

MY KRAFT

"FROM AFRICA AND BEYOND"



Business Plan

Prepared 2022

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Executive Summary

In the heart of South Africa, there is a marketplace that celebrates the vibrant and diverse culture of the continent. My Kraft is more than just an online store, it is a community of artists and fashion designers coming together to showcase their unique creations. It is also a platform for customers who share a passion for Africa and its rich cultural heritage. It all started with a group of three young entrepreneurs who saw a need for a platform that could help connect African artists and fashion designers with a global audience. They are passionate about preserving the rich cultural heritage of Africa and wanted to create a space where people could appreciate and celebrate the continent's beauty. The team works tirelessly to build a platform that would not only showcase the talents of African creatives but also provide a seamless shopping experience for customers. We partner with artists and designers from across the continent, carefully curating a collection of stunning art pieces, accessories, and clothing items that showcase the beauty of Africa. We hope for the marketplace to quickly gain traction, and soon, people from all over the world would be logging on to discover unique, one-of-a-kind pieces that they couldn't find anywhere else. The marketplace's impact should be felt beyond just the artists and designers who are able to sell their work. It should also be felt by the customers who have the opportunity to support and appreciate African culture in a meaningful way. As the marketplace continues to grow, the team behind will remain committed to its mission. We continue to seek out new and emerging artists and designers, providing them with a platform to showcase their work and connect with customers from all corners of the world. This is how My Kraft was born.

My Kraft

1. BUSINESS DESCRIPTION

My Kraft is an online marketplace that markets and sells African fashion, art and crafts. Created in 2022, to help fast track local and African SMEs in the creative space to be competitive in the market, we have developed an online web and mobile app marketplace, My Kraft. The interface displays products to warm up, attract, welcome and nurture both local and international buyers. We serve both formal and informal traders (only on-board registered traders on the APP and assist unregistered traders via business development, marketing and branding offerings).

1.1 Identified Problem

African Creatives have limited access to regional and global markets, and there is a lack of distribution channels for African fashion and art products.

1.2 Solution

Creating a marketplace for African fashion and art requires a well-designed solution that meets the needs of buyers and sellers, as well as protects the interests of all parties involved.

1.3 How does it work?

- As a trader you can sign up on the website, under Trader Registration, fill in your details; name of your registered business, upload the required documentation and you are ready to list your products and start selling.
- As a consumer you can visit the website to browse our extensive catalog of local brands and shop for quality local goods with no hassle. The purpose of the virtual storefront is to shop conveniently online.
- Value-Add Membership Plans are offered to registered traders on the My Kraft platform. These memberships plans are packaged in regards to:

- Sales Growth strategies that help drive sales to new/existing customers.
- Marketing and Branding Solutions which is handled by the Law Abiding Media Agency team.
- The Plans offered are packaged in order to make the membership affordable and viable. e.g. Package 1 Marketing + Branding = Sales Growth (To drive up sales, marketing [pricing strategy] and branding [packaging/affiliations] are required).

1.4 Goal for the business plan

The goal for this plan is financial: My Kraft needs a Small Business Administration (SBA) loan, and this document is one step in the process. It is also a road map for the company. The document gives all present and future employees, as well as the owner a sense of purpose that may exist without the business plan, but becomes more relevant after the business plan is written, reviewed, shared, and edited by all. It is a living document that will last far beyond the SBA loan purpose, or if that doesn't occur, to bring an investor on board. We foresee a product that has experienced significant sales growth through subscriptions, with over 10% per month in the first two years.

1.5 Company Ownership

My Kraft is Co-Founded by Ms. Nonkululeko Williams, Mr Mokete Ratlabala and Mr Amukelani Mathebula. The business is 100 black-owned and it is operating in Fourways, Johannesburg, South Africa, Gauteng, Johannesburg. Nonkululeko Williams has worked in various positions before becoming the Managing Director of My Kraft. She worked tirelessly to build the company to its current state. She holds a Diploma in Communication Science and is currently studying towards her LLB degree. Amukelani Mathebula is a creative and innovative individual with experience in retail, digital marketing, branding, and product design. His design work has been recognized on national and international levels, and he holds a BTech in Industrial Design. He is currently studying towards his Masters in Industrial Design. Mokete

Ratlabala has an N6 Diploma in Electrical Engineering and is currently studying towards a Bcompt in Accounting Science. He started his career at Small Enterprise Foundation as a junior in Management Information Systems, providing capital to businesses in underdeveloped areas. He later entered a technology development program with the Technology Innovation Agency, resulting in the creation of Energy Efficiency Technology. Despite only having 6 months of actual work experience, he has over 4 years of R&D experience in Energy Efficiency Technology.

1.6 Mission Statement

To empower African designers and artists by providing a platform to showcase and sell their unique and diverse creations to a global audience. We aim to preserve African cultural heritage, promote inclusivity and diversity, drive innovation, and contribute to sustainable economic development through ethical and fair trade practices.

1.7 Vision Statement

Our vision is to become the leading global platform for African fashion, art and crafts showcasing the rich cultural heritage and diversity of the continent. We aim to empower African artisans and designers, promote sustainable fashion and ethical practices, and connect customers around the world with unique and authentic products that inspire and celebrate Africa's creative talent.

2.ORGANISATIONAL AND MANAGEMENT STRUCTURE

The type of structure used at My Kraft is Holacracy. Overall, Holacracy encourages a flexible and adaptive approach to organizational structure and management, allowing each department to evolve and adjust as needed to meet the changing needs of the business. Using Holacracy, We will create a structure with the following departments: Chief Executive Officer (CEO): The CEO will be responsible for overall company strategy and vision. Chief Technology Officer (CTO): The CTO will be responsible for technology strategy, including software development and infrastructure. Chief Marketing Officer (CMO): The CMO will be responsible for marketing strategy, including branding, advertising, and public relations. Chief Financial Officer (CFO): The CFO will be responsible for financial strategy and management, including budgeting, forecasting, and accounting. Sales: The Sales department will be responsible for generating revenue through customer acquisition and retention. Legal: The Legal department will be responsible for legal compliance and risk management. Photography: The Photography department will be responsible for creating high-quality visual content for the company's marketing and communication channels. Design: The Design department will be responsible for creating visually appealing and user-friendly interfaces for the company's products and services. Customer Service: The Customer Service department will be responsible for providing excellent customer support and handling customer inquiries and complaints. Acquisition: The Acquisition department will be responsible for identifying and pursuing new business opportunities and partnerships. Human Resources: The Human Resources department will be responsible for recruitment, employee engagement, and performance management. Quality Control/Assurance team will be responsible for ensuring that a product meets the required quality standards before it is listed onto the marketplace and potentially released to customers. The main purpose of a QA team is to identify defects or issues in products and work to resolve them before the product is released.

2.1 Human, financial and physical resources

My Kraft is an online African fashion, art and craft marketplace that will require a range of human, financial, and physical resources. We have listed the resources:

Human Resources:

- Founders and leadership team: Individuals with experience in the fashion and art industries, as well as e-commerce, to oversee the marketplace's operations, marketing, and financials.
- Technical Team: Developers and IT professionals who can create and maintain the platform, ensuring it is user-friendly, secure, and efficient.
- Customer service: A team of representatives who can help customers with any issues that may arise, such as payment or shipping problems.
- Content Creators: Creators who can take high-quality photos, videos and write engaging product descriptions to attract buyers to the platform.
- Quality assurance team: The main purpose of a QA team is to identify defects or issues in products and work to resolve them before the product is released.

Financial Resources:

- Initial Capital: Funds to cover the cost of building and launching the marketplace, as well as advertising and marketing costs to attract customers.
- Ongoing Expenses: Costs such as server hosting, transaction fees, and employee salaries.
- Payment Gateway: A secure payment gateway for transactions between buyers and sellers, which may require fees or commissions.

Physical Resources:

- Office Space: A physical location for the company's operations, including meeting spaces for employees, and warehouse space for inventory

- **Inventory Management:** A system for storing and tracking inventory, including a warehouse or storage space, and inventory management software.
- **Shipping & Logistics:** A system for shipping products to customers, which may require partnerships with shipping providers, or in-house logistics management.

3. MARKET OPPORTUNITY

3.1 Business Goals

- **Promoting African Culture:** our key objectives to promote African culture through the sale of authentic and unique products. The business aims to showcase the rich cultural heritage of Africa and educate people from around the world about African fashion, art, crafts and culture.
- **Supporting African Artisans and Designers:** by providing them with a platform to sell their products and reach a global audience. This involves offering fair prices, providing training and resources to help them improve their skills and expand their businesses while promoting ethical and sustainable practices.
- **Generating Revenue:** the online marketplace aims to grow its customer base and increase sales through effective marketing and advertising strategies, offering competitive prices and providing excellent customer service.
- **Building a Strong Brand:** we aim to build a strong brand that is recognized for its commitment to promoting African culture, supporting African artisans and designers, and offering high-quality products and services.
- **Expanding into New Markets:** As the business grows, we aim to expand into new markets by offering a wider range of products, partnering with other businesses or organizations, and exploring new distribution channels. This could help the business reach new customers and increase its revenue streams.

3.2 The market segments:

Target Market is 3% over a time of 7 years which translates to a transaction volume of USD 450 000 000 and net fees of USD 70 million. The total addressable market is USD 13 billion now and projected to be USD 15 billion in 2023. Below is the market segments we aim to target:

- **African Diaspora:** This segment includes people of African descent living outside of Africa who are interested in connecting with their cultural heritage. They may want products that reflect their cultural identity, such as traditional African clothing or art.
- **Tourists:** This segment includes travelers who visit Africa and are interested in purchasing souvenirs or unique items that they cannot find elsewhere. They may be drawn to African fashion, art, and craft for their uniqueness and authenticity.
- **Global Fashion Enthusiasts:** This segment includes people who are interested in fashion and design from different parts of the world. They may appreciate African fashion and art for their unique designs and cultural significance.
- **Collectors:** This segment includes individuals who are interested in collecting art and craft from different parts of the world. They may appreciate African art and craft for their cultural significance and unique designs.
- **Home Decor and Interior Design:** This segment includes individuals who are interested in home decor and interior design. They may want African art and craft products to decorate their homes with unique and culturally significant items.
- **Millennial and Gen Z:** fashion enthusiasts who are interested in unique and authentic African fashion and art pieces. This demographic is known for valuing diversity, inclusivity, and sustainability and are likely to support local artisans and small businesses.
- **Socially conscious consumers:** who are interested in supporting ethical and sustainable businesses. They may be interested in knowing the story behind each piece and how it was made, as well as the impact their purchase will have on the local community.

3.3 Competitors

The main competitors of an online marketplace for African fashion, art, and crafts would be other e-commerce platforms that specialize in selling handmade, unique, or culturally significant products. Some examples of such platforms include Etsy, Amazon Handmade, and Artful Home. Additionally, there may be other niche online marketplaces that focus specifically on African fashion, art, and crafts, such as Afrikrea and The African Artisan. Traditional brick-and-mortar retailers and marketplaces could also be considered competitors, as they may offer similar products and have established customer bases. However, an online marketplace for African fashion, art, and crafts could differentiate itself by focusing specifically on promoting and showcasing African-made products and cultural heritage.

3.4 Competitive Landscape

My Kraft has several competitive edges, including:

- **Unique and Authentic Products:** The online marketplace can offer unique and authentic products that are not readily available in other markets. This can attract customers who are looking for something different and culturally significant.
- **Diverse Product Range:** The marketplace can offer a diverse range of products from various African countries, including apparel, accessories, art, craft and toys. This can appeal to a broad customer base with different preferences and interests.
- **Support for African Designers:** The marketplace can support African designers and artisans by providing them with a platform to showcase their work and reach a wider audience. This can help to promote African fashion, art, and craft globally and create economic opportunities for local artisans.
- **Convenient Shopping Experience:** The online marketplace can offer a convenient shopping experience for customers, with features such as easy browsing, secure payments, and fast

delivery. This can make it easier for customers to purchase African fashion, art, and craft products from anywhere in the world.

- Social Impact: By promoting African fashion, art, and craft, the online marketplace can have a social impact by creating awareness and appreciation for African culture and heritage. This can help to promote diversity and inclusion and support local communities.

4. BUSINESS STRATEGY

4.1 Why My Kraft is considered innovative:

- Access to a wider audience: An online marketplace allows African fashion and art to be showcased to a global audience, which can increase visibility and demand for African products.
- Empowering local artisans: An online marketplace can empower local African artisans by providing them with a platform to sell their products to a larger audience, which can increase their income and economic opportunities.
- Promoting cultural heritage: African fashion and art are unique and diverse, and showcasing them through an online marketplace can promote and preserve African cultural heritage.
- Fostering creativity and innovation: An online marketplace can provide a space for African fashion and art designers to showcase their creativity and innovative ideas, which can lead to new and exciting trends in the industry.

4.2 Evidence that My Kraft is innovative and can work

There is evidence to suggest that an online marketplace for African fashion, art, and crafts can work as an innovation solution. For example, other successful online marketplaces exist, such as Etsy and Amazon Handmade, which demonstrate the viability and potential profitability of this business model. Additionally, the African continent has a rich and diverse artistic and cultural heritage, which presents opportunities for entrepreneurs and investors in the creative

industries. Furthermore, the rise of e-commerce and digital platforms has made it easier for small businesses and artisans to reach global markets, and there is a growing interest in African fashion, art, and crafts from international consumers.

4.3 Business Model Pricing Structure

- Commission-based: The marketplace charges a commission fee for each sale made through its platform. This fee is a percentage of the sale price, ranging from 10-15%, depending on the product category and seller level.
- Subscription-based: The marketplace charges a monthly or annual subscription fee to sellers for access to its platform and services, such as marketing and sales support, analytics, and customer service.
- Advertising-based: The marketplace charges sellers for premium placement or advertising opportunities on its platform to increase visibility and sales.
- Fulfillment-based: The marketplace charges a fee for handling and fulfilling orders on behalf of sellers, including shipping, packaging, and customer service.

5. MARKETING PLAN

- Online Marketplace: Create an online marketplace to sell and promote African fashion and art to a global audience. The marketplace will have a comprehensive listing of various African fashion and art items with detailed descriptions, pictures and pricing.
- Social Media Marketing: Through the use of Whatsapp, Facebook, Instagram, Twitter, Tik Tok and Pinterest. Share images and stories of African fashion and art products, their origin, the creators behind the products, and other relevant information to engage potential consumers. Utilize social media advertising to increase the reach of the content to a larger audience.

- **Influencer Marketing:** This will help create a buzz around the marketplace and drive traffic to the website. Collaborate with influencers to create engaging content, such as videos, blog posts, and images featuring products available on the marketplace.
- **Email Marketing:** Leverage email marketing to reach out to potential customers, inform them of new products, promotions and sales on the marketplace.
- **Pop-up Shops:** This is an opportunity to create a physical presence, showcase the products, and create an immersive experience for potential customers. Only Premium memberships will have access to the opportunity to showcase their products globally.
- **Collaborate with local Artists and Designers:** This will differentiate the marketplace from competitors and create unique products that appeal to a niche audience. Additionally, collaborating with local designers will provide an opportunity for them to showcase their work to a global audience. **Attend fashion events:** Attend fashion events, trade shows, and exhibitions to showcase the products and network with potential customers, designers, and artists.

5.1 Market opportunity

There is a significant market opportunity for My Kraft, as the demand for African fashion, art and crafts continues to grow both locally and internationally. Here are some factors that contribute to this opportunity:

- **Rich cultural heritage:** Africa has a rich and diverse cultural heritage, which is reflected in its fashion and art. African fashion, art and craft are unique and appealing to many people around the world.
- **Growing interest in sustainable and ethical fashion:** There is a growing interest in sustainable and ethical fashion, and many African designers and artists are already incorporating these principles into their work.

- Increasing online shopping: Online shopping is becoming increasingly popular in Africa, which makes it easier for people to buy and sell fashion and art online.
- Increasing globalization: Globalization has made it easier for African fashion and art to reach a wider audience beyond the continent.
- Rich cultural heritage: Africa has a rich and diverse cultural heritage, which is reflected in its fashion and art. African fashion and art are unique and appealing to many people around the world.
- Growing interest in sustainable and ethical fashion: There is a growing interest in sustainable and ethical fashion, and many African designers and artists are already incorporating these principles into their work.
- Increasing online shopping: Online shopping is becoming increasingly popular in Africa, which makes it easier for people to buy and sell fashion and art online.
- Increasing globalization: Globalization has made it easier for African fashion and art to reach a wider audience beyond the continent.
- The rise of African entrepreneurship: There is a growing number of African entrepreneurs who are interested in creating and promoting African fashion, art and crafts.

5.2 Value Proposition

- Authenticity: We pride ourselves on providing only authentic African fashion, art and craft products, sourced directly from local artisans and designers across the continent. Our marketplace offers a diverse range of products, from traditional hand-woven textiles to modern African-inspired clothing and accessories.
- Empowerment: By supporting our platform, you're not only celebrating African culture, but also contributing to the economic empowerment of African creatives. Our marketplace provides a platform for local artisans and designers to showcase their work to a global audience, creating opportunities for sustainable income generation.

- Convenience: Our platform is designed to make shopping for African fashion, art and craft products easy and convenient. With our user-friendly interface, you can easily browse and purchase products from the comfort of your home or office, with delivery options available worldwide.
- Community: We believe in building a community of like-minded individuals who share a passion for African culture and creativity. Our platform provides a space for artists, designers, and customers to connect, share ideas, and celebrate the diversity of African fashion, art and crafts.

6. OPERATION PLAN

6.1 Day to day operations:

- Inventory Management: This involves monitoring and updating the product listings, tracking stock levels, and ensuring that products are delivered to customers on time. The platform will require a robust inventory management system to keep track of the available products.
- Vendor Management: The online marketplace will need to work closely with vendors who supply the fashion, art, and crafts. This involves managing vendor relationships, negotiating contracts, and ensuring that vendors meet quality standards. A dedicated team will be required to manage vendor relationships and ensure that vendors comply with the platform's policies.
- Payment and Shipping: The platform will integrate a payment gateway that allows customers to make payments for their orders. Additionally, the platform will work with shipping partners to ensure that products are delivered to customers on time and in good condition.
- Customer Service: A customer service team will be required to handle customer queries, complaints, and support requests. The team will need to be knowledgeable about the platform's policies, products, and services.
- Marketing: The platform will need to engage in marketing activities to attract customers and drive sales. This involves creating content, running ads, and managing social media accounts.

- Technical Support: The platform will need to have a dedicated team of technical support staff to handle any technical issues that may arise.

6.2 Resources needed for daily operations:

- Website: The website will be easy to navigate, visually appealing, and optimized for mobile devices.
- E-commerce Platform: The platform will manage the inventory, orders, and payments.
- Payment Gateway: The platform will integrate with a payment gateway to facilitate online payments.
- Shipping Partners: The platform will work with shipping partners to ensure that products are delivered to customers on time and in good condition.
- Marketing Tools: The platform will use various marketing tools to attract customers and drive sales.



In-store technology upgrades start to develop in the global market. "QR scan or Scan and collect" options where consumers purchase items as they browse through the store is becoming a fast reality.

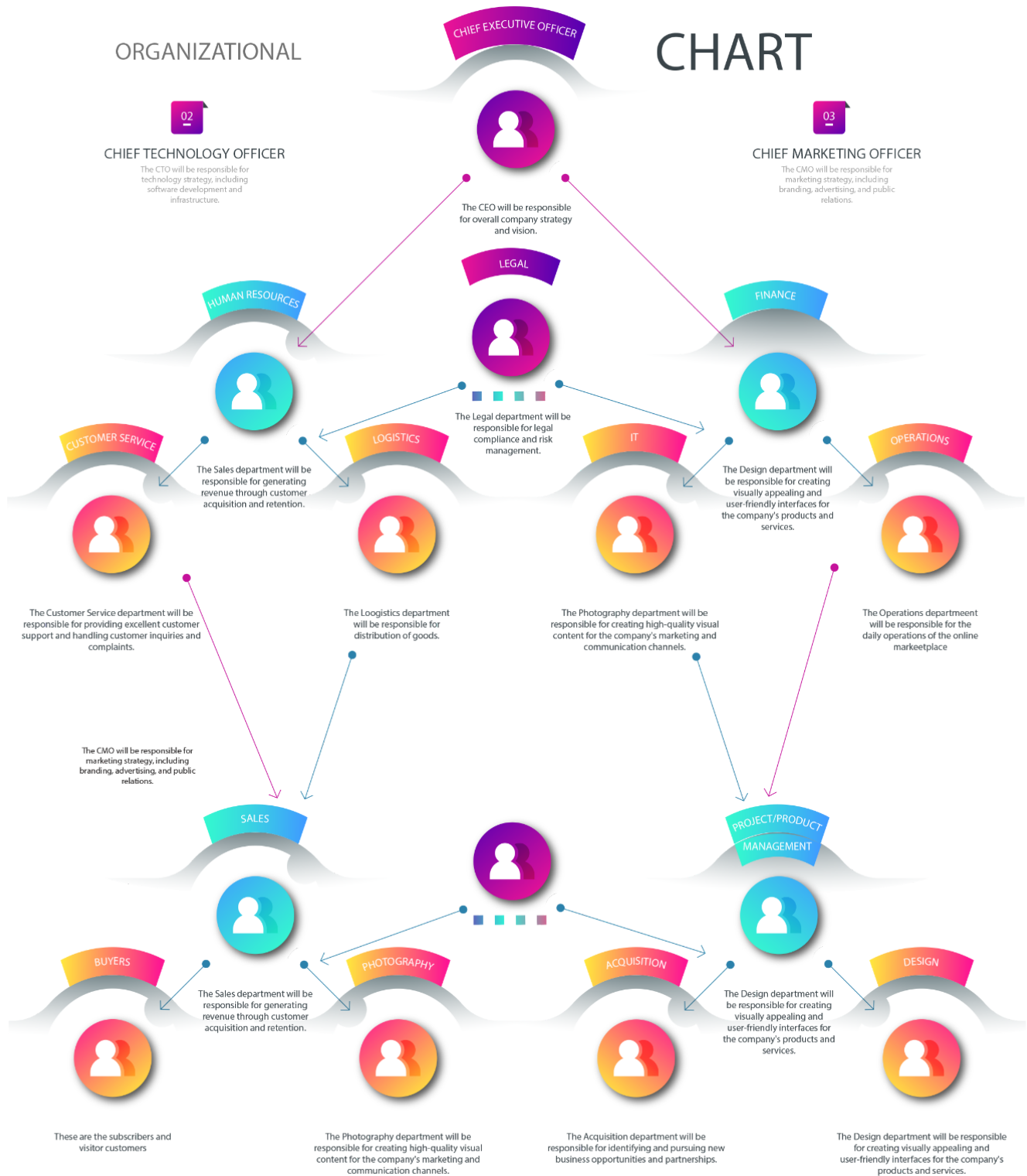
As the stores evolve in the future, the current digital platforms need to become more engaging.



MyKraft

ORGANIZATIONAL

CHART



FINANCIAL OVERVIEW:

| | |
|---|----------|
| Technology Expenses | R407 000 |
| ● Website and App development and maintenance | R150 000 |
| ● Cloud Computing | R182 000 |
| ● Enterprise Software | R55 000 |
| ● Data analytics tools | R20 000 |
| Marketing Expenses | R300 000 |
| ● Advertising and social media campaigns | R100 000 |
| ● Content creation | R50 000 |
| ● Influencer partnerships | R70 000 |
| ● Search engine optimization (SEO): | R30 000 |
| ● Email marketing | R30 000 |
| ● Market research | R20 000 |
| Product Sourcing Expenses | R200 000 |

| | |
|--|------------|
| <ul style="list-style-type: none">● Sourcing products from local artisans and designers | R150 000 |
| <ul style="list-style-type: none">● Quality Control | R50 000 |
| Legal and Accounting Expenses | R150 000 |
| <ul style="list-style-type: none">● Legal fees | R80 000 |
| <ul style="list-style-type: none">● Accounting Services | R40 000 |
| <ul style="list-style-type: none">● Taxes | R30 000 |
| Strategic Partnerships | R200 000 |
| <ul style="list-style-type: none">● Collaborations with local businesses and organizations | R100 000 |
| <ul style="list-style-type: none">● Sponsorships and events | R100 000 |
| TOTAL EXPENSES | R1 257 000 |

5-YEAR FINANCIAL PLAN

MY KRAFT

| FORECASTED REVENUE | | | | |
|-----------------------------|---------------------|------------------------|----------------------------|--|
| | Units sold annually | Average price per unit | Annual revenue per product | |
| Transaction Fees | 7000000 | 0.15 | 1,050,000.00 | |
| Membership Fees R 350 | 75 | 4,200.00 | 315,000.00 | |
| Custom App Development | 20 | 50,000.00 | 1,000,000.00 | |
| | | | - | |
| | | | | |
| TOTAL OF FORECASTED REVENUE | | | 2,365,000.00 | |

| COST OF GOODS SOLD | | | | |
|--------------------------|-----------------------|--|---------------------------|--|
| | Expected gross margin | | Annual cost of goods sold | |
| Transaction Fees | 24% | | 246,750.00 | |
| Membership Fees R 350 | 20% | | 63,000.00 | |
| Custom App Development | 30% | | 300,000.00 | |
| | | | - | |
| | | | | |
| TOTAL COST OF GOODS SOLD | | | 609,750.00 | |

| ANNUAL MAINTENANCE, REPAIR AND OVERHAUL | | | | |
|---|--|--|--|--|
|---|--|--|--|--|

| | | | | |
|---------------------------------|----|--|--|--|
| | | | | |
| Factor (%) on capital equipment | 5% | | | |
| | | | | |

| | | | | |
|--------------------|---|--|--|--|
| ASSET DEPRECIATION | | | | |
| | | | | |
| Number of Years | 5 | | | |
| | | | | |

| | | | | |
|-----------------|-----|--|--|--|
| TAX | | | | |
| | | | | |
| Annual Tax Rate | 28% | | | |
| | | | | |

| | | | | |
|------------------------|-----|--|--|--|
| COMPANY EXPENSE GROWTH | | | | |
| | | | | |
| Annual Inflation Rate | 30% | | | |
| | | | | |

| | | | | |
|------------------------|-----|--|--|--|
| COMPANY REVENUE GROWTH | | | | |
| | | | | |
| Annual Price Increase | 60% | | | |
| | | | | |

| | | | | |
|----------------------|--------------|--|--|--|
| FUNDING | | | | |
| | | | | |
| Loan Amount | 1,257,000.00 | | | |
| Annual interest rate | 12.00% | | | |

| | | | | |
|-----------------------|--------------|--|--|--|
| Term of loan (months) | 48 | | | |
| Monthly rate | 0.95% | | | |
| Payment | 32,724.29 | | | |
| Total Amount Payable | 1,570,766.00 | | | |
| | | | | |

PROFIT AND LOSS STATEMENT

MY KRAFT

| PROFIT AND LOSS ASSUMPTION | | | | | | |
|--|--------|--------|---------|---------|---------|--|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
| Annual cumulative price (revenue) increase | 0.00% | 60.00% | 120.00% | 180.00% | 150.00% | |
| Annual cumulative inflation (expense) increase | 0.00% | 30.00% | 60.00% | 90.00% | 120.00% | |
| | | | | | | |

| INCOME | | | | | | |
|------------------------|--------------|--------------|--------------|---------------|---------------|--|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
| Revenue | | | | | | |
| | | | | | | |
| Transaction Fees | 1,050,000.00 | 1,680,000.00 | 3,696,000.00 | 10,348,800.00 | 25,872,000.00 | |
| Membership Fees R 350 | 315,000.00 | 504,000.00 | 1,108,800.00 | 3,104,640.00 | 7,761,600.00 | |
| Custom App Development | 1,000,000.00 | 1,600,000.00 | 3,520,000.00 | 9,856,000.00 | 24,640,000.00 | |
| | - | - | - | - | - | |
| | | | | | | |
| Total revenue | 2,365,000.00 | 3,784,000.00 | 8,324,800.00 | 23,309,440.00 | 58,273,600.00 | |

| Cost of Sales | | | | | | |
|---------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--|
| | | | | | | |
| Transaction Fees | 246,750.00 | 403,200.00 | 887,040.00 | 2,483,712.00 | 6,209,280.00 | |
| Membership Fees R 350 | 63,000.00 | 81,900.00 | 131,040.00 | 248,976.00 | 547,747.20 | |
| Custom App Development | 300,000.00 | 390,000.00 | 624,000.00 | 1,185,600.00 | 2,608,320.00 | |
| | - | - | - | - | - | |
| | | | | | | |
| Cost of goods sold | 609,750.00 | 403,200.00 | 887,040.00 | 2,483,712.00 | 6,209,280.00 | |

| | | | | | | |
|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|--|
| Gross Profit | 1,755,250.00 | 3,380,800.00 | 7,437,760.00 | 20,825,728.00 | 52,064,320.00 | |
|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|--|

| Non-Operation Income | | | | | | |
|-----------------------------------|----------|----------|----------|----------|----------|--|
| | | | | | | |
| Rental | - | - | - | - | - | |
| Interest income | - | - | - | - | - | |
| Loss (gain) on sale of assets | - | - | - | - | - | |
| Other income (specify) | - | - | - | - | - | |
| | | | | | | |
| Total Non-Operating Income | - | - | - | - | - | |

| | | | | | | |
|--------------|--------------|--------------|--------------|---------------|---------------|--|
| TOTAL INCOME | 1,755,250.00 | 3,380,800.00 | 7,437,760.00 | 20,825,728.00 | 52,064,320.00 | |
|--------------|--------------|--------------|--------------|---------------|---------------|--|

| | | | | | | |
|----------|--|--|--|--|--|--|
| EXPENSES | | | | | | |
|----------|--|--|--|--|--|--|

| | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|--|
| Operating expenses | | | | | | |
| | | | | | | |
| Sales and marketing | 250,000.00 | 325,000.00 | 520,000.00 | 988,000.00 | 2,173,600.00 | |
| Depreciation | - | - | - | - | - | |
| Insurance | 50,000.00 | 65,000.00 | 104,000.00 | 197,600.00 | 434,720.00 | |
| Payroll | 450,000.00 | 585,000.00 | 936,000.00 | 1,778,400.00 | 3,912,480.00 | |
| Property rental | 120,000.00 | 156,000.00 | 249,600.00 | 474,240.00 | 1,043,328.00 | |
| Maintenance, repair, and overhaul | - | - | - | - | - | |
| Cloud Computing | 182,000.00 | 236,600.00 | 378,560.00 | 719,264.00 | 1,582,380.80 | |
| Enterprise Software | 155,000.00 | 201,500.00 | 322,400.00 | 612,560.00 | 1,347,632.00 | |
| Interest expense on long-term debt | 129,683.81 | 98,122.89 | 62,774.66 | 23,184.64 | - | |
| Other | 150,000.00 | 195,000.00 | 312,000.00 | 592,800.00 | 1,304,160.00 | |
| | | | | | | |
| Total operating expenses | 1,486,683.81 | 1,862,222.89 | 2,885,334.66 | 5,386,048.64 | 11,798,300.80 | |

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| Non-Recurring Expenses | | | | | | |
| | | | | | | |

| | | | | | | |
|-------------------------------------|---|---|---|---|---|--|
| Unexpected Expenses | - | - | | - | - | |
| Other expenses | - | - | - | - | - | |
| | | | | | | |
| Total Non-Recurring Expenses | - | - | - | - | - | |

| | | | | | | |
|-----------------------|--------------|--------------|--------------|--------------|---------------|--|
| TOTAL EXPENSES | 1,486,683.81 | 1,862,222.89 | 2,885,334.66 | 5,386,048.64 | 11,798,300.80 | |
|-----------------------|--------------|--------------|--------------|--------------|---------------|--|

| | | | | | | |
|---------------------|-----------|------------|--------------|--------------|---------------|--|
| TAXES | | | | | | |
| | | | | | | |
| Income Tax | 75,198.53 | 425,201.59 | 1,274,679.10 | 4,323,110.22 | 11,274,485.38 | |
| Other Tax (specify) | - | - | - | - | - | |
| | | | | | | |
| TOTAL TAXES | 75,198.53 | 425,201.59 | 1,274,679.10 | 4,323,110.22 | 11,274,485.38 | |

| | | | | | | |
|-------------------|------------|--------------|--------------|---------------|---------------|--|
| NET PROFIT | 193,367.65 | 1,093,375.52 | 3,277,746.25 | 11,116,569.14 | 28,991,533.82 | |
|-------------------|------------|--------------|--------------|---------------|---------------|--|

BALANCE SHEET PROJECTION

MY KRAFT

ASSETS

| Current Assets | Initial balance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
|---------------------------------|-----------------|-------------|------------|--------------|---------------|---------------|--|
| | | | | | | | |
| Cash and short-term investments | | - 69,640.03 | 729,166.88 | 3,676,996.28 | 14,424,058.56 | 43,415,592.38 | |
| Accounts receivable | | | | | | | |
| Total inventory | | | | | | | |
| Prepaid expenses | - | - | - | - | - | - | |
| Deferred income tax | - | - | - | - | - | - | |
| Other current assets | | | | | | | |
| | | | | | | | |
| Total current assets | - | - 69,640.03 | 729,166.88 | 3,676,996.28 | 14,424,058.56 | 43,415,592.38 | |

| Property and Equipment | Initial balance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
|------------------------|-----------------|--------|--------|--------|--------|--------|--|
| | | | | | | | |

| | | | | | | | |
|---------------------------------------|---|---|---|---|---|---|---|
| Buildings | | | | | | | |
| Land | | | | | | | |
| Capital improvements | - | - | - | - | - | - | - |
| Machinery and equipment | | | | | | | |
| Less Accumulated depreciation expense | | - | - | - | - | - | - |
| | | | | | | | |
| Total Property and Equipment | - | - | - | - | - | - | - |

| Other Assets | Initial balance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
|---------------------------|-----------------|--------|--------|--------|--------|--------|---|
| | | | | | | | |
| Goodwill | - | - | - | - | - | - | - |
| Deferred income tax | - | - | - | - | - | - | - |
| Long-term investments | - | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - | - |
| Other long-term assets | - | - | - | - | - | - | - |
| | | | | | | | |
| Total Other Assets | - | - | - | - | - | - | - |

| | | | | | | | |
|---------------------|---|-------------|------------|--------------|---------------|---------------|--|
| TOTAL ASSETS | - | - 69,640.03 | 729,166.88 | 3,676,996.28 | 14,424,058.56 | 43,415,592.38 | |
|---------------------|---|-------------|------------|--------------|---------------|---------------|--|

| | | | | | | | |
|--------------------|--|--|--|--|--|--|--|
| LIABILITIES | | | | | | | |
|--------------------|--|--|--|--|--|--|--|

| Current Liabilities | Initial balance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
|----------------------------------|-----------------|--------|--------|--------|--------|--------|--|
| | | | | | | | |
| Accounts payable | | | | | | | |
| Accrued expenses | - | - | - | - | - | - | |
| Notes payable/short-term debt | - | - | - | - | - | - | |
| Capital leases | - | - | - | - | - | - | |
| Other current liabilities | | | | | | | |
| | | | | | | | |
| Total Current Liabilities | - | - | - | - | - | - | |

| Debt | Initial balance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
|----------------------|-----------------|------------|------------|------------|--------|--------|--|
| | | | | | | | |
| Long-term debt/loan | 1,257,000.00 | 993,992.31 | 699,423.70 | 369,506.86 | - | - | |
| Other long-term debt | | | | | | | |
| | | | | | | | |
| Total Debt | 1,257,000.00 | 993,992.31 | 699,423.70 | 369,506.86 | - | - | |

| Other Liabilities | Initial balance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
|-----------------------------|-----------------|--------|--------|--------|--------|--------|--|
| | | | | | | | |
| Other liabilities (specify) | - | - | - | - | - | - | |
| Other liabilities (specify) | - | - | - | - | - | - | |

| | | | | | | | |
|--------------------------------|---|---|---|---|---|---|--|
| | | | | | | | |
| Total Other Liabilities | - | - | - | - | - | - | |

| | | | | | | | |
|--------------------------|--------------|------------|------------|------------|---|---|--|
| TOTAL LIABILITIES | 1,257,000.00 | 993,992.31 | 699,423.70 | 369,506.86 | - | - | |
|--------------------------|--------------|------------|------------|------------|---|---|--|

| EQUITY | | | | | | | |
|---------------------------|-----------------|--------------|--------------|--------------|---------------|---------------|--|
| | | | | | | | |
| | Initial balance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
| Owner's equity (common) | | | | | | | |
| Paid-in capital (Funding) | | 1,500,000.00 | 5,000,000.00 | | 12,000,000.00 | | |
| Preferred equity | - | - | - | - | - | - | |
| Retained earnings | - | 193,367.65 | 1,286,743.17 | 4,564,489.42 | 15,681,058.56 | 44,672,592.38 | |
| | | | | | | | |
| TOTAL EQUITY | - | 1,693,367.65 | 6,286,743.17 | 4,564,489.42 | 27,681,058.56 | 44,672,592.38 | |

| | | | | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|--|
| TOTAL LIABILITIES AND EQUITY | 1,257,000.00 | 2,687,359.97 | 6,986,166.88 | 4,933,996.28 | 27,681,058.56 | 44,672,592.38 | |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|--|

CASH FLOW PROJECTION

MY KRAFT

| Operating activities | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|-----------------------------------|------------|--------------|--------------|---------------|---------------|---------------|
| Net income | 193,367.65 | 1,093,375.52 | 3,277,746.25 | 11,116,569.14 | 28,991,533.82 | 44,672,592.38 |
| Depreciation | - | - | - | - | - | - |
| Accounts receivable | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - |
| Accounts payable | - | - | - | - | - | - |
| Amortization | - | - | - | - | - | - |
| Other liabilities | - | - | - | - | - | - |
| Other operating cash flow items | - | - | - | - | - | - |
| Total operating activities | 193,367.65 | 1,093,375.52 | 3,277,746.25 | 11,116,569.14 | 28,991,533.82 | 44,672,592.38 |

| Investing activities | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|---------------------------------|--------|--------|--------|--------|--------|-------|
| Capital expenditures | - | - | - | - | - | - |
| Acquisition of business | - | - | - | - | - | - |
| Sale of fixed assets | - | - | - | - | - | - |
| Other investing cash flow items | - | - | - | - | - | - |
| | | | | | | |

| | | | | | | |
|-----------------------------------|---|---|---|---|---|---|
| Total investing activities | - | - | - | - | - | - |
|-----------------------------------|---|---|---|---|---|---|

| Financing activities | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|-----------------------------------|-----------------|-----------------|--------------|--------------|--------|----------------|
| | | | | | | |
| Long-term debt/financing | - 263,007.69 | - 294,568.61 | - 329,916.84 | - 369,506.86 | - | - 1,257,000.00 |
| Preferred stock | - | - | - | - | - | - |
| Total cash dividends paid | - | - | - | - | - | - |
| Common stock | - | - | - | - | - | - |
| Other financing cash flow items | - | - | - | - | - | - |
| | | | | | | |
| Total financing activities | - 263,007.69 | - 294,568.61 | - 329,916.84 | - 369,506.86 | - | - 1,257,000.00 |

| | | | | | | |
|-----------------------------|-------------|------------|--------------|---------------|---------------|---------------|
| Cumulative cash flow | - 69,640.03 | 798,806.91 | 2,947,829.40 | 10,747,062.28 | 28,991,533.82 | 43,415,592.38 |
|-----------------------------|-------------|------------|--------------|---------------|---------------|---------------|

| | | | | | | |
|-------------------------------|--|-------------|------------|--------------|---------------|--|
| Beginning cash balance | | - 69,640.03 | 729,166.88 | 3,676,996.28 | 14,424,058.56 | |
|-------------------------------|--|-------------|------------|--------------|---------------|--|

| | | | | | | |
|----------------------------|-------------|------------|--------------|---------------|---------------|--|
| Ending cash balance | - 69,640.03 | 729,166.88 | 3,676,996.28 | 14,424,058.56 | 43,415,592.38 | |
|----------------------------|-------------|------------|--------------|---------------|---------------|--|

LOAN AMORTIZATION SCHEDULE

MY KRAFT

| MONTH | BALANCE | SCHEDULED PAYMENT | PRINCIPAL | INTEREST |
|-------|--------------|-------------------|-----------|-----------|
| | 1,257,000.00 | | | |
| 1 | 1,257,000.00 | 32,724.29 | 20,796.88 | 11,927.41 |
| 2 | 1,236,203.12 | 32,724.29 | 20,994.22 | 11,730.08 |
| 3 | 1,215,208.90 | 32,724.29 | 21,193.43 | 11,530.87 |
| 4 | 1,194,015.48 | 32,724.29 | 21,394.53 | 11,329.77 |
| 5 | 1,172,620.95 | 32,724.29 | 21,597.53 | 11,126.76 |
| 6 | 1,151,023.42 | 32,724.29 | 21,802.47 | 10,921.82 |
| 7 | 1,129,220.95 | 32,724.29 | 22,009.35 | 10,714.94 |
| 8 | 1,107,211.60 | 32,724.29 | 22,218.19 | 10,506.10 |
| 9 | 1,084,993.41 | 32,724.29 | 22,429.01 | 10,295.28 |
| 10 | 1,062,564.40 | 32,724.29 | 22,641.84 | 10,082.45 |
| 11 | 1,039,922.56 | 32,724.29 | 22,856.68 | 9,867.61 |
| 12 | 1,017,065.88 | 32,724.29 | 23,073.56 | 9,650.73 |
| 13 | 993,992.31 | 32,724.29 | 23,292.50 | 9,431.79 |
| 14 | 970,699.81 | 32,724.29 | 23,513.52 | 9,210.77 |
| 15 | 947,186.29 | 32,724.29 | 23,736.64 | 8,987.65 |
| 16 | 923,449.65 | 32,724.29 | 23,961.87 | 8,762.42 |
| 17 | 899,487.78 | 32,724.29 | 24,189.24 | 8,535.05 |
| 18 | 875,298.54 | 32,724.29 | 24,418.77 | 8,305.53 |

| | | | | |
|----|------------|-----------|-----------|----------|
| 19 | 850,879.78 | 32,724.29 | 24,650.47 | 8,073.82 |
| 20 | 826,229.31 | 32,724.29 | 24,884.37 | 7,839.92 |
| 21 | 801,344.93 | 32,724.29 | 25,120.50 | 7,603.80 |
| 22 | 776,224.44 | 32,724.29 | 25,358.86 | 7,365.43 |
| 23 | 750,865.58 | 32,724.29 | 25,599.48 | 7,124.81 |
| 24 | 725,266.10 | 32,724.29 | 25,842.39 | 6,881.90 |
| 25 | 699,423.70 | 32,724.29 | 26,087.60 | 6,636.69 |
| 26 | 673,336.10 | 32,724.29 | 26,335.14 | 6,389.15 |
| 27 | 647,000.95 | 32,724.29 | 26,585.03 | 6,139.26 |
| 28 | 620,415.92 | 32,724.29 | 26,837.29 | 5,887.00 |
| 29 | 593,578.63 | 32,724.29 | 27,091.95 | 5,632.34 |
| 30 | 566,486.68 | 32,724.29 | 27,349.02 | 5,375.27 |
| 31 | 539,137.66 | 32,724.29 | 27,608.53 | 5,115.77 |
| 32 | 511,529.14 | 32,724.29 | 27,870.50 | 4,853.79 |
| 33 | 483,658.64 | 32,724.29 | 28,134.96 | 4,589.34 |
| 34 | 455,523.69 | 32,724.29 | 28,401.92 | 4,322.37 |
| 35 | 427,121.76 | 32,724.29 | 28,671.42 | 4,052.87 |
| 36 | 398,450.34 | 32,724.29 | 28,943.48 | 3,780.81 |
| 37 | 369,506.86 | 32,724.29 | 29,218.12 | 3,506.17 |
| 38 | 340,288.75 | 32,724.29 | 29,495.36 | 3,228.93 |
| 39 | 310,793.38 | 32,724.29 | 29,775.24 | 2,949.05 |
| 40 | 281,018.15 | 32,724.29 | 30,057.77 | 2,666.52 |
| 41 | 250,960.38 | 32,724.29 | 30,342.98 | 2,381.31 |
| 42 | 220,617.40 | 32,724.29 | 30,630.90 | 2,093.39 |
| 43 | 189,986.50 | 32,724.29 | 30,921.55 | 1,802.74 |

| | | | | |
|----|------------|-----------|-----------|----------|
| 44 | 159,064.95 | 32,724.29 | 31,214.96 | 1,509.33 |
| 45 | 127,849.99 | 32,724.29 | 31,511.15 | 1,213.14 |
| 46 | 96,338.84 | 32,724.29 | 31,810.15 | 914.14 |
| 47 | 64,528.69 | 32,724.29 | 32,111.99 | 612.30 |
| 48 | 32,416.70 | 32,724.29 | 32,416.70 | 307.60 |