

The GoGetta logo, consisting of the word "GOGETTA" in a stylized, bold, white font with a black outline, set against a background of overlapping orange and purple geometric shapes.

INFORMATION

MEMORANDUM

CONNECTING LIVES TECHNOLOGIES (PTY) LTD

2022/203744/07

Connecting Lives Technologies Proprietary Limited (“Connecting Lives” or “Umoya!” or the “Company”) to utilise GoGetta (“The Platform”) to raise a minimum of R4 250 000 up to R8 500 000 to acquire a up to 20% shareholding in Umoya!, a business which operates in the telecommunications sector providing affordable data to underserved communities in South Africa.

REPRESENTED BY:
Terance Richardson

ADMINISTERED BY:
GoGetta Ltd

PREPARED BY:
GoGetta Management Services



Prospects (reg 59 (3) (c) (i))

1. Investment Objectives

GoGetta through the issue of the “Class 3” Ordinary Shares aims to acquire a “Class 3” Ordinary Share Portfolio of assets, to empower Terance Richardson (Co-Founder and Chief Executive Officer) (the “Entrepreneur”) to expand his business which operates in the telecommunications sector providing fast, reliable, affordable data and improved internet connection to underserved communities in South Africa.

2. Investment Strategy

To subscribe for shares in Connecting Lives Technologies (“Umoya!”) (Registration number: 2022/203744/07) in order to assist with the main objective of enriching South Africans by connecting lives through the provision of affordable and stable internet connectivity to underserved communities.

3. Management Committee

Name	Terance Richardson
Business Address	164 Katherine Street, Pinmill Office Park, 1 st floor Building 2, Strathavon, 2196
Position	Founder, Shareholder and Director of Connecting Lives Technologies Managing Director of the “Class 3” Ordinary Share Management Committee
Qualifications	LLB. and MBA
Experience	<p>Terance is an astute operator and businessman that has been involved in telecommunications since the early days of Vumatel where he played a vital role in their fast-growing footprint across South Africa. He has since made use of his legal knack and strategic business savvy in developing both his personal brand and assisting companies in multiple sectors ranging from property all the way through to private equity firms in becoming successful.</p> <p>He has always had the passion and vision for ensuring that the unattainable is made attainable for all spheres of people across South Africa. Connecting Lives is one of his latest ventures that is doing just that.</p>

Name Clinton Reis

Business Address 164 Katherine Street, Pinmill Office Park, 1st floor Building 2, Strathavon, 2196

Position Member of the “Class 3” Ordinary Share Management Committee
(Chief Operating Officer)

Qualifications Diploma in Financial Trading and B.Com (Business Management)

Experience Clinton is a well-educated individual that holds multiple qualifications ranging from a Diploma in Financial Trading, B. Com Business Management right through to a Master’s in Business Administration. He is a self-reliant, meticulous and well accomplished executive leveraging more than a decade of experience with strong leadership abilities and expertise in problem-solving. Well versed in conducting research, implementing strategies, and communicating with internal and external stakeholders.

His core competencies include people management, budgeting, sales forecasting, operations and transforming data into meaningful reports. Clint possesses a talent for building strong relationships with industry stakeholders to ensure an organisations market share growth while handling its financial obligations as well as effectively managing projects. He has just recently been appointed as the Chief of Staff and CPO of FinTech in Africa, the public announcement is yet to be made.

Name Kim Britz

Business Address 164 Katherine Street, Pinmill Office Park, 1st floor Building 2, Strathavon, 2196

Position Member of the “Class 3” Ordinary Share Management Committee
(Chief of Staff)

Experience With over 15 years of a diverse career experience, Kim is able to understand any organizations needs and environment complexities, coupled with a LAB Behavioural Profile practitioner qualification, needs and culture are aligned. Kim is experienced in change management and certified in conflict and negotiation skills. She brings diversity, resourcefulness and synergy with her demonstrated history of success in sourcing and hiring for hard to fill & niche roles within several verticals such as: technology, engineering, supply chain, fulfilment & operations management as well as accounting and finance. Kim is the one person you need on your team.

Experienced in Head level roles and Technical within the ITC industry. Proven success in leadership, operational excellence and organizational development with keen understanding of elements of corporate and small business. She is recognized for inspiring management team members to excel and encouraging creative work environments. A very committed, honest and personalized individual in her approach, acting with integrity and maintaining the highest level of professionalism at all times.

4. Targeted Returns

Value to Investor							
Years		0	1	2	3	4	5
			2022	2023	2024	2025	2026
Equity Portion	20,00%						
Investment		(8 500 000)	0	0	0	0	0
Targeted Dividend	14%		0	0	1 190 000	1 190 000	1 190 000
Repayment of Capital*			0	0	0	0	21 250 000
Net Cashflow		(8 500 000)	0	0	1 190 000	1 190 000	22 440 000
Div Returns as % of Capital Invested			0%	0%	14%	14%	14%

Value to Investor Metrics	
IRR	21,30%

The “Class 3” Ordinary Share Portfolio targets a return of c. 21.30% IRR in the hands of the Investor with a targeted average dividend yield of 14% per annum from year 3 onwards.

GoGetta will hold a put option which is executable at the end of **Year 5** - entitling them to sell the shares back to Umoya! at the greater of:

- o A minimum multiple of 2.5 times money on the gross capital invested; or fair value

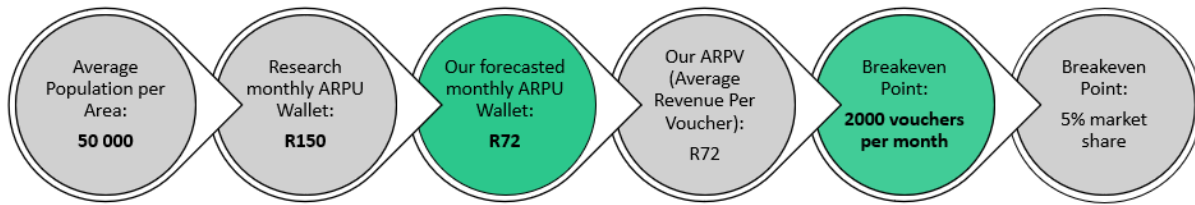
The price of said put option will be determined closer to the executable date using an agreed upon enterprise value determined by 3 independent valuers.

Business Performance Metrics?

Key Performance Metrics					
Years	1	2	3	4	5
	2022	2023	2024	2025	2026
REVENUE	R144 885	R5 738 174	R36 274 486	R38 088 210	R39 992 620
GROSS PROFIT	-R19 732	R1 693 327	R19 997 061	R20 996 914	R22 046 760
GROSS PROFIT MARGIN	-14%	30%	55%	55%	55%
EBITDA	-R2 134 844	-R2 014 673	R16 025 061	R16 826 314	R17 667 630
EBITDA MARGIN	0%	0%	44%	44%	44%
OPERATING PROFIT	-R1 885 906	-R2 255 833	R11 804 972	R11 449 716	R12 448 965
OPERATING PROFIT MARGIN	0%	-39%	33%	30%	31%

Notes:

- Gross Profit Margin = Gross Profit / Revenue
- EBITA Margin = EBITDA / Revenue
- Operating Profit Margin = Operating Profit / Revenue



Notes:

- ARPU – means Average Revenue Per User
- ARPV – means Average Revenue Per Voucher

5. Why Umoya!?

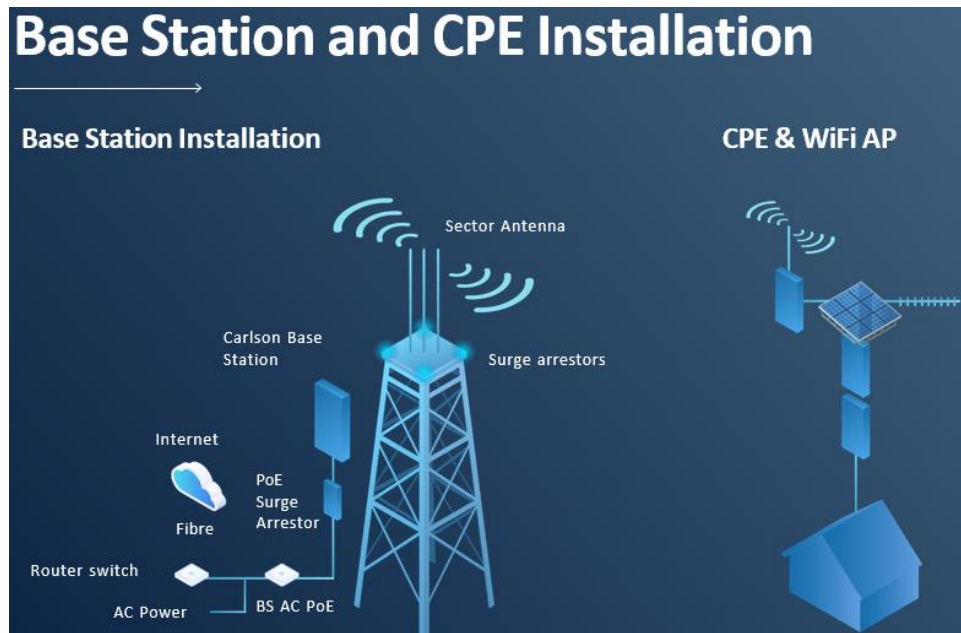
Connecting Lives is a business that has the power to change lives through connectivity. Connecting Lives has over 35 years of experience in the connectivity space and have witnessed the speed at which the telecommunications industry has evolved over the last few years. A large part of the market, who need connectivity now more than ever, have been neglected. With learning transitioning into the online space at a school and university level, students are unable to attend class regularly due to lack of infrastructure and affordability. As well as many rural areas and towns also lacking reliable solutions.

Connecting lives has identified that Fibre Network Operators are moving beyond the middle-income areas to more densely populated areas which in turn increases the market size by c. 3.5 times. In a country where approximately 24% of South Africans are between the ages of 18 and 24 actively searching for better service providers. This has presented an increased demand for data and a significant decline in the demand for airtime.

Umoya! will provide fast, reliable and low-cost internet using wireless-spectrum technology which has been proven to provide better internet in rural areas than any other wireless technology in the market. The key drivers for Umoya! to be present in underserved communities is that families require immediate network adjacencies, small businesses require reliable support structures and effective communication channels. There further exists a strong desire for media entertainment amongst both the young and old. Lastly, Covid-19 had a huge impact on the household income levels of consumers in these communities, and with the competitive prices that Umoya! will bring to these markets it has a unique selling point to service these communities.

Connecting Lives will utilize wireless technology that uses idle broadcast spectrum on a secondary basis to bring broadband connectivity. This type of technology provides a cost-effective solution to supply affordable internet connectivity to underprivileged communities.

The image below is an illustration of what the actual Based Station and CPE Installation infrastructure will look like:



Base stations can reach over 15km if there is a clear line of sight and 5km to 10km where there is near line of sight. Meaning that if there are obstructions such as tall buildings, trees, hills and other infrastructure, the connectivity will cover a 5km to 10km radius.

Connecting Lives has the solution and the power to change lives through their product offering. One of the key components to achieving their goal is through area selection. Efficacy and longevity are key to the success of Umoya!

Selection Process:

Each area that is identified by Connecting Lives will undergo a robust selection criterion that includes the testing of both the hard and soft challenges of each community, these include:

- Population size;
- Area size;
- Population density;
- Minimum amount of market penetration to break-even;
- Local interest;
- Local leaders and local influential individuals;
- Area terrain; and
- Competition.

Connecting Lives leverages from its expertise, holistic service offering and extensive experience to implement effective and affordable internet connection to address some of the challenges that include, but are not limited to

- **Redefining customer engagement** - high expectations when it comes to service (looking for seamless personalised experiences).
- **Struggle to maintain** meaningful customer relationships.
- Those who are less educated, **are very apprehensive to begin using tech** - the need for a very user-friendly process is important.

- The rise in data demand means **consistent network upgrades** to expand capacity.
- Overall tough economic conditions means **reduced spending power for all South Africans**.
- As the industry matures, there is an ongoing race with competition to reduce prices (**extremely competitive industry**) in underserved communities.

Identified Areas of Initial Operation

Densely populated and higher unemployment rate in these identified areas has sparked a need for transformation in these parts and the creation of employment. Boithakong and Bethanie are the first 2 areas in which Connecting Lives seeks to start their initial rollout.



Bethanie – part of the Bojanala District Municipality in the North West province of South Africa

Boitekong - situated 8km north of Rustenburg in the North-West Province.

Signal and Connectivity is a major issue, whereby consumers often find themselves having to step out of the comfort of their own homes in order to find an ideal spot in which they can connect to the internet. Shop owners in these areas jumped at the opportunity of becoming local vendors for Umoya! after hearing they will make a minimum of 10% commission on each sale of the Umoya! data vouchers.

They have often used brands such as Vodacom, MTN, Cell C and/or Telkom to attract consumers into their store that end up buying other items in-store and not just airtime. Shop owners have seen that the sale of Umoya! data vouchers could prove beneficial to both the end user and themselves in the long run whereby they can make an average of R4 500 a month. Umoya! seeks to empower connected communities, enrich lives, and create social entrepreneurs!



SOURCES AND USES OF FUNDS

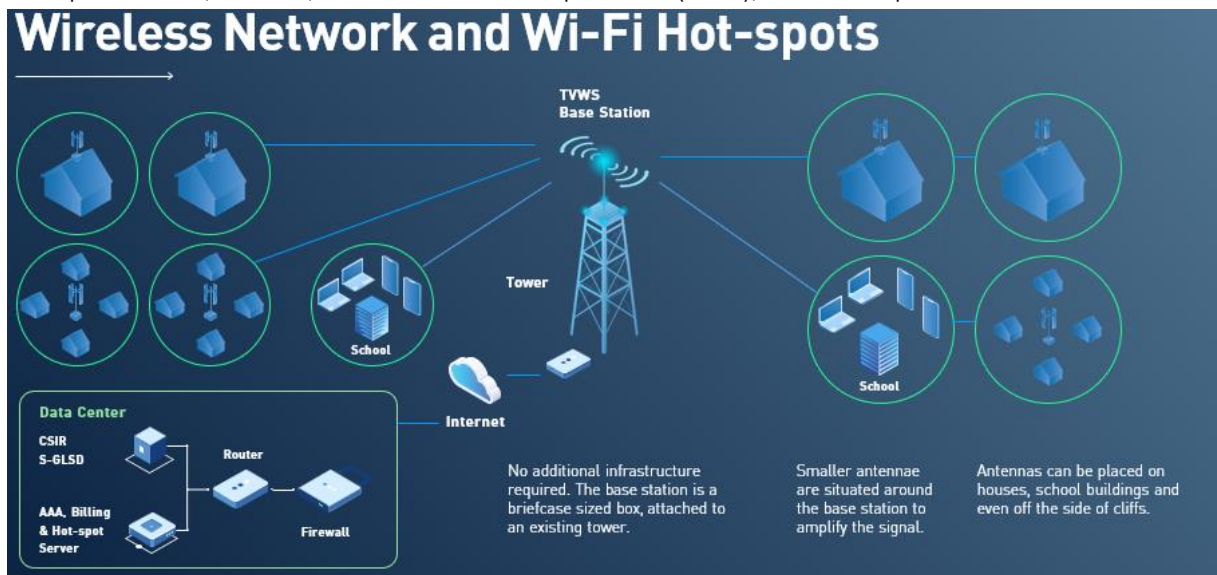
Working Capital and Capital Expenditure

Sources	Amount	Uses	Amount
GoGetta	R 8 500 000	Working Capital and Capital Expenditure	R 7 905 000
		Platform Fee (6%)	R 510 000
		Admin Fee (1%)	R 85 000
Total	R 8 500 000	Total	R 8 500 000

c. R 7 905 000 will be used for the working capital in order to assist in the covering of running costs of Connecting Lives and to drive sales within the first 8 areas that meet the Connecting Lives business model prior to rolling out to the remaining 12 identified areas by the end of the third financial year.

Some of the running costs of Connecting Lives include, but not limited to:

- Salaries
- Marketing
- Purchase and installation of infrastructure (illustrated below)
- Examples of telecommunications equipment include switches, telecom towers, fiber-optic cables, routers, voice over internet protocol (VoIP), and smartphones



The required infrastructure equipment will be imported from one of the ear-marked international suppliers.

Platform License Fee

R 510 000 is a once-off fee that will be paid to GoGetta Management Services Proprietary Limited as a 6% fee on the total capital raised – payable on successful capital raise.

Admin Fee

R 85 000 will be paid to GoGetta Ltd annually - as a 1% annual administration fee on the total capital raised.

Market Size

The telecommunications industry began in the 1830s, with the invention of the telegraph, the first mechanical communications device. It shortened communication from days to hours—much as modern mobile technology has shortened the time span of sending large amounts of data from hours to seconds. The industry broadened with each new invention: the telephone, radio, television, computer, mobile device. These technological advances changed how people live and do business.

The telecommunication sector is made up of companies that make communication possible on a global scale, whether it is through the phone or the Internet, through airwaves or cables, through wires or wirelessly. These companies created the infrastructure that allows data in words, voice, audio and/or video to be sent anywhere in the world. The largest companies in the sector are telephone (both wired and wireless) operators, satellite companies, cable companies, and Internet service providers.

Not long ago, the telecommunications sector consisted of a club of big national and regional operators. Since the early 2000s, the industry has been swept up in rapid deregulation and innovation. In many countries around the world, government monopolies are now privatised, and they face a plethora of new competitors. Major public corporations now act as the service providers, while smaller companies sell and service the equipment, such as routers, switches and infrastructure, which enable these communications. Traditional markets have been turned upside down, as the growth in mobile services outpaces the fixed-line and the Internet starts to replace voice as the staple business. **(McLoed, 2021)**

The telecom sector overall has exhibited stable long-term growth, as telecommunications has become an increasingly important basic industry, impervious to business cycles, **telecommunications companies appeal to both growth- and income-oriented investors.**

Competitors

The business's current competitors are mainly comprised of:

COMPETITOR NAME	DESCRIPTION	COUNTRY
<u>Vodacom Group Limited</u>	Vodacom is a South African mobile communications company, providing voice, messaging, Wi-Fi, WiMAX, LTE services, data and converged other services to over 55 million customers. From its roots in South Africa, Vodacom has grown its operations to include networks in Tanzania, the Democratic Republic of the Congo, Mozambique, and Lesotho, and provides business services to customers in over 32 African countries, including Nigeria, Zambia, Angola, Kenya, Ghana, Côte d'Ivoire, and Cameroon.	South African

COMPETITOR NAME	DESCRIPTION	COUNTRY
<u>Openserve</u>	<p>Openserve, the Telkom Group's redesigned wholesale division, is South Africa's largest telecommunications infrastructure provider with the biggest fixed broadband network in the country.</p> <p>They've been serving South Africa for decades and intend to continue the journey with you for many more. As South Africa's National connectivity leader, they connect South Africa to each of its neighbouring countries with robust dual terrestrial Fibre routes, geared to meet the demands of South Africa, SADC, and Sub-Saharan Africa.</p>	South Africa
<u>Supersonic</u>	<p>A subsidiary of the MTN Group that has headquarters in Roodepoort, provides a tailored high speed internet connection solution to consumers to suit their usage and price ranges on a month-to-month basis. Instead of copper wires, supersonic uses fibre optic cables, so data is transmitted as pulses of light.</p>	South Africa
<u>Web Africa</u>	<p>One of South Africa's biggest privately owned Internet Service Providers (ISPs) that provide broadband Fibre, VOIP, LTE, and ADSL internet services, connecting more than 50 000 homes and businesses across South Africa. Won the title of Best ADSL Service Provider way back in 2006. Since then, they have been consistently rated one of SA's favorite ISPs. With a team of roughly 150 "Webaficans" who believe in going the extra mile for their customers.</p>	South Africa
<u>MetroFibre Networkx</u>	<p>MetroFibre Networkx is a carrier class Ethernet (CE 3.0) infrastructure company, that today provides highly managed fibre optic broadband connectivity in South Africa.</p> <p>Their customers are comprised of Internet Service Providers (ISPs), resellers, residential and business properties, and consumers are able to take advantage of an array of services to meet their needs. The MetroFibre services to businesses include: Dedicated Internet Access, High Speed Broadband Network Connectivity, Voice Over IP, IP</p>	South Africa

COMPETITOR NAME	DESCRIPTION	COUNTRY
	transit, Layer 2 services, Data centre connectivity, enabling cloud connectivity and all of which is delivered on the back of a single MetroFibre Network fibre Installation. Residential consumers services include Internet connectivity, VoIP and MetroFone App, MetroMesh Wi-Fi extender and Metro-I solution is available for Estates and complexes.	

SWOT Analysis

Highlighted below are the key strengths and opportunities of the business for growth - as well as the key weaknesses and potential threats

Strengths	Weaknesses
<ul style="list-style-type: none"> • Price point is extremely competitive to that of the top 4 major ISPs. • High demand from the targeted communities. • Local interest from community members and spaza shop owners. • High accessibility due to antennas being made available at schools, houses, buildings and even cliffs. • Incentivises the merchants to increase sales units by giving them the best commission to merchant rates on the sales. • First mover advantage. 	<ul style="list-style-type: none"> • Users are bound by certain locations. • No existing brand awareness and credibility which may cause hesitation.
Opportunities	Threats
<ul style="list-style-type: none"> • Even with the push to make data more accessible on a global scale, it is unlikely that the South African government will fund this anytime soon. • Providing fast, stable and reliable connection to schools in the underserved 	<ul style="list-style-type: none"> • Mobile data prices are continuously decreasing in Africa (Vodacom and MTN). • Other FNO's entering the market. • Other ISP's entering the market causing price wars.

<p>communities</p> <ul style="list-style-type: none"> Partnering with banks and retail outlets can represent competitive advantages (i.e. Capitec bank, free meal voucher at KFC/Hungry Lion with every 100mb purchased by the consumer). 	<ul style="list-style-type: none"> Similar target audience (rural areas and underserved communities) as certain competitors. Wireless subscribers continue to increase year on year (those who use MTN and Vodacom).
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Corporate Structure / Cap Table

	Shareholder	Share Type	%
1.	GoGetta Limited	Ordinary	20%
2.	Richardson Property Group (Pty) Ltd	Ordinary	40%
3.	Networth Equity (Pty) Ltd	Ordinary	15%
4.	CK Changing Lives Consulting (Pty) Ltd	Ordinary	15%
5.	Umthelela Consulting (Pty) Ltd	Ordinary	5%
6.	Barbara Delaney	Ordinary	5%
	Total		100%

6. Dividend Policy

Surpluses on realisation of investments will ordinarily be distributed to Shareholders by way of dividends as determined by the Board from time to time. Dividends paid will be subject to dividends tax as applicable.

7. Exit mechanism/Asset Underpin

The “Class 3” Ordinary Share Management Committee will continuously evaluate various exit mechanisms for its investments. The intended mechanism is to sell the assets in the “Class 3” Ordinary Share Portfolio in the secondary market.

Alternative exit strategies would include, but are not limited to:

- Sale to existing shareholder.
- Sale to a 3rd party.
- GoGetta will hold a put option which is executable at the end of Year 5 - entitling them to sell the shares back to Umoya! at the greater of:
 - A minimum multiple of 2.5 times money on the gross capital invested; or
 - fair value

The price of said put option will be determined closer to the executable date using an agreed upon enterprise value determined by 3 independent valuers.

8. KEY RISK AND RISK MITIGANTS

RISK TYPE	DESCRIPTION	MITIGANT/S	RISK LEVEL LOW/MID/HIGH
Regulatory Risk	Failure to comply with regulations, rules, permits and/or applicable legislation	<ul style="list-style-type: none"> The company has extensive experience in the telecom space and they will leverage their strategic relationship with Jamii SA to ensure that all regulatory requirements are met. 	Low
Environmental Risk	Negative environmental impact	<ul style="list-style-type: none"> Connecting Lives makes use of a combination of steel, wooden and solar powered products as well as best practice installation methods in order to minimize the impact on surrounding environment. 	Low
Technology Risk	The risk of obsolescence of technology employed.	<ul style="list-style-type: none"> Connecting Lives will constantly look at ways in which they can improve the product offering to the market. Jamii SA is a leading role player in the telecom industry and has over 100 years of experience, they are at the forefront of the evolution of technology in this space and Connecting lives will be reliant on their guidance and expertise in this regard. 	Low
Key-man Risk	Company is dependent on a single or few individuals.	<ul style="list-style-type: none"> The Company is highly dependent two individuals to carry out the integral duties Connecting Lives. For this reason, the Board have opted to implement a succession plan coupled with putting in place key man insurance of a minimum of R1 000 000. 	Medium

RISK TYPE	DESCRIPTION	MITIGANT/S	RISK LEVEL LOW/MID/HIGH
Revenue Risk	Inability to generate revenue to sustain operations.	<ul style="list-style-type: none"> ▪ Connecting Lives has a mechanism in place to incentivise the local vendors whereby they will earn commission on each sale. ▪ Umoya! will continuously create awareness through social upliftment programs to increase their footprint in each community. ▪ Umoya! will have monthly training session to keep vendors and the consumers abreast with product developments, specials and other initiatives that will increase the likelihood of consumers purchasing the data vouchers. <p>Connecting Lives will endeavour to maximize revenue through all controllable factors.</p>	Medium
Investment Risk (Returns not Achieved)	Risk that shareholders will not realize the targeted return on the capital invested.	<ul style="list-style-type: none"> ▪ The telecom sector overall has exhibited stable long-term growth, as telecommunications has become an increasingly important basic industry and impervious to business cycles. ▪ The infrastructure can be sold to a third party to ensure limited loss on the investment should the need arise. ▪ Connecting Lives will endeavor to maximize all returns from each identified area. 	Medium
Governance Risk	Risk arising from lack of proper structures to manage strategic risks as well as	<ul style="list-style-type: none"> ▪ Connecting Lives has an appropriately experienced and skilled management team – ensuring sufficient and accessible governance of the company. 	Low

RISK TYPE	DESCRIPTION	MITIGANT/S	RISK LEVEL LOW/MID/HIGH
	provide leadership and direction to the Company.	<ul style="list-style-type: none"> ▪ A GoGetta representative will be appointed to the board to monitor post-investment performance of the business. ▪ The current Connecting Lives Board comprises 3 Directors and 1 independent member. 	
Competition Risk	Inability to gain market share due to competition.	<ul style="list-style-type: none"> ▪ Although South Africa's largest Telco's are in this space. They do not have the capacity to set up new infrastructure to service these markets. 	Low
Operational Risk	Inability of the company to reach the break-even point of 2 000 sales a month.	<ul style="list-style-type: none"> ▪ Connecting Lives has an appropriately experienced and skilled management team with collectively over 35 years' experience. 	Low