



Business Plan

Tv, Radio and SVOD App

Version: 1.2

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1. Executive Summary

1.1. Vision

To use technology to bridge the gap in the delivery of quality education.

1.2. Mission

Deliver quality educational content to all students in the United Republic of Tanzania

2. Introduction

Soma Kwanza addresses a dual problem. First and foremost, thousands of children all over Tanzania, particularly girls and women, remain deprived of even the most fundamental opportunities to learn. The other part of the problem is that new information technologies, able to improve access to learning, remain insufficiently exploited.

Never has the problem of basic education been so critical and never have the means to resolve the problem been so vast, but these means have thus far been largely unavailable to educators. There is thus a great need to explore emerging technological options for educational applications targeting the excluded, so as to ensure that technological development will respond to such needs and that standards will be adopted that take educational uses into account. In this case we adopt broadcast technology.

Soma Kwanza TV/FM is a 24hr Linear FTA TV channel and a FM radio station envisioned to provide students in primary and secondary level education with tools and skills to improve their outlook on school and education.

Soma Kwanza App is an innovative means to offering hope and resources to solve two problems: the delivery of quality education content to all Tanzanian learners including those in rural communities, as well as the need to help teachers and teaching staff acquire teaching content and alternative revenue streams.

It is a self-education system based on ICT for student in primary (class 1 to class 7), secondary school (form 1 to form 4) and high school (forms 5 and form 6). It is based

on the Tanzania national curriculum as prescribed by the Ministry of education and its content is class based as prescribed by both the curriculum and syllabus.

2.1. The opportunity

Educational technology (EdTech), is the combined use of computer hardware, software, and educational theory and practice to facilitate learning.

Source: Wikipedia https://en.wikipedia.org/wiki/Educational_technology

Global EdTech market size was valued at USD 74.64 billion in 2019 with an expected annual growth rate of 19.9% over the next seven years to USD 318.8 billion by the year 2027.

source: GlobalNewswire.com <https://www.globenewswire.com/en/news-release/2021/05/24/2234997/0/en/Global-education-technology-market-size-to-register-19-9-CAGR-through-2027.html>

Industry overall trends: massive transition to eLearning, Accessible Education, Big Data for improved analytics, Gamification and game-based learning

Source: GrandViewResearch.com <https://www.grandviewresearch.com/industry-analysis/education-technology-market>

3. Market Summary Overview

Edtech market is under tapped in Tanzania and the greater east African region. It comprises mainly of linear broadcasters who are required by their respective regulators to have educational content in their program lineups.

This has driven students to explore educational content from global sources on platforms such as YouTube and other commercial sites that specialize in particular subjects like science or arts or history.

However there have been some attempts and significant efforts from individuals and schools to create online educational content in the past 1~3 years driven by the global pandemic covid19. But this have been limited in reach and mainly targeted at schools with infrastructure and funds to host e learning programs. Some private ventures and startups that address larger segments of the market but their reach and penetration has not been disruptive.

3.1. Marketing mix

a) Product:

We will provide a free to air 24hr educational TV Channel and a Subscription Video On Demand (SVOD) of Education teaching material organized by academic year and categorized by subject and periods(session) as stipulated in the syllabus.

b) People:

We will serve students following the Tanzania education system from primary school through to high school.

c) Price:

We will have a volume driven price policy having the price as low as possible while making as much profit as possible.

- Soma Kwanza App will be prepaid @ **\$3** per month with cost of goods (revenue share with MNO's and ISP's) @ 30%
- Soma Kwanza TV/FM will have Advertisement revenue @ **\$20** for 10 second ads

d) Promotion:

We will engage government and civil society organization in public relation drives and media campaigns to grow and maintain subscription levels.

e) Place and Distribution:

Our service will available exclusively on our TV Channel an online through mobile App and website.

3.2. Marketing Budget

We intend to set aside 10% of annual revenue to marketing.

3.3. Key Marketing Objectives / Goals and Success Metrics:

- We will build our brand as the trust worthy center for educating the nation
- We will build up interest with random monthly campaigns and subscription giveaways
- We will measure our success via sales receipts, profit margin and market share

3.4. Current Market Size

Tanzania primary and secondary school students with access to internet and 3G/4G Mobile data who would purchase subscription an average of 4 times (during holidays – mid year and December, and during exams – two terms) constitute a market size averaging **USD\$ 24 million annually** (2 million students * 4 monthly subscriptions @ \$3 per month)

3.5. Market demographic

Gender	Male or Female
Age	6 to 20
Education	Primary or Secondary school
Location	United Republic of Tanzania

3.6. The Need served

The education content is by the best of the best teachers, recorded in SD/HD/UHD, available 24 hrs and affordable compared to alternative solutions like private tuition.

a) Biologically

The delivery of education assumes all children have the same intelligence and attention span. Biologically this is not true, some students catch things faster than others, while others are slower or require repetition. This system is the great equalizer, it allows the pupil to watch, pause, rewind as much as required in order to understand the subject materials.

b) Physiologically

Parents strive to give their children every advantage they can to give them a head start in life. This service will allow the parents to deliver quality education to their children on demand and at their fingertips.

c) Social responsibility

With only the best teachers (recognized by the ministry of education by student performance in national exams.) creating content on the platform, students can access the best of the best regardless of where they are in the country or what school they attend.

3.7. Market Trends

Education is one of the most traditional industries and it is changing before our very eyes. 2020 was a year when people started exploring new ways of learning, and for businesses – new opportunities to cover growing education needs.

a) Convenience and Efficiency

There is tremendous emphasis on convenience, efficiency and lower prices in Tanzania mainly related to increase in younger, modern dual income families who tend to turn to improved internet access and a fascination with gadgets to solve day to day issues and challenges or simply get validation for their acquired lifestyles.

b) Massive transition to eLearning

E-learning is very scalable and allows educators to reach many students at the same time or, in case of on-demand prerecorded courses, at different times. It is much more affordable and accessible than traditional face-to-face classes.

c) Subscription-based learning

The subscription gives you full access to all the materials of the class or various classes. It enables you to change the class at any time, stop learning, return to previous lessons, go to the next lesson, etc. You can study whatever you like at a comfortable pace without overpaying for the number of classes you complete.

d) Gamification and game-based learning

Gamification, as well as immersive learning, represent a favorable use of technology in education, as they engage students in the process. This method is not new (it has been used for about 20 years). Today's online learning solutions are using it with full force because it is extremely actionable.

e) **Big Data for improved analytics**

Digital learning services generate a large amount of data about student behavior, interests, interactions with content, etc. This data can be analyzed in order to receive valuable information which will improve the whole educational process or certain parts.

f) **Accessible Education**

Making highly skilled teachers available to rural, remote or disadvantaged students.

3.8. Competition

a) **Mtabe**

Offline eLearning for Everyone

Mtabe is a questions & answers e-learning platform for students who don't have access to internet, textbooks or smartphone. They send you 5 questions every day and answer any 5 questions you have. By the time exams come, you will have covered all the topics.

Strengths

- They work offline
- Interactive teacher student environment

Weaknesses

- Unsupervised interaction between students and teachers is a justified concern
- SMS based Q&A requires student discipline to study and understand alone

Charges: Free

b) **THL**

Scholarships for Tanzanian students, Past Papers and Exam Results. THL app also contain employment opportunities

Strengths

- wide range of offerings (education levels)
- past examination papers

Weaknesses

- Obsolete system programming – does not work on most devices, project may be abandoned
- None specific deals with all education levels primary, secondary, college, has scholarships and job postings - confusing

Charges: Free

c) Elimu Tube

Elimu tube is an online learning platform through a mobile application launched to solve the education challenges in Tanzania. It aims at creating and providing an access to local, qualified and credible educational learning resources for the learners in Tanzania through their mobile phones anywhere and anytime.

Strengths

- Multiple education products

Weaknesses

- Overwhelming to younger audience
- Advertisements in a safe space

Charges: TZS 1,500 per month

d) Competition Features Matrix

	Mtabe	THL	Elimu Tube	Soma Kwanza
Android Mobile	X	X	X	X
Android TV				X
iOS				X
Roku				X
Apple TV				X

	Mtabe	THL	Elimu Tube	Soma Kwanza
Fire TV				X
Primary School	X	X		X
Secondary School	x	X	X	X
Paid			X	X
HD Video lessons				X
Online notes			X	X
High quality video tutorials			X	X
Online timed exams			X	X
Online one on one quizzes			X	X
Education consultancy			X	
Academic institutions ads			X	X
No Ads				X
Past Exams /Test	X		X	X

e) Market player

Entrants

We expect new entrants in the market. This is due to the global covid19 pandemic that has changed the way we do business, exposed the strengths of virtualization. Post pandemic would will have the scars of crowds, schools and parents are more open to eLearning from home and are even willing to pay for it. Even if for the sense of health safety of their children.

Mergers

Even though not very common in this market, it is likely that the startups aiming to cash in on the fear, willingness of the established education institution to go digital or for funds from governments and NGO's will collaborate and even merge to create better competing products against globally recognized systems.

Bankruptcies

When the pandemic euphoria was over, those who subscribed to less than perfect eLearning systems that were started by 'fly-by-night' opportunists woke up and shifted to the real systems.

Secondly, this eLearning platforms are big consumers of bandwidth, so those eLearning platforms that have not factored this in as volumes increase will find it exceeding expensive to deliver to the subscribers.

4. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Advanced VoD (Video on Demand) Platform • Complete Tanzania Education Syllabus Covered <ul style="list-style-type: none"> • Monthly affordable subscription • In line with consumer trends of instant delivery 	<ul style="list-style-type: none"> • Online subscription is not well known/understood • Ability to make online payments visa/master card is a challenge • Access to internet/digital devices in rural areas
Opportunities	Threats
<ul style="list-style-type: none"> • HD/UHD Content positions premium services <ul style="list-style-type: none"> • Government support <ul style="list-style-type: none"> → Covid19 distancing → Remote students access to quality educators • Improved internet/broadband services 	<ul style="list-style-type: none"> • Competitors may rise/duplicate and market aggressively on the same principles. • Price of internet/broadband service can get prohibitively expensive.

5. Strategy

5.1. Mission Statement

a) Vision

To use technology to bridge the gap in the delivery of quality education.

b) Mission

Deliver quality education to all students especially those living under difficult circumstances and those in areas that competent teachers and educators avoid.

c) Business name

“Soma Kwanza”

d) Slogan

“Taifa linakutegemea”

5.2. Strategic objectives

All school going children in both primary and secondary school in Tanzania (2022-2023).

	Boys	Girls	Total
Primary school (Grade 1 – 7)	5,616,919	5,808,563	11,425,482
Secondary School (Form 1 -6)	1,469,153	1,608,202	3,077,355
Total Enrollment 2022 -2023			14,502,837

*Source: Ministry of Education, Science and Technology

https://www.tamisemi.go.tz/storage/app/epr42022/Consolidated_Primary_EnrolmentbyGrade_PTR_2023_PSLE2022_new.xlsx

https://www.tamisemi.go.tz/storage/app/ep4r2023/VIASHIRIA%20EP4R_2023/Consolidated_Secondary_EnrolmentbyGrade_CSEE2022,2023.csv

Available market (end users with internet access)

Internet access and penetration in Tanzania 2022-2023 to be used as a metric on the student population. that will have access to internet so as to subscribe to our Edtech platform.

S/N	Indicator	Category	Jun-23	
1	Percentage of the population covered by a mobile broadband network signal (3G, 4G or higher)	3G	77%	
		4G	65%	
2	Percentage of Geographical coverage by mobile network signal (3G, 4G or higher)	3G	62%	
		4G	50%	
3	Network Quality Indicator: Average download and upload speeds (in Mbit/s)		Upload Speed	Download Speed
		Mobile Broadband	7.23 Mbps	14.35Mbps
		Fixed Broadband	22.76 Mbps	26.09 Mbps

*Indicating an average population internet penetration of **71%** in 2023 where 3G is **77%** and 4G is **65%**

Estimate of Internet Users:

Year	2018	2019	2020	2021	2022	2023
Users	22,300,588	25,796,579	26,080,526	29,105,503	31,172,544	34,045,384

*Indicating average growth rate of **17%** per year. In 2018 there were **23,808,942** subscriptions which increased to **34,045,384** subscriptions at the end of June 2023.

source: Tanzania Communications Regulatory Authority

https://www.tcra.go.tz/uploads/text-editor/files/Communication%20Statistics%20for%20Q4%202023_1689695039.pdf

With a student population of 14,502,837 (~14.5 million) students, internet penetration of 71% percent and our marketing objective is to acquire 20% of the target market in the first year i.e. **2,059,402.85** subscriptions

Potential Market (all students)	14,502,837
Available market (students with internet access)	14,502,837 * 71% = 10,297,014.27
Target market (20% of students with internet access)	10,297,014.27 * 20% = 2,059,402.85

5.3. Target market

a) Seasonal trends

The student year has 2 terms (Term 1: Jan – Jun , Term 2: Sep - Dec), each term has a mid-term break and exams before each break. In total, there are a minimum 4

examination periods per year. This will give us four (4) high/peak seasons for maximum subscriptions in preparations for exams.

b) Attitudes

Additional high seasons will be on school holidays where parents will opt for the more affordable “Soma Kwanza App” e-learning subscription as opposed to private tuition to give their children catch-up or advantage.

c) Demographics

- Primary School
 - Girls aged 6 – 13 → 824,816
 - Boys aged 6 – 13 → 797,603
- Secondary School
 - Girls aged 14 – 20 → 228,365
 - Boys aged 14 – 20 → 208,620
- Buying rate averages 4 times a year

d) Market Size

Retail selling price * Buying Rate * population

Demographic	Population
Primary School	1,622,419
Secondary School	436,985
Buy rate Average per year	4
Price (monthly subscription)	\$3

Size of Market for Primary school:

$$3 * 4 * 1,622,419 = \mathbf{\$19,469,028}$$

Size of Market for Secondary school:

$$3 * 4 * 436,985 = \mathbf{\$5,243,820}$$

Total size of market **\$24,712,848**

5.4. Marketing Strategy

a) Product Description

Soma Kwanza App will provide high quality (HD/UHD) educational videos on a free Linear 24 hr TV channel and subscription video on demand format (SVOD). These videos will be arranged and sorted by subject, topic and period based on a school year. Each pupil will have access to all the material relevant to the school year they are in.

The SVOD platform will have a subscription module with payment system integration (PayPal & Credit Cards) and Apps for Roku, Fire TV, Android TV, Android mobile, Apple TV, iOS

b) Pricing and rationale

We will price at \$3 which is higher than what the closest in similarity company offers. This value has been determined by video distribution costs.

c) Promotion

As an educational product, we deal with minors. The state and parents are very protective and rightly so. Our biggest promotional objective will be acceptance by state and non-state actors in the education industry. We will attend and sponsor educational seminars to introduce this product to get approval and acceptance as a valid, reliable and exceptional provider of education.

d) Channels of distribution

Soma Kwanza TV/FM is a linear TV channel, FM radio station and Soma Kwanza App is a digital product. It requires the consumers to have a compatible digital device. Therefore, our product will be delivered via Regular TV lineup and internet as a video on demand service.

5.5. Preliminary Marketing Sales & Revenue Forecast

	Year 1	Year 2	Year 3
Sales Revenue (4 subs a year)	24,712,848	29,655,418	35,586,501
Estimated Expenses (cost + 5%)	8,649,497	10,379,396	12,455,275
Sales Revenue - Expenses	16,063,351	19,276,021	23,131,226

5.6. Controls / Success matrix

a) First year goals

Acquire 20% of the market

b) Additional year goals

Add one to one, and one to many live classes

c) Measures of success/failure

Student outcomes

Market share growth

5.7. Marketing Partners / Organizations

We will team up with local ad agency to drive and strategize below the line marketing and also engage digital marketing organization to make us known in the digital space and social media platform presence.

5.8. Keys to success

As a team we will assemble will live and strive to:

- Commit to the long game
- Take our first steps intentionally
- Take calculated risks

6. Commercial

6.1. Wages and running costs (OPEX)

Wages will have not have a major role as the product is technology based. Most of the staffing costs will be operational and compliance. The major recurring costs will come from software licensing monthly as subscriptions increase and internet bandwidth for operations.

#	Description	Cost (USD\$)
1	Rent (office and Studio)	7,000

#	Description	Cost (USD\$)
2	Internet (50 MB/s)	3,500
3	Utilities (power & water)	500
4	Payroll	4,400
5	Consultant/Talent (rights acquisition)	750
6	Marketing	7,000
7	Broadcasting	7,200
8	Subscribers licenses	50,000
	Total Expenses	80,350

6.2. Major expenses (CAPEX)

Major expenses represent the initial capital expenditure to get everything running.

#	Description	Cost (USD\$)
1	Curriculum Content Creation	2,088,450
2	Studio Equipment	365,000
3	Studio Build (25 sets)	62,200
4	Soma Kwanza Platform	925,000
5	Soma Kwanza TV/FM	280,771
6	MnE Activities	69,100
	Total Expenses	3,790,521

6.3. Financial Summary

Startup costs and initial cash for operations will be 100% bank loan / grant financed at **USD\$ 4,500,000**

#	Description	Qty	Cost (USD\$)
1	Wages and running costs (OPEX)	9	709,479
2	Major expenses (CAPEX)	1	3,790,521
	Total Funding		4,500,000

6.4. Revenue Assumptions

a) Soma Kwanza App

Tanzania Edtech total size:

Enrollment of students in primary and secondary schools as of 2023	14,502,837
National internet (Broadband, 3G, 4G and 5G) penetration is 71%, making the potential market in Tanzania	10,297,014

Edtech Industry Annual growth 20%

Year one subscribers (20% of eligible students)	2,059,403
Year two subscribers (20% increase in subscriptions from previous year)	2,471,283
Year three subscribers (20% increase in subscriptions from previous year)	2,965,540
Subscription charge (\$USD)	3.00
Cost of sales (\$USD)	0.30
Monthly opt out	20%

Seasonal Peaks (100% subscription)

Term 1 (Exams - March, Holidays - June)	2
Term 2 (Exams - November, Holidays - December)	2

Regular Subscriptions

Active in the month of enrollment	1
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b) Soma Kwanza TV/FM

Revenue setup (Rate card):

#	Description	Rate	Hours in the Day																							
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	Peak Ad minutes	1														1	1	1	1	1	1	1				
2	Off peak Ad minutes	0.5	1	1	1	1	1	1	1	1	1	1	1	1	1									1	1	1

* *Minutes per hr for Ads* 3

** *Rate per 10 sec blocks* 20

*** *Days in the year* 365

Revenue calculation:

#	Description	Ad Hours in a day	Ad Mins a day	Ad blocks	Revenue per Day	Annual Revenue
1	Peak Ad minutes	7	21	126	2,520.0	919,800.0
2	Off peak Ad minutes	17	51	306	3,060.0	1,116,900.0
					Total	2,036,700.0

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6.5. Cash Flow Statement

	Prior Ops	Year 01												Totals
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Opening Balance	4,500,000													
TV Advertisement Revenue														
Pick Ad Revenue								76,650	76,650	76,650	76,650	76,650	76,650	459,900
Off pick Ad Revenue (2 for the price of 1)								46,538	93,075	93,075	93,075	93,075	93,075	511,913
Cost of broadcasting					-2,300	-2,300	-2,300	-2,300	-2,300	-2,300	-2,300	-2,300	-2,300	-20,700
Subscription Revenue														
Subscription								343,234	686,468	1,029,701	1,372,935	1,716,169	2,059,403	7,207,910
Subscription Opt out								-68,647	-137,294	-205,940	-274,587	-343,234	-411,881	-1,441,582
Cash sales								823,761	1,647,522	2,471,283	3,295,045	4,118,806	4,942,567	17,298,984
Cost of Sales								-247,128	-494,257	-741,385	-988,513	-1,235,642	-1,482,770	-5,189,695
Total Receipts	4,500,000	0	0	0	-2,300	-2,300	-2,300	697,520	1,320,691	1,897,323	2,473,956	3,050,589	3,627,222	13,060,401
Expenses:														
Content														
Curriculum Content Creation	2,088,450													2,088,450
Studio Equipment	365,000													365,000
Studio Build (25 sets)	62,200													62,200
Soma Kwanza Platform	925,000													925,000
Soma Kwanza TV	280,771													280,771
MnE Activities	69,100													
Operational														
Rent (office and Studio)		7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Internet (50 MB/s)		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Utilities (power & water)		500	500	500	500	500	500	500	500	500	500	500	500	6,000
Payroll		4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	52,800
Consultant/Talent (rights acquisition)		750	750	750	750	750	750	750	750	750	750	750	750	9,000
Marketing		7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Broadcasting		7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	86,400
Subscribers licenses		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
Total Expenses	3,790,521	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	4,685,621
Loan Repayment								84,921	84,921	84,921	84,921	84,921	84,921	509,523
Net Cash	709,479	-80,350	-80,350	-80,350	-82,650	-82,650	-82,650	532,250	1,155,420	1,732,053	2,308,686	2,885,318	3,461,951	8,374,780
Beginning Cash position		709,479	629,129	548,779	468,429	385,779	303,129	220,479	752,728	1,908,148	3,640,201	5,948,887	8,834,205	12,296,157
Ending Cash Position		709,479	629,129	548,779	468,429	385,779	303,129	220,479	752,728	1,908,148	3,640,201	5,948,887	8,834,205	12,296,157

a) Cash Flow Statement (Year 2 and Year 3)

	Year 02				Totals	Year 03				Totals
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Opening Balance										
TV Advertisement Revenue										
Pick Ad Revenue	229,950	229,950	229,950	229,950	919,800	229,950	229,950	229,950	229,950	919,800
Off pick Ad Revenue (2 for the price of 1)	279,225	279,225	279,225	279,225	1,116,900	279,225	279,225	279,225	279,225	1,116,900
Cost of broadcasting	-6,900	-6,900	-6,900	-6,900	-27,600	-6,900	-6,900	-6,900	-6,900	-27,600
Subscription Revenue										
Subscription	2,883,164	3,706,925	4,530,686	5,354,447	16,475,223	6,342,961	7,331,474	8,319,988	9,308,501	31,302,923
Subscription Opt out	-576,633	-741,385	-906,137	-1,070,889	-3,295,045	-1,268,592	-1,466,295	-1,663,998	-1,861,700	-6,260,585
Cash sales	6,919,594	8,896,620	10,873,647	12,850,674	39,540,535	15,223,106	17,595,538	19,967,970	22,340,402	75,127,016
Cost of Sales	-2,075,878	-2,668,986	-3,262,094	-3,855,202	-11,862,160	-4,566,932	-5,278,661	-5,990,391	-6,702,121	-22,538,105
Total Receipts	7,652,522	9,186,274	11,229,202	13,272,130	40,830,953	15,723,643	18,175,156	20,626,669	23,078,182	77,603,650
Expenses:										
Content										
Curriculum Content Creation										
Studio Equipment										
Studio Build (25 sets)										
Soma Kwanza Platform										
Soma Kwanza TV										
MnE Activities										

Rent (office and Studio)	25,200	25,200	25,200	25,200	100,800	30,240	30,240	30,240	30,240	120,960
Internet (50 MB/s)	12,600	12,600	12,600	12,600	50,400	15,120	15,120	15,120	15,120	60,480
Utilities (power & water)	1,800	1,800	1,800	1,800	7,200	2,160	2,160	2,160	2,160	8,640
Payroll	15,840	15,840	15,840	15,840	63,360	19,008	19,008	19,008	19,008	76,032
Consultant/Talent (rights acquisition)	2,700	2,700	2,700	2,700	10,800	3,240	3,240	3,240	3,240	12,960
Marketing	25,200	25,200	25,200	25,200	100,800	30,240	30,240	30,240	30,240	120,960
Broadcasting	25,920	25,920	25,920	25,920	103,680	31,104	31,104	31,104	31,104	124,416
Subscribers licenses	180,000	180,000	180,000	180,000	720,000	216,000	216,000	216,000	216,000	864,000
Total Expenses	289,260	289,260	289,260	289,260	1,157,040	347,112	347,112	347,112	347,112	1,388,448
Loan Repayment	254,762	254,762	254,762	254,762	1,019,047					
Net Cash	7,363,262	8,897,014	10,939,942	12,982,870	39,673,913	15,376,531	17,828,044	20,279,557	22,731,070	76,215,202
Beginning Cash position	12,296,157	19,659,418	28,556,433	39,496,375	52,479,244	52,479,244	67,855,775	85,683,819	105,963,376	128,694,446
Ending Cash Position	19,659,418	28,556,433	39,496,375	52,479,244		67,855,775	85,683,819	105,963,376	128,694,446	

6.6. Income Statement

	Year 01				Totals	Year 02	Year 03
	Q1	Q2	Q3	Q4			
Advertisement Sales			462,638	509,175	971,813	1,166,175	1,399,410
Subscription Sales	0	0	4,942,567	12,356,417	17,298,984	20,758,781	24,910,537
Cost of Sales	0	-6,900	-1,489,670	-3,713,825	-5,210,395	-6,252,474	-7,502,969
Gross Profit	0	-6,900	3,452,897	8,642,592	12,088,589	14,506,307	17,407,568
Expenses:							
1 Rent (office and Studio)	21,000	21,000	21,000	21,000	84,000	100,800	120,960
2 Internet (50 MB/s)	10,500	10,500	10,500	10,500	42,000	50,400	60,480
3 Utilities (power & water)	1,500	1,500	1,500	1,500	6,000	7,200	8,640
4 Payroll	13,200	13,200	13,200	13,200	52,800	63,360	76,032
5 Consultant/Talent (rights acquisition)	2,250	2,250	2,250	2,250	9,000	10,800	12,960
6 Marketing	21,000	21,000	21,000	21,000	84,000	100,800	120,960
7 Broadcasting	21,600	21,600	21,600	21,600	86,400	103,680	124,416
8 Subscribers licenses	150,000	150,000	150,000	150,000	600,000	720,000	864,000
Operating Expenses	241,050	241,050	241,050	241,050	964,200	1,157,040	1,388,448
Operating Profit (EBITDA)	-241,050	-247,950	3,211,847	8,401,542	11,124,389	13,349,267	16,019,120
% EBITDA/Sales	n/a	n/a	59%	65%	61%	61%	61%
Depreciation & Amortization	232,589	232,589	232,589	232,589	930,355	930,355	930,355
EBIT	-473,639	-480,539	2,979,258	8,168,953	10,194,033	12,418,911	15,088,764
Interest on Bank loan			55,422	52,920	108,341.3	186,023	157,307
EBT	-473,639	-480,539	2,923,836	8,116,034	10,085,692	12,232,888	14,931,457
Estimated Tax 30%	0	0	877,151	2,434,810	3,311,961	3,669,867	4,479,437
NET INCOME	-473,639	-480,539	2,046,685	5,681,224	6,773,731	8,563,022	10,452,020

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