

Programme Overview Up-Scaling

<p>What is the objective of the Up-Scaling Programme?</p>	<p>With the Up-Scaling Programme, DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH finances investments of young small and medium-sized enterprises (SMEs) aimed at scaling innovative business models with high development impact.</p>
<p>Who is the target group?</p>	<p>Young SMEs in the FinTech Sector or with embedded finance¹ components in Developing Countries (OECD-DAC List), or young SMEs in the GreenTech Sector, preferably in Africa.</p>
<p>What are the funding conditions?</p>	<ul style="list-style-type: none"> • Minimum total investment size required is equivalent of 1.0 Mio. EUR. • DEG provides funding of 500,000 to 749,000 EUR, which must be repaid in the event of success of the enterprise (depending on pre-defined (financial) targets such as revenue, profit and future fund-raising). DEG funding shall not exceed 50% of total investment. • Matching funds must come in the form of fresh cash-injection and minimum 25% of total investment must be equity. • Repayment within five years; no interest charge applies; no collateral required. DEG charges a one-time monitoring fee of 20,000 to 30,000 EUR. • The Up-Scaling agreement contains an option clause, allowing DEG to participate in a follow-on investment round with equity investment of up to 4 Mio. EUR.
<p>What are the requirements?</p>	<p>The Programme addresses private companies that fulfil the following requirements:</p> <ul style="list-style-type: none"> • Innovation and Scalability: The company employs an innovative and scalable business model approach. • Track Record: The company is in operations for at least 12 months and has earned revenues of minimum 50,000 EUR. At least one (preferably audited) financial statement has to be presented by the company. • Investor: A (financial or impact) investor plans to invest a substantial share in the company. This investor is actively involved in the company. • Financial Sustainability: The company is expected to reach break-even within 2 years after the Up-Scaling investment and to generate enough cash-flow from its

¹ Embedded Finance: integrating a financial service or technology with a traditionally non-financial service, product, or technology (payment processing, lending services, digital wallets, debit / credit cards, insurance, investment). The company already generates revenue through this integration, or the current business plan credibly shows that the company will generate such revenue over time.

	<p>operations for the Up-Scaling funds to be repaid within five years.</p> <ul style="list-style-type: none"> • Extraordinary Growth: The company shows high growth potential owing to the size of the market and the target group. • Adequate Management: The company has the management capacity, human resources and know-how to substantially scale its activities. • Development Impact: The company and its investment generate positive development effects. 	
How is the Programme implemented?	<ul style="list-style-type: none"> • Interested companies can submit an investment proposal for funding anytime (please refer to DEG's webpage for the application form). It is advised to consult with the DEG Up-Scaling team by sending a teaser (1-2 pages) before handing in a fully elaborated investment proposal. • After receiving the investment proposal, DEG performs a first assessment and decides whether to follow-up on the proposal. • For the following clearance in principle, the company should provide a business plan and financial projections covering the next five years. • The final assessment (due diligence) comprises a rigorous appraisal of the company including a visit in the country of operations and meetings with (potential) customers. • The final decision on funding of a company will be taken by DEG's internal investment committee. 	
Who is your contact person?	DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH	
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For relevant templates for the investment proposal and further information, please see DEG's website: www.deginvest.de/upscaling.