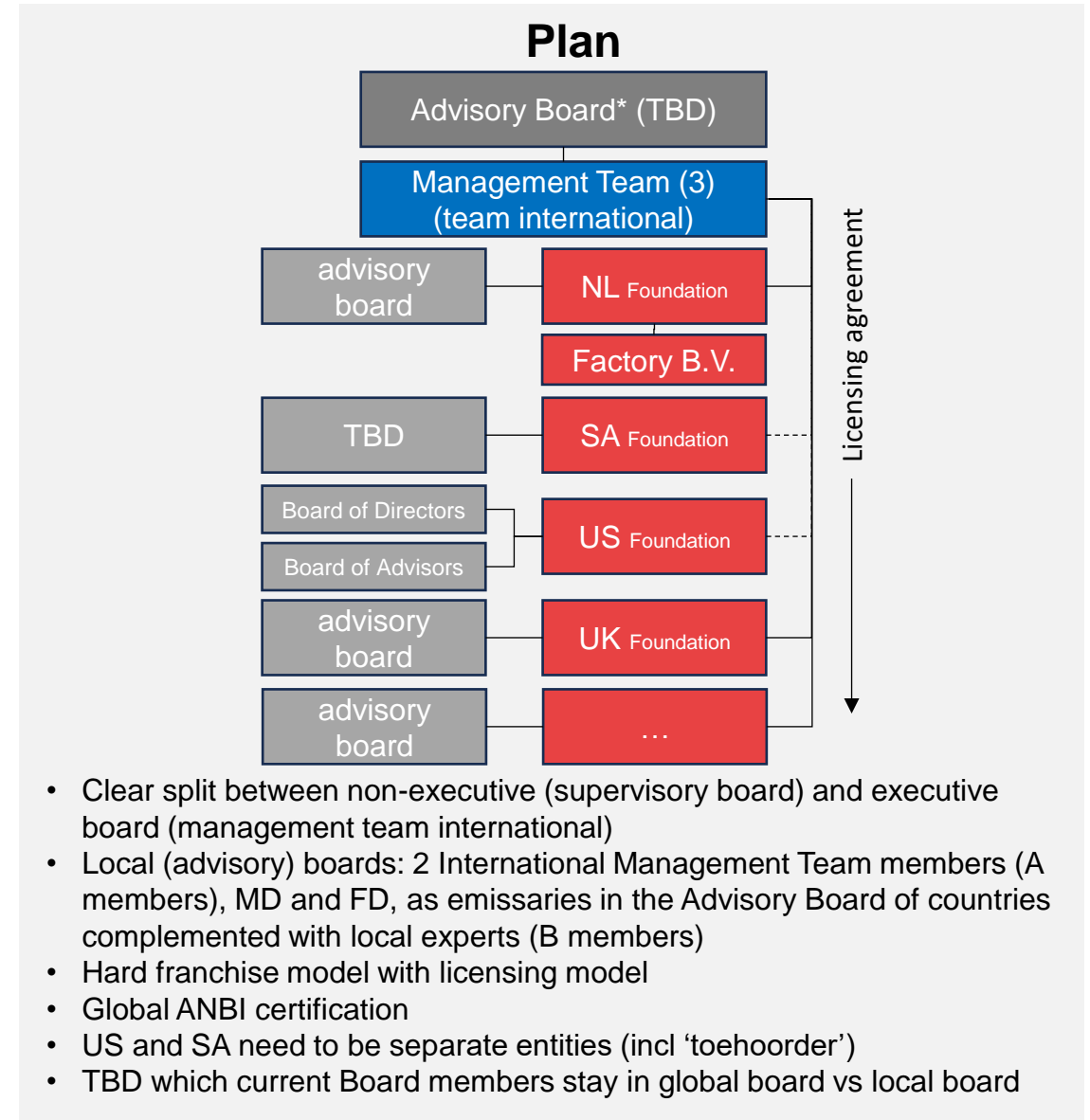
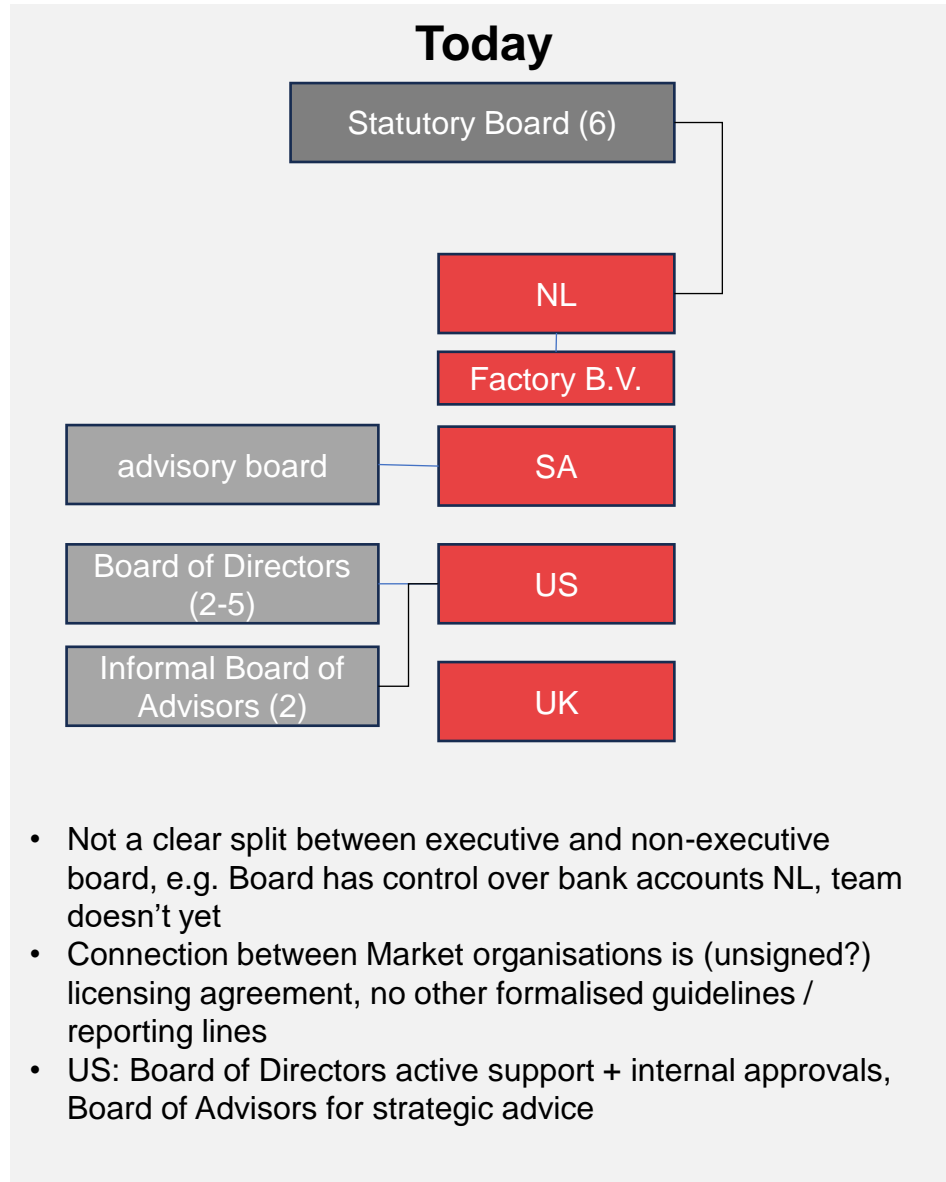
- Strategy + business planning
- Policy
- Brand: IP** + brand building + central campaigns & communications
- Creative + Product Development
- Cross-market coordinator
- Core IT tooling (ERP, CRM, web)
- Tracking & analytics
- Impact report
- Internal financial flows
- Global partnerships (fundraising, distribution, material supply)

Markets “making it happen”

- Execution on the 3 pillars (distribution, production & upcycling, employment) with local adaptations as needed
- Brand and communication execution
- Input to global (e.g. feedback, storytelling, numbers)
- Local partnerships

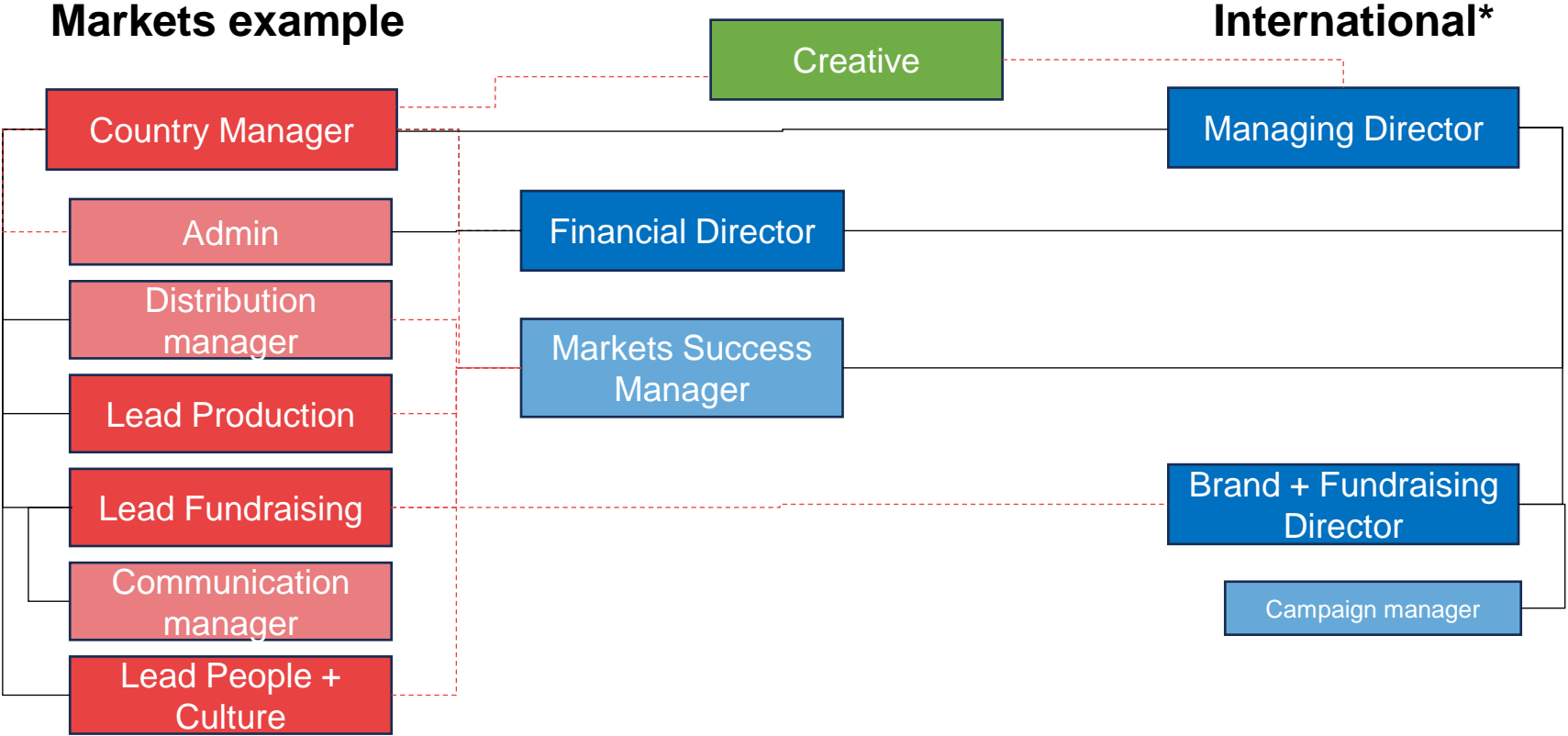
* TBD whether hard franchise is possible for US ** IP anchored in holding

Intended governance structure with new International Foundation



* Legal form board (Supervisory Board vs statutory Board) TBC pending certification requirements

The International team is organised to drive and support to the markets

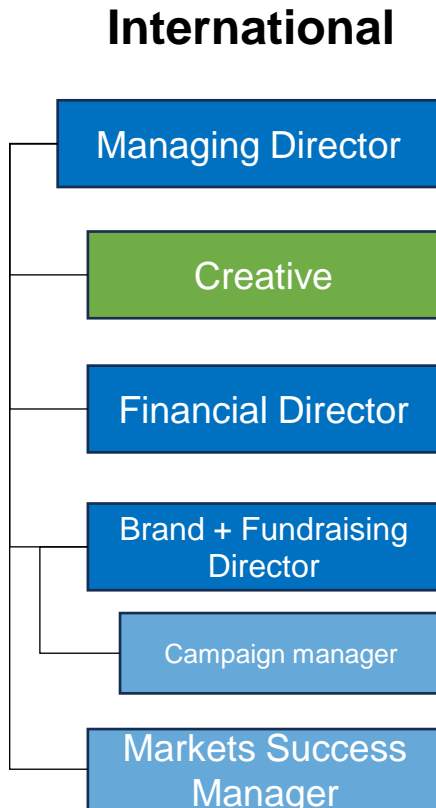


Note: team structure and size depends on # core activities / impact pillars market is active on + scale impact

Note: Financial Director and Market success manager sit in International yet also operate in the markets, MSM is dedicated support to markets

—— reporting (markets to international) - - - - partnership ■ ■ ■ Management team

Roles team International



 Management team

Managing Director (1 FTE)

End responsible for succes foundation

- Heads up MT and CM team
- Works hand-in-hand with creative
- Liaison Statutory Board + local Advisory Boards
- Strategy + business planning + policy
- Signs of on all strategic moves
- Operational responsibility (production + distribution)
- Liaison to big donors
- Liaison to Label CEO

Creative (freelance part-time)

Responsible for creative process and foreman role in selected occasions – Bas Timmer

- Product development and enhancement
- Connects to / draws inspiration from target group by participating in drops (as needed)
- Foreman role for big interviews, fundraising activities (e.g. >€xk (TBD), big apparel brands)

Brand + Fundraising Director (1FTE)

Brand, Global Marketing and Fundraising

- Brand strategy
- Guards IP
- Central campaigns + communication
- Set and guards CRM methodology
- Creates impact report
- Global partnerships with NGOs
- Responsible for Collabs (previously ShelterLab)
- Sets guidelines internal fund flows with CFO
- Liaison to marketeer Label

Financial Director (1 FTE)

Oversees all financial activities across foundation

- Handles financial planning, cash flow and taxation
- Oversees financial control and reporting (internal + external)
- Oversees business and financial control of markets
- Handles relationship with big donors (>€xk TBD) from a financial perspective
- Handles relationship with lending institutions
- Responsible for tracking & analytics
- Sets guidelines for internal fund flows with CCO and executes accordingly
- Responsible for legal

Campaign manager (1-2 FTE)

Develops and coordinates globally led campaigns

- Project manager who develops centrally led campaigns; world's biggest sleepout and street sleepers concert

Markets Success Manager (1 FTE)

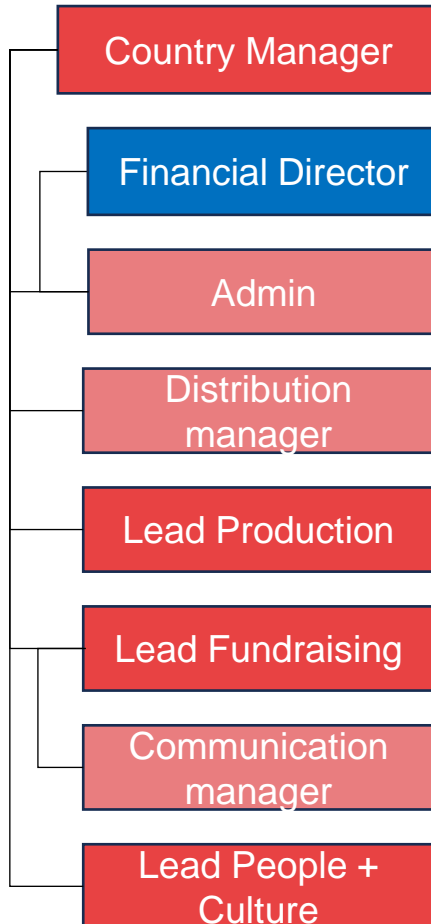
Oil between international and countries

- Owner Market launch kit
- Ensure countries have the right tools and insights to be successful
- Provides hands-on support to countries
- Monitors cross-market progress and reports back to international
- Provides feedback loop to international from markets
- Shares cross market best practice practices and learnings
- Gathers input from markets for impact report

Roles mature Markets; size of the team grows with phase of the market

Certain roles can (initially) be part-time

Mature Market



Country Manager

Responsible for overall market success

- Heads up market MT
- PoC to MD International
- Guards triple impact strategy
- Guards hard franchise model
- Oversees certifications
- Works closely with CFO to local financial planning & performance

Communication manager

Responsible for brand execution and impact report

- Guards brand identity
- Implements global marketing; communication owned media, roll-out 2 annual central campaigns
- Creates local content for owned media
- Organises Sheltersuit talks
- Manages local PR agency (if applicable)
- Provides input to global communication (storytelling)
- Executes CRM donors
- Collects input for impact report

Production lead

Oversees atelier and production planning

- Manages production planning
- People managers to tailors (incl local integration + education)
- Works closely with distribution lead

Fundraising lead

Responsible for local fundraising planning + performance

- Sets and responsible for fundraising targets (with CM + international); €, in kind (materials and hours)
- Creates fundraising plan and manages progress
- Manages global partnerships locally
- CRM donors: manages methodology (segmentation + approach), system, oversees execution

Distribution manager

Oversees distribution of Sheltersuit products according to guidelines

- Creates and manages distribution plan (through partners+ direct)
- Provides input to production
- Sets up local distribution network + responsible for target on % paid products
- Organises drops
- Provides input to marketing (storytelling)
- Provides feedback loop to creative (current products + product development pipeline)

People + Culture lead

Oversees all people processes

- Owner local handbook + people policies
- Manages recruitment and selection process
- Oversees people development process
- Monitors and provides follow-up to happiness index (engagement)
- Manages Payroll

Management team (TBD whether to include CFO international)



**3 YEAR
STRATEGIC BUILDING BLOCKS**

Acceleration requires focus, starting with getting the foundation right and then selectively but firmly growing internationally

Focus areas

24-25



Product market fit:

- The right product for the right markets
- Product enhancement
- New product development

Stable house

- Financial stability
- NGO status (certifications + impact report)
- Governance in place
- Hard franchise model implemented
- Clear business processes

Get ready for international growth

- Tools, people & processes
- Prepare Germany launch

25-26

Monitor & evaluate:

- Product market fit
- Stability house

International growth

- Launch Germany
- Build USA, SA and UK
- Prepare launch France

26-27

Monitor & evaluate:

- International tools, people & processes
- Germany launch

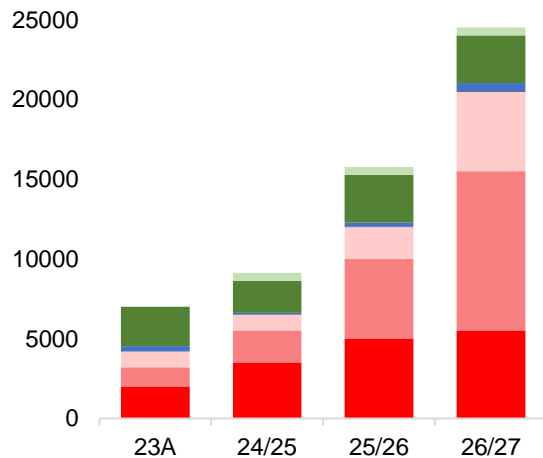
International growth

- Launch France



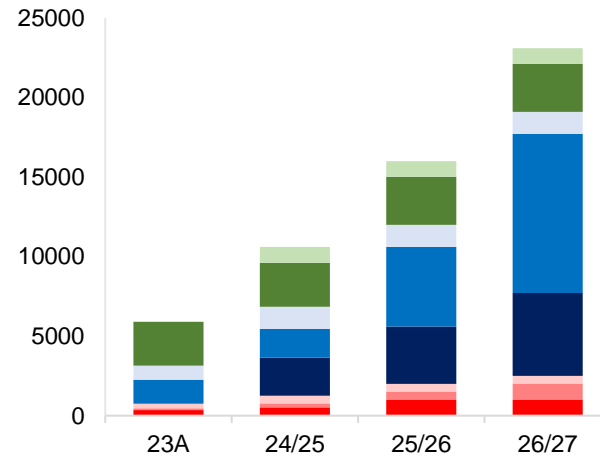
With believe that we can grow substantially in core markets where the need is high

Ambition Sheltersuits distributed per market #



■ NLBE ■ DE ■ FR ■ GB ■ US ■ ZA ■ Disaster Relief ■ Refugees

Ambition Shelterbags distributed per market #



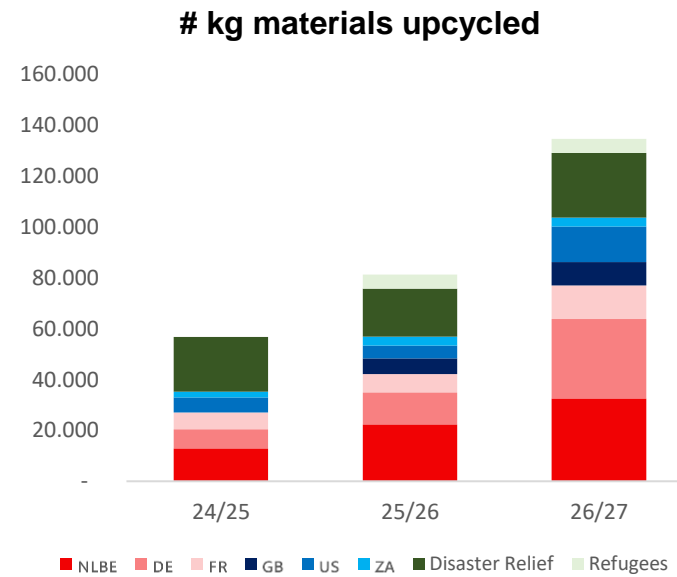
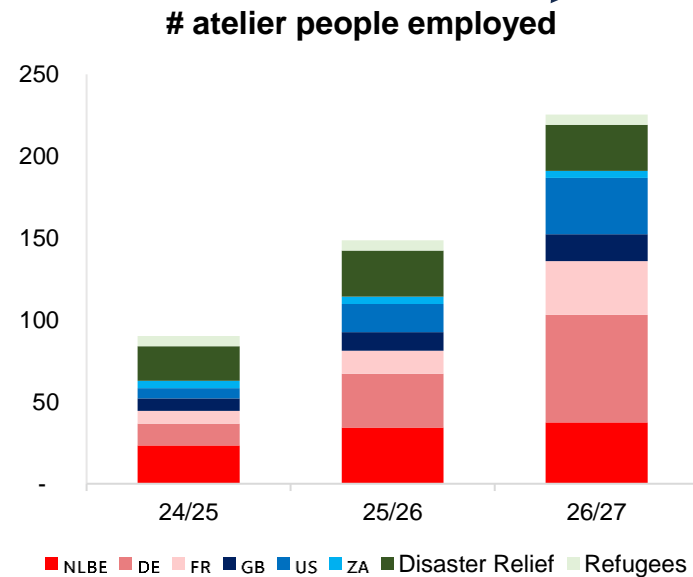
Explanation

- Growth numbers as received from markets. DE, BE and FR numbers led by NL
- Main growth will come from DE, FR and US where the need is highest
- Markets currently have a strong preference for either Sheltersuits or Shelterbags – research needed to cross test product-market fit
- Note:* disaster relief is more difficult to plan for, but sufficient stock needed so that help can be offered promptly



Impact on employment and upcycling materials will scale in the same line

In this chart based on location distribution. See job creation forecast section for production location



Explanation

Employment impact

- Strong wish, from sustainability perspective, to produce as local as possible in the future...
- ...as not all production locations are known yet (to be planned), **location in this overview based on distribution** (i.e. Germany and France now counted locally while in reality part of NL at the moment)
- Productivity standard is by proxy per atelier employee...
 - Sheltersuit: 160
 - Shelterbag: 320
- ..yet consider that in reality
 - productivity differs per market
 - atelier employees each have designated tasks rather than produce products A-Z
- Disaster Relief and Refugees will in practice to be produced where there is over capacity (managed by international)

Upcycling materials

- Sheltersuit uses 6kg materials
- Shelterbag uses 2,5kg materials

Incremental annual costs for an International team is offset by scaling impact; costs per helped homeless person will go down

Costs

- Salaries building up to €350k when team is complete
- Housing building up to €30k (starting in co-working space ±3k per employee per year)
- General costs (travel, selling etc) €20-50k
- Other costs that fall under International are not incremental, but is a shift from markets to international (e.g. brand, marketing, tooling)

Deliverables

(not possible without central team)

Enablers, e.g.:

- Brand + communication strategy
- Product development
- Markets toolkit
- IT tooling

Global campaigns:

- World's biggest sleepout
- Homeless concert

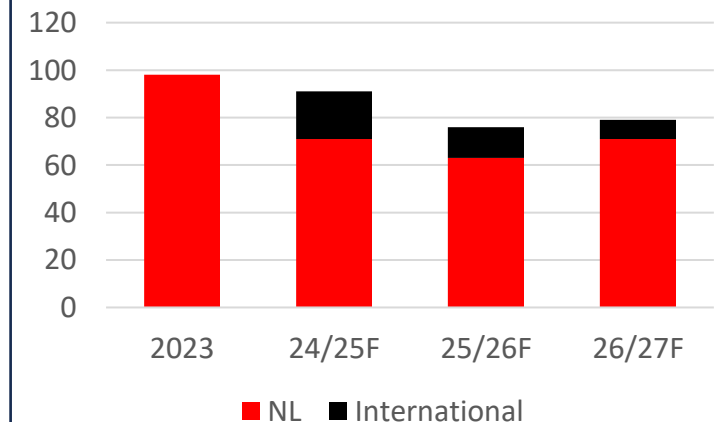
Global partnerships:

- Fundraising: Corporate partnerships
- Distribution: NGO's

Cost / # people helped

- Current salary costs for office staff per helped homeless person is ±€100 (for NL). Scaling impact will bring down fixed salary cost per Sheltersuit product
- Additional costs for team international are offset by impact scaling; total costs expect to drop to €75-80 per helped homeless person

Indicative salary costs / helped homeless person



Conclusion

- Sheltersuit Foundation has a **lot of potential** and can truly accelerate impact on all 3 pillars when headed up by a centrally led International team
- Without central coordination Sheltersuit risks reaching a plateau due to lack of structure, cash flow issues and different speed of execution impact pillars (production vs distribution)
- Local teams recognise Sheltersuit's potential and are intrinsically motivated to help Sheltersuit scale, but discussions need to be held with them on what do we need to make it happen (including team composition)
- Further work needs to be done by International Managing Director to **prep implementation and roll-out new way of working**



**3 YEAR
JOB CREATION FORECAST**

In the original plan from KplusV*, based on the realistic case, close to 100 jobs were forecasted to be created by 2026**

2025 Target	worst case	realistic case	best case
Sheltersuits / year (2026)	11.424	17.640	20.250
Volume growth	30%	40%	50%
# FTE total	50	78	89
# jobs (80% FTE)	63	97	112
# Sheltersuits / FTE	~225		
# Sheltersuits / job, person	~180		

Realistic case (scenario 2)	FTE				
	2022**	2023**	2024**	2025**	2026**
# Sheltersuits / year	4.000	6.000	9.000	12.600	17.640
Regular (w/o LKS**)	14	14	17	17	23
Target group		7	17	33	47
Volunteers	2	3	4	6	8
Total	16	24	39	56	78

Conversion #
FTE to # people
based on 80%
FTE per person



Realistic case (scenario 2)	People				
	2022**	2023**	2024**	2025**	2026**
# Sheltersuits / year	4.000	6.000	9.000	12.600	17.640
Regular (w/o LKS**)	17	18	22	21	29
Target group		9	22	42	58
Volunteers	3	3	5	7	10
Total	20	30	49	69	97

* KplusV plan was written in 2021

** Timeline pushed by one year versus original plan as implementation has been delayed by one year due to Covid

** LKS = loonkostensubsidie

Source: Adviesrapport toekomstbestendige business case Sheltersuit

Currently, the team is roughly one year ahead of plan on # Sheltersuits, and even more so on employment targets

2023 Actuals production	Internal	External	Total	Plan 2023
# Sheltersuits	3.679	4.024	7.703	7.500*
# Sheltersuits semi-finished	1.215	1.215	2.430**	-
# Total Sheltersuits	4.287	4.632	8.918	
# Shelterbags	1.309	-	1.309	-
# Sheltersuits normalised	4.941	4.632	9.573	7.500



Sheltersuits normalised explained

- KplusV plans have been created based on # Sheltersuits
- Sheltersuit Foundation offers and produces both Sheltersuits, semi-finished and finished goods as well as Shelterbags
- To compare actuals with plan, a conversion has been applied to semi-finished Sheltersuits (50% of finished), Shelterbags (50% of Sheltersuit) to compare production actuals to plan

2023 Actuals jobs	Internal	External***	Total	Plan 2023
Regular w/o LKS (0,8FTE)	22	21	43	17
Target group (0.8FTE)	5	4	9	17
Volunteers (if 0.8FTE)	4	4	8	4
Total jobs (KplusV approach)	31	29	59	38



Actual jobs versus target explained

- Ahead of planning on production, when measured in normalised Sheltersuits, so more people needed to close the gap between plan and actuals
- Productivity is somewhat lower than planned for (product enhancement has also led to more complex production and target group employees receive schooling (4 hrs/week)), leading to more hours to make a Sheltersuit than originally planned for
- Target group jobs seem behind target as this only measure subsidised employees. However, regular jobs are also fulfilled by people with distance to the labour market (e.g. don't speak local language, suffer from trauma)
- # Volunteers is substantially higher than planned as in reality volunteers work 0,2FTE instead of the anticipated 0,8 FTE

Volunteers (0.2FTE)	16	15	31	
Total people	43	40	83	

# suits normalised / FTE	~200
# suits normalised / person	~160

* 6.000 in original KplusV plan and raised internally to 7.500

** 2.430 semi-finished Sheltersuits represent 1.125 fully finished Sheltersuits

*** assumes same split regular, target group and volunteers as internal. By proxy calculated. Assumes same productivity and % of FTE for each job as internal production

With the projected impact acceleration, the number of job can double in the next 3 years, to well over 200 jobs

Internal and external production combined	24/25	25/26	26/27
# Sheltersuits	9.125	15.775	24.525
# Shelterbags	10.600	16.000	23.100
# Sheltersuits normalised	14.425	23.775	36.075
Team NL	8,00	10,00	11,00
Team International	2,40	3,20	4,00
Total office roles FTEs	10,40	13,20	15,00
Regular w/o LKS	51,8	85,4	129,6
Target Group	10,9	18,0	27,2
Volunteers	9,4	15,5	23,6
Total atelier FTEs	72,1	118,9	180,4
Regular w/o LKS (0,8 FTE)	65	107	162
Target Group (0,8 FTE)	14	22	34
Volunteers (0,8 FTE)	12	19	29
Total atelier jobs*	90	149	225
Volunteers (0,2 FTE)	47	78	118
Total atelier people*	125	207	314

* Rounded number als fraction of people doesn't exist

Comments
<ul style="list-style-type: none"> • With the set ambition, the # of jobs (combined internal and external production) will grow well over 200 excluding international volunteers and office roles. These are excluded as too little is known yet to put numbers on it • The number of projected jobs is based on current productivity levels for normalised production • Office jobs: <ul style="list-style-type: none"> • The regular team in NL will grow slightly (on distribution and fundraising) • The international team is as per plan, a small fraction of the total # jobs • For fair comparison to original KplusV plan, # jobs is based on 0,8 FTE per job incl volunteers, though in reality volunteers work on average 'only' 0,2 FTE, significantly increasing the number of people that can be provided with work by Sheltersuit Foundation

Production (and hence jobs) will grow in the Netherlands, creating ~40 extra jobs / 90 people compared to K+V target

		24/25	25/26	26/27
NL	Sheltersuits	3.000	4.000	4.000
	Shelterbags	500	1.000	1.000
	Sheltersuits normalised	3.250	4.500	4.500
BE	Sheltersuits	500	1.000	1.500
	Shelterbags	0	0	0
	Sheltersuits normalised	500	1.000	1.500
DE	Sheltersuits	2.000	5.000	5.000
	Shelterbags	250	500	500
	Sheltersuits normalised	2.125	5.250	5.250*
FR	Sheltersuits	1.000	2.000	5.000
	Shelterbags	500	500	100
	Sheltersuits normalised	1.250	2.250	5.050
Disaster Relief	Sheltersuits	2.000	3.000	3.000
	Shelterbags	2.750	3.000	3.000
	Sheltersuits normalised	3.375	4.500	4.500
Refugees	Sheltersuits	500	500	500
	Shelterbags	1.000	1.000	1.000
	Sheltersuits normalised	1000	1000	1000
Total normalised		11.500	18.500	21.800

Dutch atelier(s) can produce for:

- Completely: the Netherlands, Belgium
- Temporarily: European markets in start-up phase (e.g. Germany and France pre-launch in their first year with local team)
- As production capacity available: Disaster relief, Refugees
- *Note:* to be planned new markets are not included yet, so production levels can become even higher (if enough capacity)

	24/25	25/26	26/27
Regular w/o LKS (0,8FTE)	52	83	98
Target Group (0,8 FTE)	11	17	21
Volunteers (0,8 FTE)	9	15	18
total # jobs	72	115	137
Volunteers (0,2 FTE)	38	60	71
Total # people	101	160	190

jobs in 26/27 40 above original KplusV plan and counted in # people even ±90 more

* 50% of total DE production as shifting locally

Our vision on how to set up ateliers abroad

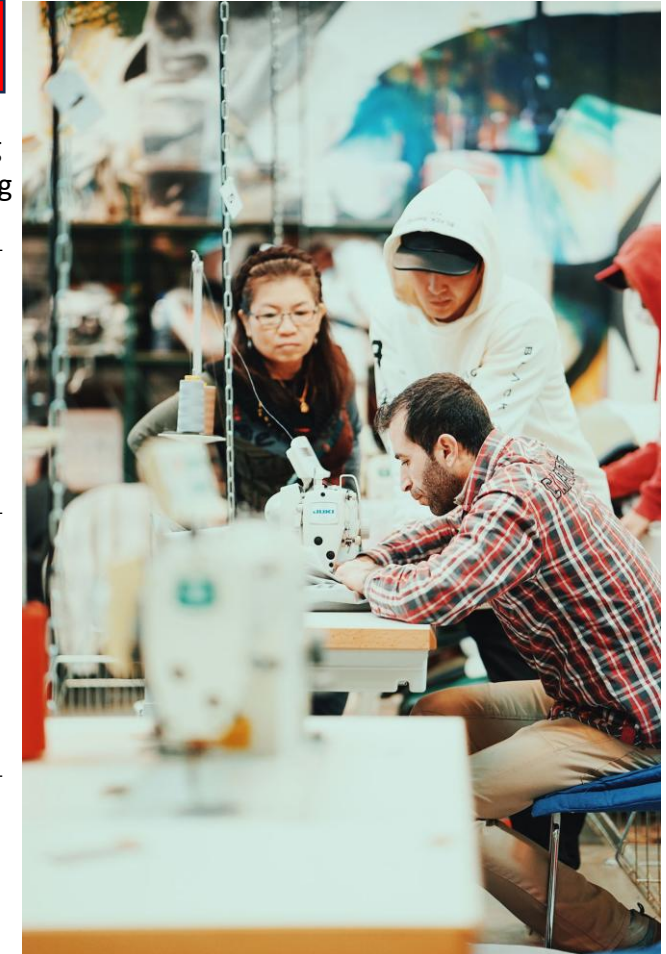
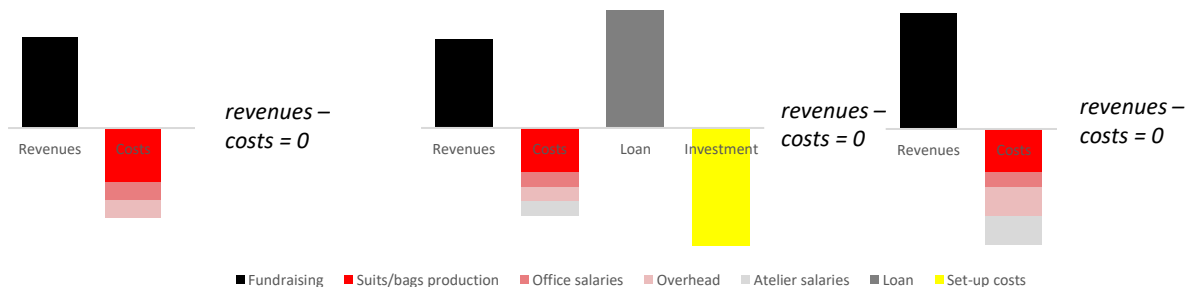
- When we expand our production internationally, we have **3 requirements**:
 - Production location is in same region / country where we target homeless that need our help (supported by local aid organisations)
 - There are sufficient people with distance to labour market available who can work for us
 - There are sufficient materials available suitable for upcycling into Sheltersuit products
- The **strategy** we will follow:
 - As local leadership and expertise is essential, we start with recruitment of local country manager. The country manager will define the office and atelier location (close to homeless, availability of labour, materials and taking into consideration local regulations and subsidies)
 - There are three ways to produce:
 - Start our own production facility
 - Acquire a production facility to leverage existing infrastructure and expertise
 - Work with partners, with whom we lock in our values (working exclusively with people with distance to labour market) in a partnership agreement



International production expansion is done in 3 phases and is self funded (no additional financing needed from Dutch foundations)

	1 Launch new country, production in NL	2 Set up local production	3 Ongoing local production
How it works	<ul style="list-style-type: none"> Local office team set up Production in Dutch atelier 	<ul style="list-style-type: none"> Local office team up & running Local atelier team set up Atelier founded / acquired 	<ul style="list-style-type: none"> Local office team up & running Local atelier team up & running Atelier up & running
Costs to be covered	<ul style="list-style-type: none"> Local office team salaries Overhead costs (e.g. small office lease) Sheltersuit products bought at transfer price from NL* 	<ul style="list-style-type: none"> Local office team salaries Local atelier salaries Atelier set-up one-off investment Overhead (small office, atelier rent etc) 	<ul style="list-style-type: none"> Local office team salaries Local atelier salaries Write-off investment** Overhead (small office, atelier rent etc)
Financing method	<ul style="list-style-type: none"> Local fundraising; level fundraising equals cost base 	<ul style="list-style-type: none"> Local fundraising; level fundraising equals cost base (ongoing costs + annual write off investment**) Loan equals investment needed 	<ul style="list-style-type: none"> Local fundraising; level fundraising equals cost base (ongoing costs + annual write off investment**) Pay off loan in line with write-off

Visualisation (conceptual)



* Exact transfer TBD; price minimum at cost price and lower than 3rd party price

** write off in 5 or 10 years (TBD)