



INVESTMENT CRITERIA

INVESTMENT CRITERIA FOR THE RWANDA INNOVATION FUND MANAGED BY ANGAZA CAPITAL

Introduction:

The Rwanda Innovation Fund is a venture capital fund that aims to invest in tech-enabled startups in Rwanda and the rest of Africa. The Fund's goal is to support the growth and development of innovative businesses that are poised to disrupt traditional markets and drive economic growth in the region. The Fund's focus is on investing in startups that have the potential to create significant social and economic impact, as well as generate high financial returns for its investors. The fund is managed by Angaza Capital

Investment Strategy

The Fund will invest in tech-enabled startups with a focus on growth-stage companies that have a proven product or service and have demonstrated traction in their respective markets. The Fund's target investment size usually ranges from \$250,000 to \$2 million, with a typical hold period of 5-7 years. The Fund will consider technology startups in ESG-friendly sectors.

Geographic Focus:

The Fund invests primarily in startups based in East Africa, with a focus on Rwanda. The Fund's portfolio is comprised of 3 categories:

1. Rwanda Based: headquarter of the company is in Rwanda or it has operations in Rwanda.
2. Regional/East Africa focus: headquarter of the company is in any country of the East African Community (EAC) or it has operations in the EAC.
3. Tech-transfer from international companies setting up local operators & companies based in the wider African market.

Investment Criteria:

a. Stage

Focus on growth stage companies (post early stage and before maturity that allows them to access banking industry and capital markets funding). The investment are done at seed round to B-round

b. Company traction and metrics

- Companies that can demonstrate yearly revenue between U\$50,000 and U\$5 million.
- Companies should be able to show momentum in revenue, regulatory approvals, impressive awards with unique validation, IP or patented innovation.
- Companies must have the ability to scale across borders.

c. Management Team

The fund prioritises companies with a strong and experienced management team, who have a track record of success in their respective industries.

d. Sectors

ESG-friendly sectors, including but not limited to: fintech, edtech, SME productivity and digitization, clean mobility, agtech, healthcare, and clean energy.

e. Other considerations

- Companies must have a strong technology as assessed in the tech due diligence process
- Strong references from clients or users

Exit Strategy:

The Fund looks for companies that have the potential for a strategic acquisition or IPO within 5-7 years of our investment.

Investment Process:

The Fund will employ a rigorous investment process to ensure that only the most promising startups are considered for investment. The investment process will be comprised of the following stages:

1. Identifying prospects

Potential investment opportunities are collected from a variety of sources, and companies interested in accessing RIF funding can submit their information through an online questionnaire available at <https://www.angazacapital.com/the-rwanda-innovation-fund>. The fund manager will shortlist companies that align with the investment criteria.

To start the screening process, the minimum requirements for a company are the following:

- Company, problem, and business model description (one pager)
- Investor pitch deck
- Elevator pitch video (1 minute)
- 5 year financial projections
- Company's core values

2. Initial Screening:

An initial screening call is conducted to obtain additional information from the company. Some of the topics that are discussed include:

- Alignment with the Fund's investment strategy and focus areas
- Market size and growth potential
- Unique value proposition and competitive advantage
- Strong founding team with relevant experience and skills

3. Due-Diligence (DD):

When the initial screening has been completed successfully and there's a preliminary approval by the Investment Committee, the fund manager will prepare a comprehensive due diligence report, which includes:

- Detailed financial analysis and projections
- Market and competitive analysis

- Customer validation and traction
- Intellectual property analysis
- Robust and transparent governance practices
- Confirmation of key performance indicators and traction metrics
- Legal and regulatory compliance

4. Investment Committee (IC):

If previous steps have been completed successfully, the investment opportunity is presented at the Investment Committee for final approval.

Companies that are approved by the Investment Committee need to complete a legal due diligence and financial structuring process before the investment is completed.

Conclusion:

The Rwanda Innovation Fund is committed to investing in tech-enabled startups that have the potential to create significant social and economic impact, as well as generate high financial returns for its investors. The Fund's investment strategy and screening process are designed to ensure that only the most promising startups are considered for investment. The Fund is excited to support the growth and development of innovative businesses that are poised to disrupt traditional markets and drive economic growth in Rwanda and across Africa.

Disclaimer:

This criteria document is not exhaustive and the Fund reserves the right to make exceptions in certain cases.

Please note that meeting these criteria does not guarantee that the Fund will invest in a company. Each investment opportunity will be evaluated on a case-by-case basis.

Contact Information:

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