KENYA DEVELOPMENT CORPORATION

KDC PRODUCTS AND SERVICES

INTRODUCTION

Kenya Development Corporation (KDC) is Kenya's single cross-sector Development Finance Institution (DFI), established to serve as a strong and unified vehicle with the scale, scope, and resources to play a catalytic role in the country's socio-economic development. We provide long term and other financing alongside strategic business advisory services to unlock Kenya's full development potential.

VISION

A globally competitive development finance partner

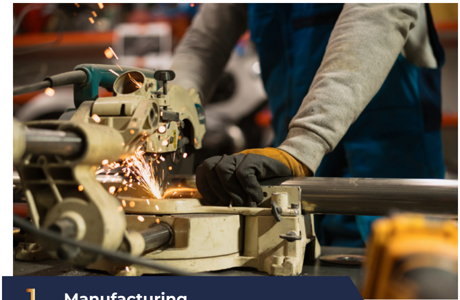
MISSION

To provide financial and technical support to medium and large-scale enterprises for sustainable socio-economic development.

CORE VALUES

Customer-Centric, Integrity, Sustainability, Inclusivity, Collaboration

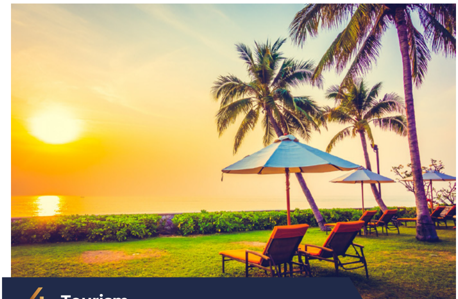
THE SECTORS OF FOCUS ARE:



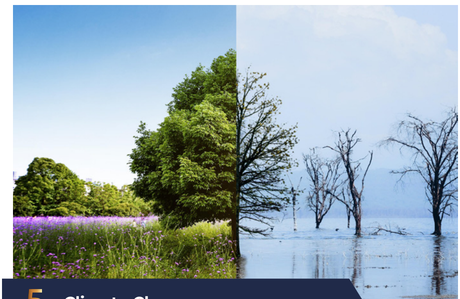
1 Manufacturing

2 Health

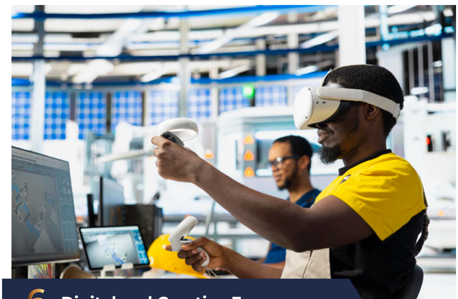
3 Post Harvest Management



4 Tourism



5 Climate Change

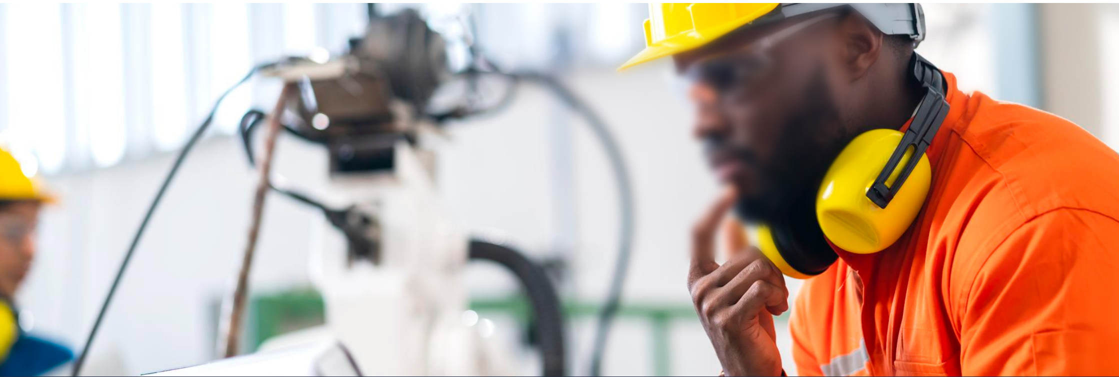


6 Digital and Creative Economy

SECTOR
BASED PRODUCTS

1. KDC SECTOR BASED PRODUCTS

KDC provides innovative financial solutions to investors in its sectors of focus through Debt facilities, Equity investment and Advisory services.



1. WORKING CAPITAL FACILITIES

1.1 Working Capital Term Loan Facility

Loan Purpose	To finance working capital requirements such as purchase of raw materials, supplies, contracts, orders or other operating expenses.
Target Market	All KDC Sectors of focus
Facility Structure	Term loan with flexible repayments aligned to business cash flow patterns.
Loan amount:	Minimum Kshs 5 million
Pricing	Attractive rates and fees
Tenor	Up to 5 years inclusive of up to 6 months grace period.
Repayment	Flexible payment options tied to cash flow cycle, monthly, quarterly or bullets repayments.
Key Requirements	• **Legal status:** Must be a registered business or co-operative in Kenya. • **Operational track record:** At least 3 years of operations. • **Banking & compliance:** 12 months bank statements.

1.2 Aggregator Working Capital Facility

Loan Purpose	Purchase of produce during peak seasons; short-term storage, sorting/grading, packing and transport to buyers or off-takers
Target Market	**Sector:** Post-harvest management. **Target clients:** Aggregators of cereals, pulses, horticultural produce, dairy and other perishable or non-perishable agricultural products in Kenya including registered aggregators, wholesale traders and farmer/producer cooperatives.
Facility Structure	• Revolving facility limit • Renewable annually subject to performance
Loan amount:	Minimum Kshs 5 million
Pricing	Attractive rates and fees
Tenor	3 to 12 months as per the terms of the contract or sales cycles.
Repayment	Flexible payments or structured instalments tied to sales milestones or terms of the contract
Key Requirements	• **Legal status:** Must be a registered business or co-operative in Kenya • **Operational track record:** At least 12 months or two seasons of aggregation operations • **Banking & compliance**: 12 months bank statements • **Buyer contracts or sales pipeline:** Evidence of valid purchase orders, supply contracts or repeat sales history.

1.3 Pre-Export Finance Facility

Loan Purpose	Purchase of inputs, agricultural produce, processing, packing, certification, logistics and pre-shipment costs directly related to confirmed export orders.
Target Market	**Sector:** Post-harvest management – Exporters of agricultural produce and manufactured goods covering diverse value chains within the sector
Facility Structure	Revolving facility limit that allows multiple drawdowns whose repayments are tied to export receivables.
Loan amount:	Minimum Kshs 5 million
Pricing	Attractive rates and fees
Tenor	12 months renewable based on performance.
Repayment	Structured payments tied to receipts.
Key Requirements	• **Legal status:** Must be a registered exporter in Kenya and a member of Fresh produce Consortium of Kenya or other recognized associations • **Operational track record:** At least 2 years of operations • **Valid export orders:** confirmed purchase order, confirmed L/C from acceptable bank, or buyer contract • **Quality & compliance:** Evidence of compliance with destination market standards such as phyto, HACCP, or organic standards where applicable. • **Banking & compliance:** 12 months bank statements.

1.4 Receivables Financing Facility

Loan Purpose	Financing working capital requirements of businesses to enable them continue their day today operations as they await payment from their major off-takers and customers.
Target Market	**Sectors:** Health, post – harvest,manufacturing:
Facility Structure	Revolving facility limit renewable annually based on performance
Loan amount:	Minimum Kshs 5 million
Pricing	Attractive rates and fees
Facility Tenor	1 year renewable based on performance
Repayment	Structured payments tied to reciepts
Key Requirements	• **Legal status:** Must be a registered business in Kenya • **Operating duration:** At least 3 years operating track record • **Banking & compliance:** 12 months bank statements • **Creditworthiness of debtor:** with established payment history • Assignment of receivables

2. ASSET FINANCE FACILITY

Loan Purpose	Purchase of additional assets required for company operations or expansion including machinery, equipment and non- PSV commercial vehicles
Target Market	All KDC sectors of focus
Facility Structure	Structured as a term loan with flexible repayments over a set duration
Loan amount:	Minimum Kshs 5 million
Pricing	Attractive rates and fees
Facility Tenor	Upto 7 years inclusive of upto 12 months grace period.
Repayment	Flexible payment options tied to cashflow cycle, monthly, quarterly or bullets repayments
Key Requirements	• **Legal status:** Must be a registered business or co-operative in Kenya • **Operational track record:** At least 3 years of operations • **Banking & compliance:** 12 months bank statements, • **Financial viability:** over the loan duration – ability to service the debt

3. PROJECT FINANCE FACILITY

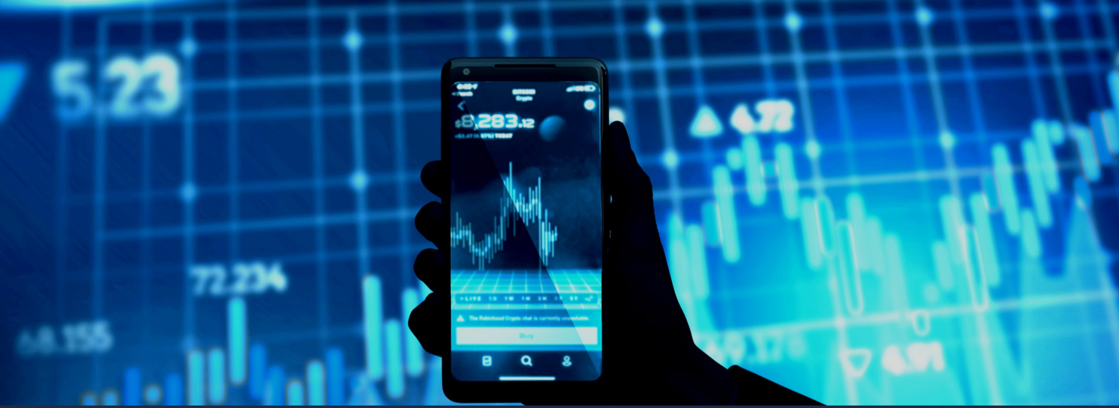
Loan Purpose	Financing new green field projects, expansion or diversification projects with funds for construction, purchase of machinery, plant, equipment and working capital to operationalize the project.
Facility Structure	Structured as a term loan with flexible repayments over a set duration
Loan amount:	Minimum Kshs 10 million
Pricing	Attractive rates and fees
Facility Tenor	Up to 15 years inclusive of upto 2 years grace period.
Repayment	Flexible payment options tied to cashflow cycle, monthly, quarterly or bullets repayments
Key Requirements	• **Legal status:** Must be a registered business or co-operative in Kenya • **Viability:** financial viability and technical feasibiliy • **Operational track record:** At least 3 years of operations for existing businesses • **Banking & compliance:** 12 months bank statements for existing businesses, • Financial viability and technical feasibility • **Project risk share:** contribution of at least 33% of project cost by project promoters

4. GREEN FINANCING FACILITY

Loan Purpose	This facility is for financing the establishment or expansion of medium and large-scale financially viable green investments with measurable climate impacts. Supporting acquisition of green assets and working capital.
Target Market	**Target clients:** SMEs, large investors implementing financially viable green projects in renewable energy, water & sanitation, circular waste management, sustainable agriculture value-chain equipment and green buildings construction materials.
Facility Structure	• Green project finance, green asset finance, green working capital or green equity investment based on financing requirements. • Financing technical assistance facility where needed
Loan amount:	Minimum Kes. 10 million for equity and project finance and Kes. 5 million for asset and working capital finance
Pricing	Attractive rates and fees
Tenor	Between 5 to a maximum of 15 years depending on product, size, complexity and stage of life cycle of the business
Repayment	Flexible payment options tied to cashflow cycle, monthly, quarterly or bullets repayments
Key Requirements	• **Borrower profile:** Must be a registered entity in Kenya. • **Operational track record:** At least 3 years of operation for expansion project • **Banking & compliance:** 12 months bank statements for existing businesses. • Financial viability and technical feasibility • **Technical eligibility:** Measurable and verifiable environmental impacts on climate change mitigation or adaptation.

5. DIGI- FINANCE FACILITY

Loan Purpose	This facility is for financing financially viable investments in the digital and creative sector to establish or scale up their operations.
Target Market	**Target clients:** SMEs in need of financing to establish or expand investments in IoT and smart technologies, fintech, e-commerce, digital trade platforms, digital infrastructure, film production, music, gaming and e-sports or any other innovative investments in these sectors
Loan amount:	Minimum Kes. 5 million
Pricing	Attractive rates and fees
Tenor	Based on project life cycle upto a maximum of 10 years inclusive of moratorium of up to 24 months
Key Requirements	• **Legal status:** Must be a registered business in Kenya • **Project eligibility:** Investments with at least 2 years operations or demonstrable prototypes, proof of traction (MVP, users, contracts, accelerator participation, digital transaction history) • **Financial viability:** Profitability, cashflow sustainability and investment returns. • **Banking & compliance:** 12 months bank statements • Evidence of valid contracts or demonstration of clear market and demand and scalability. • **Project risk share:** contribution of at least 33% by project promoters



6. KDC WHOLESALE FINANCE FACILITY

Loan Purpose	To provide liquidity to the financial intermediaries supporting MSMEs for on-lending to the MSMEs so as to enhance their financial inclusion
Target Market	**Financial Intermediaries/Institutions (FI's) including:** • Commercial Banks focusing on MSMEs financing • Licensed Digital Credit Providers (DCPs) • Microfinance Banks (MFBs), • Savings & Credit Cooperatives (Saccos), • Government Financial Agencies directly financing MSMEs
Facility Structure	• Term loan with Staggered Drawdown based on absorption rate and quality of the created portfolio.
Loan amount:	Minimum Kshs 10 million
Pricing	Attractive rates and fees
Tenor	3 to 10 years.
Key Requirements	• **Legal status:** Must be a registered financial institution or co-operative in Kenya. • **Operational track record:** At least 3 years of operations • **Financial Viability:** Profitability, Cashflows, DSCR. • Regulatory compliance • A well defined governance structure • Existence of relevant products supporting the MSMEs • **Customer outreach:** Physical outreach, extent of outreach and client distribution • **Product pricing:** Realistic product pricing in line with KDC financing • ESG compliance

7. EQUITY FACILITIES:

7.1 KDC Ordinary Equity Facility

Facility Objective	To provide patient risk capital through acquisition of ordinary shares in commercially viable enterprises
Investment Purpose	The equity proceeds may be used for business expansion and diversification, financing investment startups and innovations, or for balance sheet restructuring in special circumstances to improve leverage ratios of existing KDC clients.
Target Market	• Medium and large enterprises in KDC's sectors of focus • High-growth SMEs transitioning to mid-cap enterprises in KDC's sectors of focus • Strategic start-ups with scalable business models • Businesses requiring long-term capital not suitable for traditional debt
Facility Structure	• Minority equity stake upto a maximum of 30% • Governance features defined in shareholder agreements
Investment amount	Minimum Kshs 10 million
Investment Horizon	Up to 10 years
Key Requirements	• **Legal status:** Must be a registered business in Kenya. • **Operational track record:** At least 3 years of operations for expansions and diversification • **Banking & compliance:** 12 months bank statements. • Financial, commercial and technical viability with ability to scale. • Reasonable leverage levels • Clear valuation model or comparable analysis • Defined exit strategy

7.2 KDC Redeemable preference Capital Facility

Facility Objective	To provide long-term, structured quasi-equity capital through subscription to preference shares in commercially viable enterprises that require capital strengthening without immediate dilution of control or excessive debt burden.
Investment Purpose	The equity proceeds may be used for business expansion and diversification, financing investment startups and innovations, or for balance sheet restructuring in special circumstances to improve leverage ratios of existing KDC clients.
Target Market	· Medium and large enterprises in KDC's sectors of focus · Growth stage SMEs seeking capital without dilution of control · Strategic start-ups with scalable business models · Businesses requiring long-term capital not suitable for traditional debt
Facility Structure	Preference share capital offers a lot of flexibility in structuring to suit investor needs and the corporation's requirements including Redeemable Preference Shares, Cumulative Preference Shares, Convertible Preference Shares etc.
Investment amount	Minimum Kshs 10 million
Investment Horizon	Up to 10 years
Key Requirements	• **Legal status:** Must be a registered business in Kenya. • **Operational track record:** At least 3 years of operations for expansions and diversification • **Banking & compliance:** 12 months bank statements, Financial, commercial and technical viability with ability to scale and predict cashflows. • Reasonable leverage levels • Clear valuation model or comparable analysis • Defined exit strategy

2. ADVISORY SERVICES

This service is tailored to help SME's secure investment, manage risk and achieve sustainable growth.

Product	What is it?	Who is eligible
Project Preparation	Technical Assistance offered to KDC clients to strengthen their business plans, financial models, and project documentation so to increase project bankability and enhance the likelihood of accessing funding.	Clients applying for financing from KDC with strong business prospects but inadequately packaged proposals
Feasibility Study	Technical Assistance in preparation of feasibility studies and business plans to determine viability of a business proposal with a view to securing funding.	Prospective investors with business ideas looking to package them into bankable proposals to enable them source for appropriate funding.
Fundraising	Technical assistance offered to strategic investors with large investments requiring co-financing mechanisms with other financial institutions or private investors.	Investors with large bankable investments exceeding KDC's financing limits.
Capacity Building	Strengthening SME capabilities in corporate governance, regulatory compliance, financial management, risk management, and operational efficiency; promoting resource efficiency and sustainable business practices, and supporting business restructuring for long-term sustainability	SMEs in KDC's sectors of focus and KDC customers

SCAN ME

For Sustainability and Green Financing Strategy

KENYA DEVELOPMENT CORPORATION

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