



## KIPAJI TECHNOLOGIES PLC

### **THE KIPAJI OTT PLATFORM- INVESTORS' BRIEF**

#### **OUR BACKGROUND**

KPJ Technologies Plc is a company registered under the Companies Act 2002 as a public limited company by share capital with incorporation certificate number 156065269 dated 9<sup>th</sup> May 2022. The company envision to carry digital platform services globally, with the plan rolling out the business in the Tanzania domestic market, and scaling up to regional and global markets as the brand builds the name.

#### **THE VISIONARY LEADER BEHIND THE PROJECT BIOGRAPHY.**

Eng. Kabenda Balete is an entrepreneur and innovator with an academic background in Food and Biochemical Engineering (BSc) acquired at the University of Dar es Salaam. Balete is a digital transformation expert whose visionary idea of the Kipaji App platform came after his experience in managing and assisting musicians in their careers during his entrepreneurial journey to pursue his dreams and as a singer for the past 12yrs. Under his guidance, most of them excelled in their career and sold several albums through digital video disc (DVD) markets.

Balete previously worked as a Sales/Service Engineer, and Service Supervisor at Davis&Shirliff (T) Ltd a company with over 70 years of experience in water pumps and energy, a Country Director for the Malaysian Blockchain technology firm. He capacitated several institutions in Tanzania, guiding the understanding of the evolution of Blockchain technology and Digital Currencies through training.

He succeeded to conduct the same at Tanzania Revenue Authority (TRA), Tanzania People's Defense Force (TPDF), ICT-Commission, Tanzania Communications Regulatory Authority (TCRA), E-Government, Parliament of Republic of Tanzania -Budget committee, Mzumbe University, and Dar es Salaam Institute of Technology (DIT), etc.

Balete was a panelist at Tanzania National Business Council (TNBC) on Tanzania's Digital Economy the Section on Blockchain technology and cryptocurrencies. He attended the Bank of Tanzania's(BoT), 20th financial institutions conference in Dodoma as a panelist who contributed constructive ideas to the theme: Digital Currencies: Experiences, Risks and Regulatory Issues. He attended the African Financial Inclusion (Afi) summit in Arusha as a resourceful person invited by the Bank of Tanzania (BoT) to discuss how central bank digital currency (CBDC) could contribute to the financial inclusiveness in Africa.

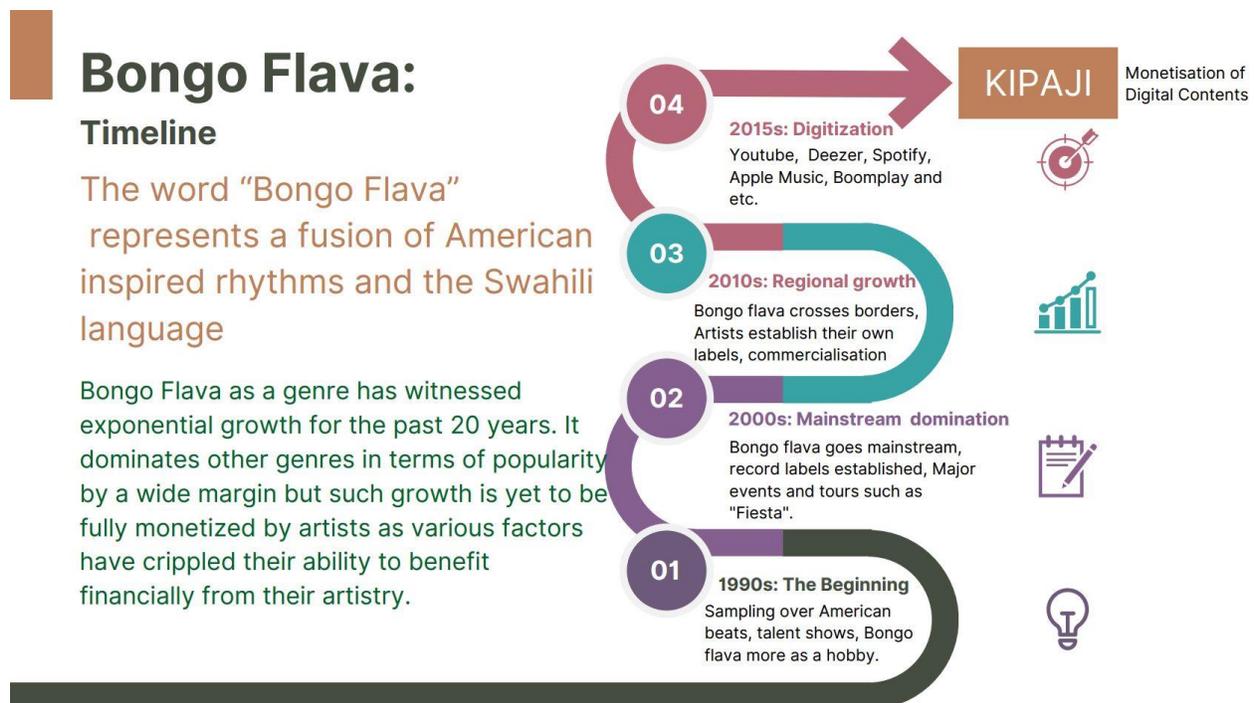
In his endeavors, he conducted a 5-days workshop with Capital Market and Securities Authority (CMSA) and the Dar es Salaam Stock Exchange (DSE) on Blockchain technology and Digital Currencies. In creating awareness among the public about Blockchain technology and its effect on different sectors, especially in financial markets, he did several interviews through local and international media such as BBC World News, DW, China Global Television Network (CGTN), CNBC Clouds FM, Clouds TV, TBC1 and ITV on (Uchumi na Biashara) program which was led by the late Prof. Honest Prosper Ngowi.

Balete has strong leadership and management experience for over 7 years, having mostly practiced negotiation, communication skills, and networking. He is a digital transformation expert with skills in digital and affiliate marketing. He is a certified trainer of entrepreneurship at regent University-USA under the business development center based in Tanzania through the Kingdom leadership Institute (KLI).

## THE BIG IDEA

Bongo Flava as a genre has witnessed exponential growth for the past 20 years. It dominates other genres in terms of popularity by a wide margin but such growth is yet to be fully monetized by artists as various factors have crippled their ability to benefit financially from their artistry. It is akin to an industry in chaos, open for financial rewards for whoever presents a semblance of organization.

The emergence of digital music platforms has provided artists with alternative revenue streams but initial reasons that failed the founding members of the Bongo Flava are still failing the current generations, such as poor understanding of contracts, inadequate music business knowledge, and a narrow understanding on digital platforms' monetization models.



According to a PWC study, Tanzania's total entertainment & media revenue rose 17.2% year on year in 2018, reaching \$596 million. A compound growth rate of 18.3% will mean revenue will stand at \$1.4 billion by 2023.

## **OUR UNIQUE PROPOSITION**

Kipaji App is taking advantage of this technological shift as the sole means of commercializing digital contents online. Due to lack of reliable digital marketplace, some content creators are utilizing social media that cannot fulfill their needs. Book writing has also been affected due to high printing costs but also as most people increasingly spend most of their time on social media perusing news and entertainment, downloading e-books and other digital contents making them available at their fingertips.

Our strength to dominate this sector is premised on the following:

- Our ability to understand the local market
- Understanding the true needs of our consumers
- Our content-creator is king model.
- Produce the exclusive content using the art of creativity to stay ahead of competition

## **BUSINESS MODEL**

The business model is geared towards minimisation or possible remove all customer pain points encountered in other online streaming models. This model leverages the advanced communication technology of higher bandwidth connectivity (3G, 4G, 5G, and prospects of higher generations) to enable the consumers enjoy online streaming seamlessly and enjoy the paid for airtime, without uncalled for intrusion commercial ads and announcements. The customer enjoys a full value of the rented content.

## **OUR CUSTOMERS**

The potential consumers of streaming services in Tanzania are the youth, ranging between 15 to 40 years of age. Their appetite ranges from watching local content to accessing local and international sports events. Affordability of services and a wide range of high-quality content is what attracts these consumers. Due to the lower costs of migrating to other products, most of these consumers have more than one streaming service installed on their digital devices.

## **THE GROWTH PLAN**

Through marketing and brand imaging, the Company will onboard other content creators such as musicians, books writers, film makers and Storytellers sell their digital content to end users. It will be an open platform that is available for anyone needing it. The technological/digital development will positively affect the way creators generate earnings.

## THE OFFER

### Financial Information

The Company is projected to be profitable in year one, posting Earnings Before Interest Tax Depreciation and Amortization (EBITDA) margin of 37%, Operating Margin at 31% and net margin of 21%. Return on Assets and on Equity are projected to post 31% and 39% respectively.

Financial metrics are based on initially onboarding nine (9) content creators with 35 million followers, out of the Copyright Society of Tanzania (COSOTA) registered 9,000 content creators.

Generated revenue is shared between the Company and content creators according to the ratio 45:55. This ratio applies for externally created contents. Artists using internal team will share revenue in the ratio 40:60 in favour of the artist and KPJ Technologies respectively.

### Investors Reward

After CAPEX, KPJ Technologies is cash flow positive with the capacity to start a 50% dividend pay-out in year two. This pay-out will increase as the business grows, rewarding investors who have taken risk investing in this nascent, initially disorganised industry. Scalability of such service industry business without heavy investment in CAPEX, leaves the company with financial wherewithal to reward shareholders

### Use of Proceeds

We are seeking investment funds to the tune of **USD 3.2Million**, to be utilized as per breakdown shown below:

<b>Investment Required Breakdown</b>		USD
1. OFFICE FURNITURES AND BRANDING	TZS 165,000,000	\$ 71,739
2.OFFICE RENT & Equipment	TZS 365,000,000	\$ 158,696
3. SALES & MARKETING AND CONTENT DEVELOPMENT	TZS 4,994,000,000	\$ 2,171,304
4. OFFICE EQUIPMENTS AND ACCESSORIES	TZS 425,000,000	\$ 184,783
5. STAFFING	TZS 704,088,000	\$ 306,125
6. APP DEVELOPMENT PHASE II	TZS 400,000,000	\$ 173,913
7.MISCELLANEOUS (2% of the total funds required)	TZS 141,061,760	\$ 61,331
	<b>TZS 7,194,149,760</b>	
<b>Divided into:</b>		
CAPITAL EXPENDITURE	TZS 4,884,000,000	\$ 2,123,478
OPERATING EXPENDITURE (Working Capital)	TZS 2,310,149,760	\$ 1,004,413
Grand Total in USD		<b>\$ 3,127,891</b>

### NB:

The Company has started the process of soliciting investment funds, with all options open for discussion through private markets and public markets. The project feasibility report, business plan and financial modelling are available for scrutiny. The offer is for **35%** of equity ownership.

## CONCLUSION

By creating order out of seemingly chaos in a billion dollars entertainment industry, Kipaji Technologies Plc is positioned to reward pioneer investors on the way to become market leader. This is indeed the Company **VISION** which promises: “To bring the ultimate value of art and entertainment through the commercialization of artistic content”. This will be achieved by “*Leveraging distribution services through innovation and advanced technology in delivering transparency, while bringing satisfaction to both artists and consumers*’ – the Company Mission statement.