

GOGETTA™

INFORMATION

MEMORANDUM

NAKED CUBER RENTALS (PTY) LTD

STRICTLY PRIVATE AND CONFIDENTIAL

Naked Cuber Rentals (Pty) Ltd (“Naked Cuber Rentals” or the “Company”) to utilise GoGetta (“The Platform”) to raise equity of R1 750 000 to acquire a 60% shareholding in Naked Cuber Rentals, to empower Logan Woolfson (the “Entrepreneur”) a young emerging entrepreneur and artist to create art pieces utilising Rubik’s Cubes to rent to the corporate market.

REPRESENTED BY:
Logan Woolfson

ADMINISTERED BY:
GoGetta Ltd

PREPARED BY:
GoGetta Management Services

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1. Investment Objectives

GoGetta through the issue of the “Class 1” Ordinary Shares aims to acquire a “Class 1” Ordinary Share Portfolio of assets, to empower Logan Woolfson (the “Entrepreneur”) a young emerging entrepreneur and artist to create art pieces utilising Rubik’s Cubes to rent to the corporate market.

2. Investment Strategy

The Naked Cuber Rentals (registration number: 2022/349823/07) produces Rubik’s Cube art installations which are recognised by Rubiks Brand Ltd in the United Kingdom, producers of the Rubiks Cube. Additionally, Rubiks Brand Ltd have entered into an agreement to supply the Logan directly with the required Rubik’s cubes well below market pricing.

Businesses will rent the art installations for their offices, to be displayed and admired as a unique art piece by both customers and employees. The targeted rental term for each piece is 24 months. Customers have the opportunity to swop art pieces from time to time, to create freshness if required.

3. Management Committee

Name	Logan Woolfson
Business Address	164 Katherine Street, Pinmill Office Park, 1 st floor Building 2, Strathavon, 2196
Position	Managing Director of the “Class 1” Ordinary Share Management Committee (Chief Executive Officer of Naked Cuber Rentals)
Qualifications	B.BusSci (Actuarial Science)
Experience	Logan went on to explore his interest in Mathematics and statistics where he studied and completed his honours in BSc. Actuarial Science. After some time at an insurance company, he realised that being creative was also important and started experimenting with Rubik’s cube art.

Name	Jeffrey Miller
Business Address	164 Katherine Street, Pinmill Office Park, 1 st floor Building 2, Strathavon, 2196
Position	Member of the “Class 1” Ordinary Share Management Committee (Non-Executive Director)
Qualifications	B.Com, B.Acc Honours CA (SA)
Experience	Jeffrey is a Chartered Accountant having completed his articles at Grant Thornton and has over 30 years’ experience investing in unquoted companies across numerous industries. Jeffrey co-founded Brandcorp, which was listed on the Johannesburg Stock Exchange in 1997.

He brings many years of operational and investment skills to the Company. He was a co-founder of KNR Flatrock, Balboa Finance, Born Free Properties, Eurosuit, Bride & Co., Seed Engine, Seed Academy and Grovest Corporate Advisory. Jeffrey is a pioneer of Section 12J Venture Capital Companies in South Africa and has been involved in various sub-committees of SAVCA and Simodisa, both of which focus their efforts on the South African Venture Capital industry. He is a director of the 12J Association of South Africa.

Name Vishwa Prajapati

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

Position Member of the “Class 1” Ordinary Share Management Committee (Finance Manager)

Qualifications B.Com B.Com (Hons) CA (S.A.)

Experience Vishwa is a qualified Chartered Accountant and has over 10 years’ experience in Finance, Auditing and Taxation. She completed her articles at one of the big four and has worked in various industries such as investment, banking, retirement funds and mining. She has been part of the Grovest journey since 2020 and is the Head of Finance.

4. Targeted Returns

Return Schedule						
Financial Year	Take On	Year 1	Year 2	Year 3	Year 4	Year 5
Equity Portion	60%					
Investment Amount	(1 750 000)					
Dividends			28 492	71 513	101 252	2 892 040
Return of Capital						1 750 000
Net Cashflow			28 492	71 513	101 252	4 642 040
Annual Dividend Yield			1,63%	4,09%	5,79%	165,26%

The “Class 1” Ordinary Share Portfolio targets a return of c. 23% IRR in the hands of the Investor with a targeted dividend yield of 6% per annum

Business Performance Metrics?

Metric	Projection for Year 1	Projection for Year 2	Projection for Year 3	Projection for Year 4	Projection for Year 5
Revenue	R555 600	R1 228 748	R1 563 922	R1 898 344	R8 454 422
Gross Profit	R555 600	R1 228 748	R1 563 922	R1 898 344	R5 708 910
Gross Profit Margin	100%	100%	100%	100%	68%
EBITDA	-R51 626	R590 206	R827 693	R1 171 899	R4 842 699
EBITDA Margin	-9%	48%	53%	62%	57%
Operating Profit	-R51 626	R497 871	R595 939	R843 767	R3 486 743
Operating Profit Margin	-9%	41%	38%	44%	41%

Notes:

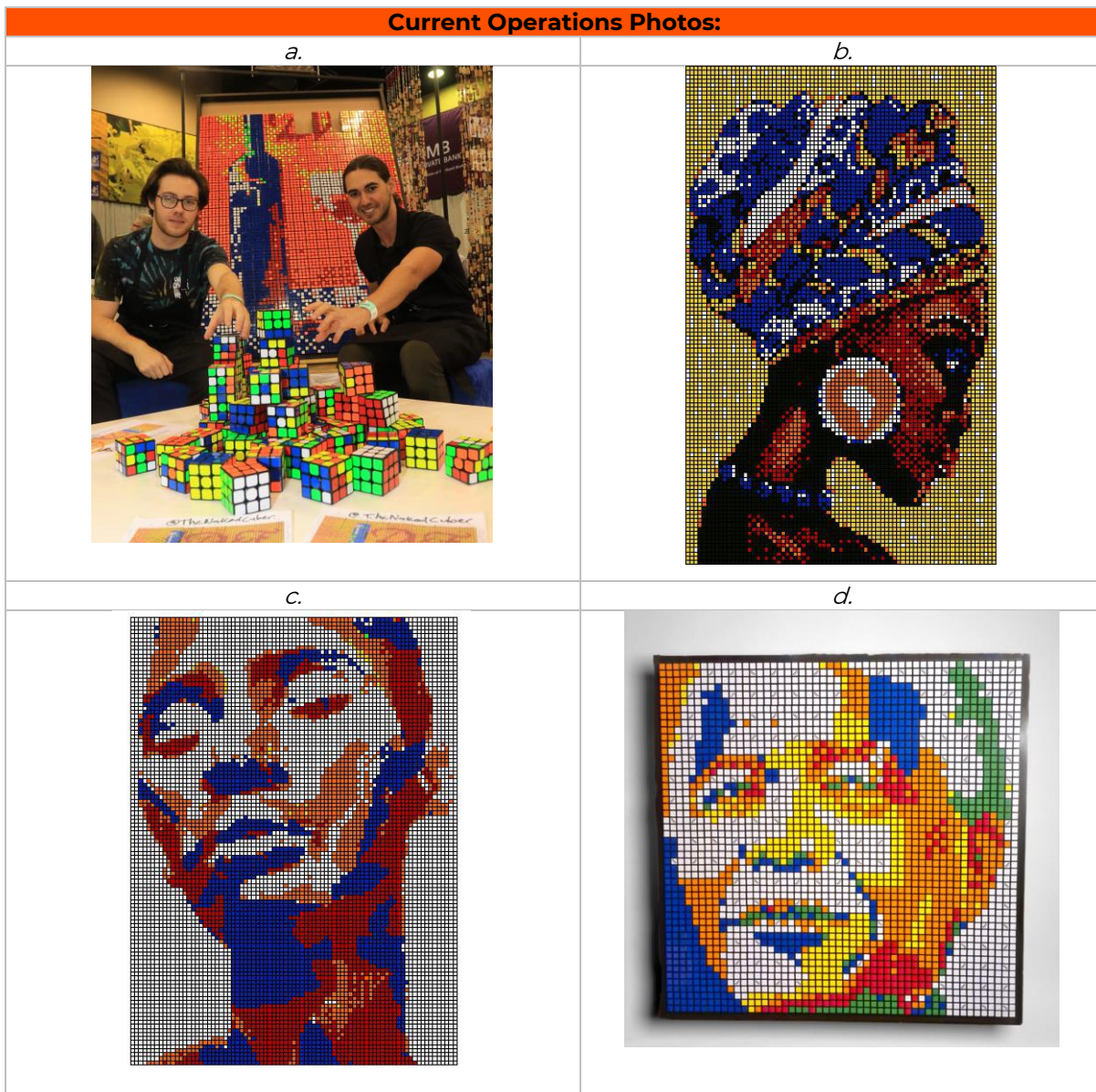
- Gross Profit Margin = Gross Profit / Revenue
- EBITA Margin = EBITDA / Revenue
- Operating Profit Margin = Operating Profit / Revenue

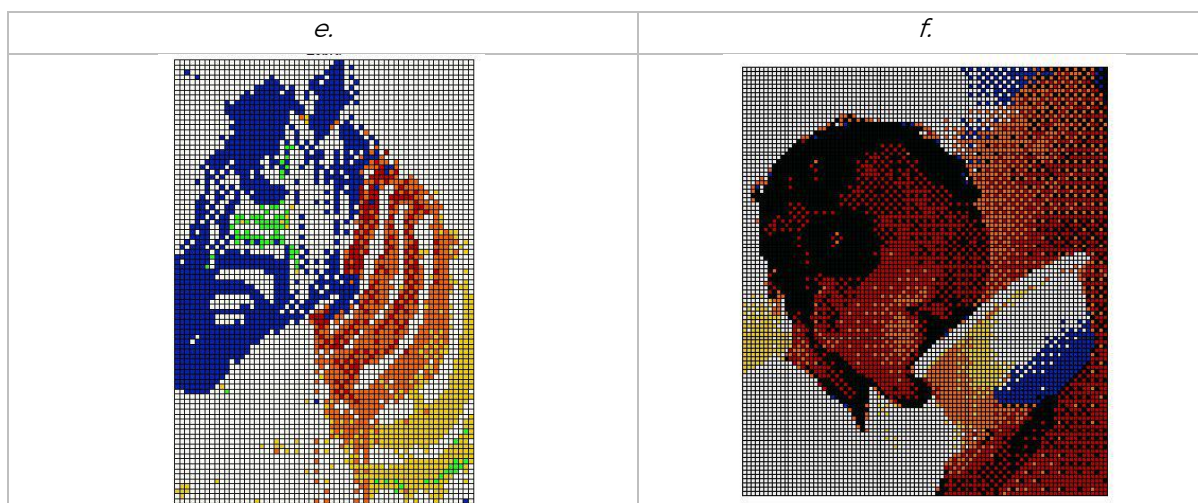
5. Why Naked Cuber Rentals

Logan started out solving Rubik's cubes in High School and after one year of refining his skills, broke the South African record in 2014 with a time of 12.78 seconds. This record stood for almost two years. Soon after starting his TikTok page 'The Naked Cuber' – his artworks had gone viral across the globe, some reaching 3 million views per video. Not long after, he was recognised by Rubik's Brand Ltd in the UK to become one of their exclusive artists.

His art is displayed in some of the most predominant galleries in Howick and Cape Town. The Naked Cuber's work is a labour of love- the comprises many hours perfecting their designs down to the last pixel before committing to a piece. Once they have decided on a final design, the construction process can approximately 1 week dependent on the complexity of the piece.

Each art piece is made up of 289 individual Rubik's cube – as a result each art piece has dimensions of 975mm x 975mm and a weight of 46kgs (exclusive of the frame).





Sources and Uses of Funds

Sources	Amount	Uses	Amount
GoGetta	R 1 750 000	Purchase of 37 framed art pieces made from Rubik's Cubes curated by the Company.	R 1 319 272
		Working Capital	R 213 528
		Listing Fee	R 120 000
		Platform Fee (6%)	R 97 200
Total	R 1 750 000	Total	R 1 750 000

Purchase of 37 framed art pieces made from Rubik's Cubes curated by the Company.

c. R 1 319 272 will be used for the acquisition of the Rubik's cubes and framing costs needed to create the 37 art pieces for the rental model of the business at an approximate cost of R 35 000 each.

Each piece will consist of 289 individual Rubik's cubes, which excluding the artists intellectual property will have an underlying value of Rubik's cubes of approximately R 55 000 at retail selling price.

Logan has been able to secure the Rubik's cubes at a wholesale price of R65 per cube landed. Lead times by sea freight is approximately 2-3 months for the cubes to arrive in South Africa – however, logistics can be expedited through air freight at an additional cost.

Working Capital

c. R 213 528 will be used as the working capital required to grow the business until such a time that sufficient revenue is generated from the rental of the art pieces.

We anticipate that the working capital is sufficient for 4 months, this gives the company enough time to secure rental agreements for the art pieces – thereafter begin to generate profit.

Listing Fee

c. R 120 000 will be used to pay the Promotor for the Platform listing fee.

Platform Fee

c. R 97 200 will be paid to the Promotor as a Platform License Fee, this fee equates to 6% of the total capital raised in respect of a successful capital raise.

Operations

Upon successful capital raise, Logan will be appointed to produce the curated art pieces.

A business development and rental officer will be appointed to market the curated art pieces to corporate interior designers, architects, and corporates.

Initially Grovest (Pty)Ltd, will be contracted to attend to the invoicing, collections and monthly management until the company reaches scale and employs its own administration team.

Material Agreements in Place & Salient Terms

The Naked Cuber has an exclusive agreement in place with Rubik's Brand Ltd, the owner of the Rubik's Cube brand based in the UK, as a recognised artist, to acquire Rubik's cubes directly from the supplier at a preferential rate in order to curate the Rubik's art pieces.

Opportunities

There is a large demand for artwork in many hotels, company offices, restaurants, and co-working spaces for innovative and inspiring art pieces. Many corporates (e.g., ABSA, Werksmans, Vodacom and Discovery to name a few) have curated their own art collections which to date have proved to be an integral part of their brand identity as well as accumulating value as the pieces appreciate in value.

Historically a large portion of art was acquired by corporates. That said, with the appreciation in art prices throughout the world many companies are now renting investment pieces as they cannot afford the cash outlay.

The Naked Cuber Rentals has identified this opportunity to rent these innovative, inspiring, and value-added pieces of art to corporates for a monthly fee. This in turn will allow corporates to switch art pieces at will to create newness and freshness to their working surrounds. It is anticipated that corporates will enter into long term agreements with the company.

At the end of 5 years, subject to the approval of shareholders, it is planned that the art portfolio will be sold in the open market, and the proceeds returned to investors.

It must be noted that each artwork has an underlying asset value equivalent to the market value of each individual Rubik's Cube. At the time, of going to market Rubik's Cube were retailing on the Takealot platform at R199 per cube incl. VAT.

Market Size

Africa contributed a sum of USD 13 billion to the global art market in 2018. As of December 2021, there were 342 listed companies on the JSE. Most of which in some way or another have a budget for art/décor – for either office decoration or ESG purposes (supporting local art and heritage). That said, in hard times art has been a soft target for corporate cost-cutting. This is where a rental model may be more advantageous.

In South Africa, the corporate sector has often been attributed as being a major buyer of locally produced visual art. With some companies in South Africa proudly owning collections with a considerable value. These collections have not always been acquired for investment purposes but rather celebrating local brilliance and by default acquiring value.

Mark Read, the director of Joburg's oldest established gallery, Everard Read, has extensive experience in selling hundreds of art pieces to South Africa's top corporates. He speaks to the fact that the art acquired by corporates is not always for investment purposes - "No, buying art is a mix of imperatives, desires and ambitions. The average large corporation that has a budget for art is reflecting a feeling on the part of management or the board that it's important to support South African visual culture, a 'warm fuzzy', if you like."

While South African businesses have bought art for over a century - only in the past 30+ years has it been a major preoccupation. For example, Sanlam, one of the oldest established collectors, has a collection in excess of 2 000 pieces. The collection includes pieces from the likes of Stern, Pierneef as well as 89 pieces from renowned artist Maggie Laubschers. It is estimated that the collection cost R10m- R11m to procure – however, it is currently insured for R148m. **(Coulson, 2022)**

Paul Bayliss, curator of the ABSA art collection, says his institution owns 20 000 works of visual art, claimed to be the biggest collection of South African art in the world (value not disclosed – however estimated in excess of R500 million). **(Coulson, 2022)**

"Research has shown that staff morale and productivity are higher in offices with attractive art on the walls than if they're just bare grey spaces. Staff even become more innovative. But as a collection develops, its role changes. It becomes a way of enhancing a company's brand; if it's exposed to customers and the broader public, it shows that a company realises it has an obligation to develop a society's culture." Rubik's cube art is a new and exciting entrant in the personal and corporate art space. It relates to core values such as problem solving and finding unique solutions, both of which are prominent characteristics of successful companies. With modern business focusing on digital and analytics or data. Rubik's cube art bridges the gap between art and mathematics. This is a novel type of art, released as limited and original editions.

Competitors

The business's current competitors are mainly comprised of

COMPETITOR NAME	DESCRIPTION	COUNTRY	PRICING
Art Eye Gallery	The Art Eye Gallery is a collaborative space that perpetuates this idea of free expression and community.	South Africa	All pieces listed on the website are listed as Price on Request.
Alice Art	Alice Art Gallery is one of the largest privately owned galleries in Africa with a good reputation locally and internationally. The gallery specializes in South African artists and represent over 100 artists with 4000 artworks – catering to a variety of personal and corporate customers.	South Africa	<p>Many pieces are listed as Price on Request as well as offered on auction.</p> <hr/> <p>Priced pieces can range from R450 to R1,4 million.</p>
Shalom Art	Specialize in original South African art and carry a wide range of contemporary and investment art which has been carefully selected to suit the needs of our corporate and private clients.	South Africa	<p>Many pieces are listed as Price on Request as well as offered on auction.</p> <hr/> <p>Priced pieces can range from R450 to R87,000.</p>

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"> • The design and creative aspects of the art pieces as produced by the artist – uniquely positions the pieces in the South African art industry. • Quality and pace of assembly of artworks • The face of the company is considered to be one of the top Rubik’s cubers in the country and holds large social appeal. • <i>The Naked Cuber</i> already has a large Tiktok following and social media presence both in South Africa and around the world. • As the pieces can be rented, it results in the art being more accessible for smaller companies. 	<ul style="list-style-type: none"> • Transporting artworks - as each piece is considerable in both size and weight. • The hanging/ mounting/ installation the artworks will have to be outsourced to professional installers. • Introducing the concept of rental artworks to South Africa.
Opportunities	Threats
<ul style="list-style-type: none"> • Creating unique art that has never been seen before in South Africa before. • The Rubik’s cube is known globally, which makes the artworks familiar and recognizable to most which will achieve large social media presence and the leverage the multiplier effect. 	<ul style="list-style-type: none"> • Corporates may still prefer the investment opportunity associated with collecting traditional art from reputable galleries and not renting pieces. • Reliant on Rubik’s for input material, as they are the sole provider of the medium used to produce the pieces.

Corporate Structure / Cap Table

	Shareholder	Share Type	%
1.	GoGetta Limited	A	60%
2.	Logan Woolfson	B	25%
3.	GroTwenty	B	15%
	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 1” Ordinary Share Management Committee will continuously evaluate various exit mechanisms for its investments. The intended mechanism is to sell the assets in the “Class 1” 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.
- Sale of all art pieces in the open market.
- Sale of individual Rubik’s Cubes at market related prices

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 is regulated by Financial Services Conduct Authority (“FSCA”), has a compliance officer and key individual. 	Low
Environmental Risk	Negative environmental impact	<ul style="list-style-type: none"> There is no environmental impact presented by the business as the medium used, namely Rubik’s Cubes is made from 100% post-consumer recycled plastics as well as the cubes are packaged in high-quality 100% recycled paper. 	Low
Technology Risk	The risk of obsolescence of technology employed.	<ul style="list-style-type: none"> The Rubik’s medium from which the art is produced is not susceptible to technological obsolescence and in fact will be around in perpetuity. 	Low
Key-man Risk	Company is dependent on a single or few individuals	<ul style="list-style-type: none"> As all artworks are dependent on the artist, so is that of the Naked Cuber. Should the artist pass on, it is envisaged that each art piece will appreciate in value. 	High
Revenue Risk	<ul style="list-style-type: none"> Inability to generate revenue to sustain operations. 	<ul style="list-style-type: none"> Should the market not adopt the rental model, the art pieces will be sold in piece meal to the open market. Should the market not acquire the pieces, the individual Rubik’s cubes will be sold as toys to the open market. 	Medium

RISK TYPE	DESCRIPTION	MITIGANT/S	RISK LEVEL LOW/MID/HIGH
Investment Risk (Returns not Achieved)	Risk that shareholders will not realize the targeted return on the capital invested	<ul style="list-style-type: none"> ▪ Should the market not adopt the rental model, the art pieces will be sold in piece meal to the open market. ▪ Should the market not acquire the pieces, the individual Rubik's cubes will be sold as toys to the open market. 	High
Governance Risk	Risk arising from lack of proper structures to manage strategic risks as well as 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. ▪ GoGetta Ltd is registered with the FSCA, has a compliance officer and key individual. 	Low
Competition Risk	Inability to gain market share due to competition	<ul style="list-style-type: none"> ▪ As the business offers a unique type of art – there is little competition in the space, other than traditional artists and suppliers. 	Medium
Operational Risk	Inability of the company to rent the art pieces at targeted prices.	<ul style="list-style-type: none"> ▪ Should the market not adopt the rental model, the art pieces will be sold in piece meal to the open market. ▪ Should the market not acquire the pieces, the individual Rubik's cubes will be sold as toys to the open market. 	Medium
Procurement Risk	The late delivered of art pieces curated.	<ul style="list-style-type: none"> ▪ Once the capital has been raised, Rubik's Cubes will be ordered from the supplier and air freighted to South Africa for immediate deployment. 	Medium