



DILIGENCE AFRICA

**STANDARD DUE DILIGENCE REPORT  
for Seed Startups to Pre-Series A Startups**

Diligence Scope	Diligence Coverage Areas	Information Required	Available	Not Applicable	Notes	
A.	<b>Legal Diligence</b>	<b>1. Details of Company Personnel - CEO, COO, CTO, CFO, VPs, Key management staff, Director where applicable</b>	a. Resumes of all key management team members b. Employment agreement incl. compensation (base salary, bonus, stock options, etc.) c. Personal references from former colleagues and investors			
		<b>2. Detailed organization chart (with compensation of key employees on the Organizational Chart)</b>	a. Detailed organogram with roles of each person on the company's payroll b. Last 6-months payroll c. Hiring projections by functional areas and locations for the next 4 Quarters d. List of all Human Resources related issues that the department or HR manager has had to deal with			
		<b>3. Board of Directors</b>	a. Bios & contact information b. Affiliation (Who do they represent) & other board activities c. Board committees and members if any d. List of former directors and senior executives who have left during the last three years, with brief details why they left			
		<b>4. Key investors and shareholders</b>	a. List of key investors in the company along with details of holdings, amount invested, with dates and type of investment etc. (cap table) b. What current employees or Directors of your startup (or any of any of your subsidiaries), if any, hold stock, options, warrants or other ownership interests in the Company? And if so, list name of the individual, the date of acquisition of the ownership interest and the percentage ownership (on a fully-diluted basis). c. Do the founders own interest either directly or indirect through beneficial ownership in any business or company other than this startup? d. Details of any restrictive covenants, confidentiality provisions and 'golden parachutes'.			
		<b>5. Corporate Information and Documents</b>	a. Articles/Certificate of Incorporation and amendments b. Bylaws and amendments c. Minutes of Board of Directors meetings (including committees) and all Board Consents d. Minutes/Consents of Shareholders meeting e. Share option plan and form agreements. Please include a description of any employees or others who hold options or stock for which the vesting accelerates upon a change of control or other events. f. Any material agreements between the Company and any officers, directors or shareholders g. Lists of any subsidiaries and corporate documents, such as Articles/Certificate of Incorporation, Bylaws, minute books related to such subsidiaries.			
		<b>6. Litigation</b>	a. Pending or threatened disputes and investigations b. Litigation (current or in the past)			
B	<b>Financial Diligence</b>	<b>1. Historical</b>	a. Audited financial statements (consolidated and by subsidiaries) for the last 3 years or Management accounts for the last 3 years where audited financials are not available			

			b. List of Accounting software used by the company.			
			c. List of vendors, their products, and the contracts with the company			
			d. Quarterly statements for the last 3 years (Balance Sheet, Income statement and Cash Flow statement)			
			e. Provide bank-certified account statements for the past three (3) years			
			f. List of all company bank accounts and their account details within and outside country of operations			
		<b>Lease, Property and Tenancy</b>	Property lease/ tenancy and maintenance agreements entered and owned by the company			
		<b>Loan Agreements</b>	j. Summary of loan agreements including security pledged, credit lines			
			k. Provide copies of the actual loan agreements			
			l. Details of loans with affiliates, subs & related parties to be provided separately			
			m. Contingent liabilities (off balance sheet items)			
		<b>Related Party transactions</b>	a. Are any payments made to key employees' family members, related parties or related companies? If yes, provide details			
			b. Are any payments made to families of any directors or team member or related parties or related companies? If yes, provide details			
		<b>2. Investment</b>	a. Detailed capitalization table, in addition to the list of each stockholder, and each option, warrant, or convertible debt holder, include the following information:			
			i. How much has been raised to date			
			ii. When			
			iii. At what valuations			
			iv. Number of employees at the time of the raise			
			b. All agreements related to any Preferred Stock financings			
			c. Ordinary Share Purchase Agreements (including all exhibits)			
			d. SAFE/ Debt/Convertible Loan/Warrant financing (including all exhibits)			
<b>C</b>	<b>Intellectual Property</b>	<b>IP/ Trade secrets/ Copyrights</b>	a. List all trademarks, trade names and service marks and any filings the Company has made related to these, and any claims made against the company			
			b. Patents (titles, patent number, serial number of issued and pending)			
			c. Provide a copy of the form of Invention Assignment and Confidentiality Agreement that you require all employees to sign			
			d. License agreements involving patents, trade secrets or other Intellectual Property			
<b>D</b>	<b>Regulatory Compliance (Labor, Licenses, and Industry-specific diligence)</b>	<b>Licenses and Partnerships</b>	a. A list of regulatory licenses required by the company and a list of regulatory licenses owned by the company.			
			b. A list of licenses used by the company but not owned directly by the company			
			c. License agreements involving patents, trade secrets or other Intellectual Property			
			d. Joint Venture, strategic alliance, and corporate partnerships			
			e. Non-compete agreements			
			f. Any agreements with major competitors or strategic partners			
			g. Any other material agreements			
<b>E</b>	<b>Tax Diligence</b>	<b>Tax Documents</b>	a. Documents relating to tax details, filings and documentation obtained and filed by the company, including tax certificates or returns.			
			b. Also confirm if there are any outstanding tax liabilities or unresolved issues with the tax authorities			
<b>F</b>	<b>Product Technology Diligence</b>	<b>Technology</b>	a. Provide R&D roadmap in summary format (1-2 pages)			
			b. Who owns the technology and intellectual property of the product? Pls provide documents showing this.			

			c. What third-party integrations are you using?			
			d. Has there been any known or unknown security breaches of your platform? If yes, pls provide details.			
		<b>Products/Services</b>	a. Detailed description of each product and service			
			b. Why will the company's product win in the marketplace? Who are your competitors and what makes your product more sticky than other products?			
			c. What does the company's product roadmap look like? How long can the company's advantage be sustained? What IP, etc. backs it up?			
			d. What does your onboarding process look like and how long does it take?			
			e. What are the barriers to entry for the target industry you are in?			
			f. Implementation: how easy to implement, how long does it take?			
			g. Provide the following: - number of sign-ups - number of users in total - number of monthly active users over the last 6 months - number of daily active users over the last 6 months  Preference is to have these data directly shared from the online analytics tools (Google, RevenueCat, Zendesk, Hubspot, Zoho, RevenueAnalytics, Stripe, etc) the company uses			
			h. What are the products under development?			
			i. Key technical issues and the risks to the product milestones			
<b>G</b>	<b>Fraud and AML</b>	<b>Fraud and Gross Misconduct</b>	a. What AML, KYC or FCPA policies and processes do you have in place? Please provide			
			b. Have there been any issues relating to AML/ Fraud, FCPA or CFT or other related fraud or gross misconduct issues by any one in the company or any of your customers?			
			c. Do you have provide training to your team members about AML, KYC, FCPA, CFT? If yes, share evidence of such trainings provided, state the frequency of such trainings, and who is required to attend?			
<b>H</b>	<b>Environmental, Social, and Governance</b>	<b>Policies and Reports</b>	a. Provide any policies, reports and or filings the company has created or filed related to Environmental, Social and Governance (ESG) obligations.			
			b. Details of past ESG assessments.			
			c. Copies of any notices of ESG and Safeguarding claims, violations, prosecutions, employee claims/complaints the company has had.			
<b>I</b>	<b>Online and Offline Reputational diligence on the Management team and Ultimate Beneficial Owners of the potential portfolio company</b>	<i>Diligence Africa conducts reputational diligence based on information provided by the company. No additional data is required for this.</i>				