

AFRICA EATS, LTD.

Financial Report

2021

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INCOME STATEMENT

The following is a mix of P&L and cashflow statements. It is the format that Fledge teaches as it puts all of the relevant information in a single report.

Type	Description	2020 (½ year)	2021	2022 (Q1)
INTEREST	Interest	$0.00	$23,540.49	$7,025.50
ROI	Return on Investments	$0.00	$3,336.36	$1,112.12
CAPITALGAIN	Capital gains	$0.00	$0.00	$0.00
FEE	Fees for fund management	$0.00	$0.00	$0.00
MISC	Miscellaneous	$0.00	$0.00	$0.00
Income		**$0.00**	**$26,876.85**	**$8,137.62**
PEOPLE	Salaries & Overhead	$64,272.00	$177,500.00	$36,000.00
LEGAL	Legal Expenses	$24,572.00	$19,002.00	$0.00
OPS	Operations	$4,783.60	$13,252.25	$0.00
MKT	Marketing	$2,600.00	$3,006.84	$0.00
BANK	Bank Fees	$1,111.49	$5,846.88	$1,141.37
SOLAR	Interest on solar loans	$0.00	$7,771.87	$1,925.00
TRAVEL	Travel	$0.00	$54,353.41	$0.00
MISC	Miscellaneous	$0.00	$0.00	$0.00
Expenses		**$97,339.09**	**$280,733.25**	**$39,066.37**
Net	Net Income	**($97,339.09)**	**($253,856.40)**	**($30,928.75)**
TAX	Tax	$0.00	$0.00	$0.00
EQUITY	Equity investments	$402,000.00	$792,301.25	$633,701.00
LOAN	Loans	$130,000.00	$991,887.53	$0.00
LEASE	Lease	$52,674.00	$111,730.00	$10,705.00
ROC	Return of capital	$0.00	$371,000.00	$281,628.50
Investments	Total outbound investments	**$584,674.00**	**$1,524,918.78**	**$362,777.50**
INVESTOR	Inbound equity capital	$729,750.00	$1,509,965.00	$989,500.00
LENDER	Inbound debt capital	$69,750.00	$350,000.00	$0.00
Investors	New capital from investors	**$799,500.00**	**$1,859,965.00**	**$989,500.00**
Net Cash	Net Cash	**$117,486.91**	**$81,189.82**	**$595,793.75**

Income will ramp up later in 2022 from the leases and other services the holdco is providing to the investees.

The **Expenses** continue to be minimal, primarily the under-market salaries of management team.

Below the "bottom line" (a.k.a. Net Income) is a section describing the capital out to the companies. EQUITY are new preferred equity investments. LOAN are new loans. LEASE are solar and truck leases. ROC is booked whenever a loan is repaid (return of capital), whether as cash or equity.

The last section of the report is the capital provided by investors. INVESTOR are equity investments. We closed and collected $989,500 in Q1 and have just over $100,000 from the crowdfunding yet to be transferred and thus not counted into this total. LENDER is the capital provided for the solar leases and some operational capital loans. The $3+ million of assets provided by Fledge when the company began is reported on the balance sheet, not in the P&L.

The last line is the **Net** change in the **Cash** balance in the bank, computed as the **Net Income** minus Taxes (3% on future income, 0% on capital gains) minus cashflow out to **Investments** plus cash provided by **Investors** and **Lenders**.

BALANCE SHEET

At the end of Q1, the company had $687,999 in cash in the bank (not counting the $127,000 raised but not yet collected from the recent crowdfunding campaign), plus an estimated $7 million worth of equity investments, and an estimated $1.2 million worth of loans and leases.

AFRICA EATS - BALANCE SHEET

Cash	**$687,999**	**Short-term**	**$250,000**
Bank accounts	$687,999	Payables	$0
Other receivables	$0		
		Long-term	**$169,750**
Investments	**$8,158,957**	**TOTAL LIABILITIES**	**$419,750**
Equity	$6,999,665		
Loans & leases	$1,159,292	**Equity**	**$8,427,205**
TOTAL ASSETS	**$8,846,955**	**TOTAL LIABILITIES & EQUITY**	**$8,846,955**

Valuing a portfolio of private companies is always a challenge. The $7 million is based on actual historic revenues and growth rates from each portfolio company, and in Q1 this valuation was reviewed and approved by an investment bank we're working with to raise debt capital, and this value fell within an independent valuation estimation they made using a different methodology.

The individual portfolio company valuations will be updated in 2022 as new equity investments are made in those companies, and the whole portfolio will be revalued again in Q1 2023 when the 2022 actual revenues from the portfolio are reported.



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