

The GoGetta logo is prominently displayed in the upper left quadrant of the cover. It consists of the word "GoGetta" in a bold, white, sans-serif font, with a trademark symbol (TM) to its upper right. The logo is set against a background of overlapping orange and purple geometric shapes.

INFORMATION

MEMORANDUM

TRAILORED ACQUISITIONS (PTY) LTD

2017/529289/07

Approval is sought for Trailored Acquisitions Proprietary Limited ("Trailored" or the "Company") to utilise GoGetta ("The Platform") to raise a minimum of R4 550 000 to acquire a 20.31% shareholding in Trailored, a business which operates in the mobility sector manufacturing customized food trailers in South Africa.

REPRESENTED BY:
Hlanganiso Maluleke

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 4” Ordinary Shares aims to acquire a “Class 4” Ordinary Share Portfolio of assets, to empower Hlanganiso Maluleka (director and shareholder) (the “Entrepreneur”) to expand his operations of manufacturing tailored trailers for both export and local consumption.

2. Investment Strategy

To subscribe for shares in Trailored Acquisitions t/a Trailored Foods (Registration number: 2017/529289/07) in order to assist the business to purchase specialized machinery and maximise productivity whilst further assisting the business to expand its current operations.

3. Management Committee

Name	Hlanganiso Maluleka
Business Address	164 Katherine Street, Pinmill Office Park, 1 st floor Building 2, Strathavon, 2196
Position	Director of Trailored Food Proprietary Limited and Managing Director of the “Class 4” Ordinary Share Management Committee

Experience

The current CEO and Director of Trailored. Trailored is a trailer manufacturing company where we build 100% customizable trailers ready for everyday business use. At Trailored we build products which help equip entrepreneurs to be able to own a business on wheels. My current task within the company is helping to create the systems and processes which are essential for growth. I help equip my workers, so they are able to work to the best of their abilities. I search for opportunities which will help the company grow via external assistance through physical expansion, product diversity and production efficiency. When I joined Trailored the company was not formally trading, and we were producing 1 trailer a month.

At our prime we now produce an average of 19 trailers a month, through empowering my sales team, building a brand online and lines of communicating with our customers, I have taken my father's operation and created an actual brand, a business customers can trust and buy from. To see our products sold from Cape to Cairo, to help equip Africans with reliable products and give them the confidence to know that when they buy our trailers, they are ready for everyday business use.

Name	Lucas Maluleka
Business Address	164 Katherine Street, Pinmill Office Park, 1st floor Building 2, Strathavon, 2196
Position	Member of the “Class 4” Ordinary Share Management Committee (COO)
Experience	<p>The founder of Trailored. He started operations in 2004. When he started the business, he was building trailers from the backyard of his own house and sometimes at street corners in prime locations to attract customers. Currently he is the COO of the company and HR manager for all the general workers.</p> <p>With his extensive knowledge in producing trailers, he manages the everyday production of the trailers. He focuses on the operations as that is his strong suite. He steers the design and implementation of said design of all the trailers. Having ran an unstable operation for over 12 years on his own, his goal is to see stability within the operations.</p>

Name	Karabo Mathibela
Business Address	164 Katherine Street, Pinmill Office Park, 1st floor Building 2, Strathavon, 2196
Position	Member of the “Class 4” Ordinary Share Management Committee (Finance Manager)
Qualification	<p>B.Com Acc B.Com (Hons) CA (SA)</p> <p>Karabo possess 14 years of work experience in accounting, financial management and governance. As an independent accounting consultant with a specialized focus on Enterprise supplier development and Finance and operational support. He leverages his skills and expertise to support various businesses with capacity, accounting and financial management, strengthening their operational environment, improving systems, audit readiness and understanding how to manage their cash flow. As well as articulate their funding need and finally develop the trading history and track record to secure funding. Provide governance advisory and secretariat services to support all types of organizations.</p>
Experience	

4. Targeted Returns

Value to Investor							
Years		0	1	2	3	4	5
			2022	2023	2024	2025	2026
Equity Portion	20.31%						
Investment		(4 550 000)	0	0	0	0	0
Dividends			0	164 093	361 511	813 327	1 441 596
Repayment of Capital			0	0	0	0	7 273 468
Net Cashflow		(4 550 000)	0	164 093	361 511	813 327	8 715 064
Div Returns as % of Capital Invested				4%	8%	18%	32%

The "Class 4" Ordinary Share Portfolio targets a return of c. 18.09% IRR in the hands of the Investor with a targeted average dividend yield of 15% per annum from year 2 onwards.

Business Performance Metrics?

Key Performance Metrics					
Years	1	2	3	4	5
	2022	2023	2024	2025	2026
REVENUE	R13 450 500	R18 734 625	R23 302 991	R28 281 358	R33 699 303
GROSS PROFIT	R4 329 150	R6 634 875	R8 969 441	R11 714 008	R14 898 153
GROSS PROFIT MARGIN	32%	35%	38%	41%	44%
EBITDA	R1 618 945	R3 964 253	R6 058 113	R8 558 160	R11 444 764
EBITDA MARGIN	12%	21%	26%	30%	34%
OPERATING PROFIT	R1 391 831	R3 833 776	R6 021 000	R8 645 775	R11 650 869
OPERATING PROFIT MARGIN	10%	20%	26%	31%	35%

Notes:

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

5. Why Trailored?

Trailored is a private company registered in accordance with the laws of South Africa, founded in 2004 by Mr Lucas Maluleke, and officially registered in 2016 by his son, Hlanganiso Maluleke, they have recently moved to a bigger premises located in Unit 3, Route 41, 1021 Anvil Street, Roodepoort, Johannesburg, 1709.

The business designs and manufactures fully customisable food trailers as per client specifications. This gives clients the freedom to design a trailer based on their business's specific requirements, in essence only paying for what they need.



Additional to the customised trailer option – the company offers a variety of pre-existing designs. The product diversity that Trailored offers, invariably extends the company's market reach and penetration. Furthermore, the product offering also includes portable ablutions. All trailer orders are manufactured to specification, within seven working days of the order being placed – however, this is dependent on both the quantity and complexity of the trailers ordered.

The business has SABS approval, meaning that all trailers manufactured are to standard and therefore deemed road worthy upon delivery to their clients.

Trailored offers clients' various payment options such as full upfront payment, 50% deposit before and balance on completion of the order, as well as a two-month lay-by option. This increases the obtainability of their trailers amongst their target market entrepreneurs!

Current Operations Photos:



Sources And Uses of Funds

Sources	Amount	Uses	Amount
GoGetta	R 4 550 000	Materials	R 2 181 500
		Machinery and Equipment	R 1 500 000
		Working Capital	R 550 000
		Platform Fee (6%)	R 273 000
		Admin Fee (1%)	R 45 500
		Materials	R 2 181 500
Total	R 4 550 000	Total	R 4 550 000

Materials

c.R 2 181 500 will be used for the purchasing of further inventory required for the manufacturing of the trailers. Bulk purchases of all major materials needed to ensure significant purchase discounts. Lessen fuel expenditure due to constant and frantic buying of materials on a daily basis. Cover 2 months' worth of trailer sales as current achievable goal of 1 trailer a day sold.

Working Capital

c.R 550 000 will be used for working capital in order to cover the businesses operating expenses, which includes the immediate employment of at least 13 new employees on day 1.

Machinery and Equipment

c.R 1 500 000 will be used for the acquisition of the machinery needed for the expansion of the business to meet current demands. This will further service the construction of a spray booth due to spray painting is done at our previous plant due and due to the regulations implemented by our landlord we need to install a fire department certified spray booth. Benefits include significant time reduction in time waited for paint to dry, from approximately 3 hours to only 30 minutes which will ensure quicker production times and increased paint work quality.

Platform License Fee

R 273 000 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 45 500 will be paid to GoGetta Ltd annually - as a 1% annual administration fee on the total capital raised

Competitors

The business's current competitors are mainly comprised of:

COMPETITOR NAME	DESCRIPTION	COUNTRY
Rico Trailers	Rico Trailers South Africa is one of the leading modular solution manufacturer in Africa. We have perfected the art of mobile solution manufacturing for both the corporate and private sectors. Our modular solutions have been exported globally for use in the mining and construction industries, our mobile solutions have found themselves useful in thousands of industries around the globe.	South Africa
Top Mobile Kitchens	We manufacture top of the range of mobile kitchen trailers in Gauteng from high quality materials producing stylish designs from creative ideas and inspirational solutions. Putting together the most practical design that help our clientele turn food into money. We manufacture fully equipped and also the most popular mobile kitchens. With various extras available we are sure you have the perfect mobile vending trailer for your needs.	South Africa
Diamond Trailers	Offer a range of custom trailers, heavy-duty and bike trailers for sale designed and built to suit your every need. Every trailer for sale at Diamond Trailers is hand crafted and expertly designed to ensure the highest performance from your trailer. Car trailers are often relied on for transportation or business needs, which is why we are dedicated to constructing trailers that you can always depend on.	South Africa
Kitchen On Wheels	Mobile kitchen trailers manufacturer which offers various mobile kitchen types - designed to suit the needs of their clients.	South Africa

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"> • Their team is experienced, having manufactured trailers since 2004. • They offer customized trailers to suit the needs of their customers. • Trailored has a diverse product offering including 11 product lines within their existing food trailer offerings. • Grant for R800,000 for the procurement of specialized manufacturing equipment/PPE. • Trailored holds an export certificate – the company has in the last 3 years exported over 50 trailers to neighboring countries like Namibia, Botswana and Lesotho. • They are in the process of manufacturing 75 trailers for a third party service provider (consisting of a mixture of food warming trailers and portable toilet trailers). • Have recently leased a new premises to enable the increase in trailer production. 	<ul style="list-style-type: none"> • Due to capital constraints Trailored may not be able to meet current demand in a timely manner.
Opportunities	Threats
<ul style="list-style-type: none"> • Increasing demand for street food, globally 2.5 billion people consumer street food daily. • Sizeable market reach with Trailored's current organic market reach which is c. 3 000 • Third Party service provider has expressed interest to order more trailers – over and above the current order of 243 trailers. • The total potential revenue from 3rd party alone is c. R12 million. • Potential to expand the operation to produce truck trailers. 	<ul style="list-style-type: none"> • Trailored faces the risk of rising salaries and minimum wages due to more restrictive labor laws, as well as untimely strike action that has become somewhat of a common occurrence within manufacturing. • Rising costs of the materials used for the manufacturing of the food trailers.

Corporate Structure / Cap Table

	Shareholder	Share Type	%
1.	Hlanganiso Maluleke	Ordinary	79.69%
2.	The Platform	Ordinary	20.31%
	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 4" Ordinary Share Management Committee will continuously evaluate various exit mechanisms for its investments. The intended mechanism is to sell the assets in the "Class 4" 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.

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