


Development & Growth Program


Executive summary of the main features



ABOUT D&G PROGRAM

The purpose of the Development & Growth Program is to *promote the creation of investment funds that allow the financing and development of Chilean companies with high growth potential and that are in expansion stages.*

For this, the Investment Funds may use the available resources to make capital contributions that allow them to acquire equity participation in the scaleups and thus actively participate in the portfolio companies.

Credit Line Characteristics

To the Investment Funds incorporated in Chile, which have applied and comply with the requirements of the Program's legal regulations, CORFO's Venture Capital Committee may approve Credit Lines up to a maximum amount of 50% of the private contributions committed in the Fund's capital.

The minimum amount of the Credit Lines is US\$6.6 million and may reach a maximum of approximately US\$35 million.



Credit terms and conditions

The loans granted under the approved Credit Line must be repaid to CORFO within a term that may not exceed fifteen years from the date of the Credit Line Opening Agreement, or the term of the Fund, whichever is less, without prejudice to the prepayment obligation established in the Program's legal regulations.

These loans will accrue interest at the 10-year BCU rate for loans denominated in Unidades de Fomento (UF), which will be calculated as capitalizable annually.

Companies subject to investment

The companies in which the Fund will invest must comply with the following requirements:

- i) **Be legally and physically incorporated in Chile** as a corporation (S.A.), joint stock company (SpA), or Companies governed by the Mining Code.
- ii) Have a maximum sales level of US\$26 million in the last twelve months.

It should be noted that after 60 months, counted from the date of execution of the "Credit Line Opening Agreement between the Administrator on behalf of the Fund and CORFO", the Fund must have credited investments against the granted Credit Line, for a minimum amount of 60% of the Credit Line approved by the Venture Capital Committee.



Fund Liquidation

At the time of final liquidation of the Fund, the resulting amounts will be distributed according to the value of the Unidad de Fomento de Chile at the time of payment and in accordance with the following priority:

- 1° Interest accrued and unpaid on the loans granted by CORFO.
- 2° Original capital of the CORFO loans, minus previous capital payments.
- 3° Original Contributions made by the Private Investors.
- 4° Payment to CORFO of contingent interest at the 10-year BCU compound rate + 2%.

(the payment of this interest will not take place in the event that the Fund is qualified as one that invests in companies inserted in strategic areas defined by CORFO).

- 5° Remaining amount to be distributed to private investors and the Fund Manager, in accordance with the provisions of the Fund's Internal Regulations.



How to apply?

The background information that the Fund Administrators must submit in order to apply to our Credit Lines is established in the Regulations of each Program (which we suggest you read in detail). This background information is condensed in the following four items:

- i) **Background of the Fund and the Administrator** both constituted in Chile (track record of the team, legal constitution and validity, financial, economic, etc.).
- ii) **Draft Internal Regulations of the Fund**, including as a minimum required basis, those provisions established in the current Regulations of the Program to which the applicant is applying.
- iii) **Contribution commitments of the private investors**, corresponding to 100% of the Fund's committed capital, which must be consistent with the Credit Line requested. It should be noted that the structure of the Fund's Contributors must comply with the requirements established in the Program.
- iv) **Proposal and Business Plan of the Investment Fund**, including at least the information required in the Program Regulations.



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