

Pre-Qualification Criteria and Operational Framework for On-boarding Companies to the ENDELEZA Program

A. Background

The ENDELEZA Program is an acceleration program established by the Dar es Salaam Stock Exchange aimed at unlocking capital for SMEs that are not yet ready to list publicly. It is a Private Market Financing Platform that enables qualifying SMEs to access structured finance through private equity, private debt, and blended finance instruments - without undergoing full public listing requirements.

B. Pre-Qualification Criteria for Onboarding to the ENDELEZA Program

A company must meet the following criteria to be considered for on-boarding:

1. Legal and Compliance Requirements

- i)** Must be a registered company (either private or public) under Tanzanian laws - not a sole proprietorship.
- ii)** Must have a valid Business License relevant to its sector of operation.
- iii)** Must provide proof of annual returns filed with the Company Registrar (BRELA).
- iv)** Must possess a valid Tax Clearance Certificate and demonstrate good tax compliance.

2. Financial Standing

- i)** Minimum net asset value of USD 500,000.
- ii)** An average annual turnover: USD 600,000 to USD 3 million plus based on audited financial statements for the past three consecutive years.
- iii)** The proposed capital to be raised: USD 100,000 – USD 5 million plus
- iv)** Must have audited financial statements for the past three consecutive years, prepared in accordance with IFRS or equivalent accounting standards.
- v)** Some of investors may be either be require additional requirements or be more flexible due to their organizational policy, objective and risk appetite.

3. Governance Requirements

- i) A lean board of 3–5 directors (including at least 1 independent).
- ii) Some of investors may require additional requirements aligned with their organizational policy, objective and risk appetite.

3. Business Readiness

Must have a well-defined business profile, including:

- i) Clear use of funds and evidence of a sustainable and scalable business model.
- ii) Strong management team and board oversight mechanisms.
- iii) Defensible market position or unique value proposition.

4. Visibility and Communication

- i) Must have a functioning corporate website prior to onboarding to Endeleza platform.
- ii) Willingness to maintain regular disclosures on business performance and progress, through the ENDELEZA Platform.

5. Commitment to Capacity Building

- i) The company's key executives (CEO, CFO, etc.) must commit to participate and completing the DEAP training program¹ covering strategy, governance, finance, risk management, etc.
- ii) Willingness to implement best practices in corporate governance, financial management, and sustainable business practices.

C. Operational Framework for the ENDELEZA Platform

The operational framework follows a structured three-phase model integrated as outlined below:

Phase 1: Pre-Acceleration (Eligibility and Screening)

- i) **Application Submission:** Prospective companies submit an application and board resolution authorizing participation.

- ii) **Screening & Due Diligence:** DSE verifies eligibility against pre-qualification criteria.

Phase 2: Acceleration Program (Capacity Building and Profiling)

- i) **Coaching and Mentorship:** Tailored support to improve investment readiness.
- ii) **Profiling on ENDELEZA:** Companies are showcased on the ENDELEZA platform to increase visibility among potential investors.

Phase 3: Capital Raising and Investor Matching

- i) **Investor Engagement:** Companies interact with DFIs, PE/VC funds, and banks, facilitated by DSE.
- ii) **Transaction Advisory Support:** Companies receive support in deal structuring.
- iii) **Investor Matching:** Based on readiness, companies raise capital through ENDELEZA's structured deal room.

D. Ongoing Engagement

- i) Companies maintain updated profiles on the platform and continue receiving mentorship as they scale.
- ii) DSE monitors post-funding performance and prepares eligible companies for eventual public listing on the EGM² or Main Investment Market Segment (Main Board).