## Start Up Capital

Table

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To get the program up and running and limit the usage of the idea by possible competitors. The following is required; to buy a domain name where the server can be allocated, and the online assistance can be hosted.

Next, we need to buy a licence for the program and along with that make a patent application to get a patent number so that we can limit the usage of algorithms designed and implemented by us in our program. This licence will require a yearly renewal of half the once off buying price.

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The equipment needed to run this program will be a server on what to host the program and databases, internet connection at the technician seeing that we use a work from home model to avoid facility cost. We will be required to supply the technician with a company laptop, this laptop needs to be able to run big programs and constantly update the server.

Instead of buying the hardware for our own server, it was determined that the better option would be to hire a server at a monthly rate. When hiring a server, the server maintenance workload becomes less. We only need one technician that helps us with program maintenance and tailoring for a new client. This was determined on the assumption of 6 clients growth per year.

Immediate start-up needed:

Calculated +15%

R 864 173 + 15% =

R 993 798. 95

15 % is calculated into the start-up as Safety capital, to cover unforeseen circumstances and cash flow until company is up and running. Safety capital is a ‘necessary evil’ to support the company in time of need. Further down the line a safety capital amount needs to be kept to support the company in unforeseen circumstances such as the COVID pandemic.

A start-up of R 1 000 000 is needed.

Investment:

We are looking for a silent equity investor, who essentially buys shares in the company.

The partner is then given 15% of all positive profits per financial year, with pay-off on the Start-up capital equity.

After 5 years company holds right to buy back equity shares at market price equal to 15% of the company value.

Investment partner is a silent partner and will not partake in any decision making.

Essentially the investor buys 15% of the company.

Calendar

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