



BUSINESS PROPOSAL

The title "BUSINESS PROPOSAL" is rendered in large, bold, black letters. Each letter is filled with a different nature scene from the Serengeti. The 'B' shows a lion. The 'U' shows an eagle in flight. The 'S' shows a giraffe. The 'I' shows a leopard. The 'N' shows a cheetah. The 'E' shows a meerkat. The 'S' shows a meerkat climbing a stick. The 'P' shows a tiger. The 'R' shows an alligator. The 'O' shows a buffalo. The 'S' shows a snake. The 'A' shows a snake. The 'L' shows a snake.



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1. Executive Summary

1.1 Business Background:

Big 5 was founded due to a personal passion for the Serengeti plains, tropics of Zanzibar Island and the mainland of Tanzania. Built on a foundation of both British and Tanzanian roots, a brand was created that intertwines (blends) the two cultures and brings them together as one.

This entails capturing the unique spirit of Africa and the mesmerising plains of the Serengeti, through combining a blend of tropical fruits, hand-picked from the idyllic paradise of Zanzibar Island with other globally sourced botanicals. We carefully infuse this into our UK produced products, which is home to some of the finest spirits in the World. A perfect combination that truly combines the heritage and culture of East Africa and the UK. We currently produce (and intend to expand on) an extensive range of exciting tropical fruit infused products. The products are inspired by the big animals of the Serengeti and incorporate all well-known spirit categories. A 5-year road map of memorable, desirable, and exciting brand names and products have all been designed and trademarked, across the UK and Tanzania.

The Managing Director Alex Wright is a Certified Chartered Accountant (FCCA) by profession and crafted his trade working in some of the largest organisations in a number of industries including manufacturing, FMCG, banking and finance. Alex has a wealth of experience in finance, multi-national business ownership, import and export, the food and drink trade and management of staff internationally.

Alex founded and co-owned an investor backed seafood brokerage company that exported over 1 million kg of live lobster across 14 countries. The company's annual revenue exceeding \$20m CAD right from the first year. This endeavour generated some of the ideas that linked to the Chinese market, such as spirits, that ultimately led to Big 5 being formed.

The Serengeti is famous and renowned as one of the most breathtaking national parks in the world. The Serengeti showcases mesmerising wildlife, the magnificent Mount Kilimanjaro and the laid back 'Hakuna Matata' lifestyle. Alex the founder knew that this was where he wished to start generating the idea and to turn a passion into a reality. A British citizen, but having married into a Tanzanian family, Alex now has many family, friends and associates residing in Tanzania and has a property strategically placed in the centre of Dar es Salaam, in close proximity to the Zanzibar ferry port. Alex is very well accustomed to the culture, and foresees opportunities to be able to fulfil these business aspirations.

The company's story, branding background, marketing and USP can be utilised by leaning on the country's cultural and historical landmarks, along with its crown jewel of the Serengeti, to produce and market spirits and other beverages that will create demand from wholesalers, retailers, hotels and bars alike.

Big 5 will benefit from Alex's 5 years' experience in import and export of products globally and in markets that are unfamiliar to many spirits companies in western Europe and Africa. Being a chartered certified accountant and experienced in working in and leading finance projects worth hundreds of millions of pounds, Alex will manage the company's financials with meticulous detail to the management of finances, business planning and forecasting.

For sales to Asia, wider Africa and the rest of Europe the company will aim to sell to wholesalers primarily, who will then take ownership of the import regulation and taxes for that destination from the port of their choosing.

The company wants a vibrant, friendly family and community feel to its operation, but with the opportunity and capability to run as a global operation. 5% of the company's profits will be distributed to the Wright Foundation which is a to be registered charity which will work in providing impoverished areas of Tanzania with essentials, such as food and clean water, along with medical and educational supplies.

1.2 Business mission:

British expertise, African Provenance. We want to create diversity within the craft spirits industry and showcase the wonders of Tanzania and the African continent, with alcohol consumers far and wide. Underrepresented on a bar shelf, it's time for African spirits to hit the world stage and we are ready to play our part. There is far too little variety of African spirits available in key markets outside Africa and there is a huge opportunity to shake up some of the current offering of very similar products currently on our shelves and we would like to enter emerging and foreign markets to sell both a different and more premium product range.

Big 5 aspires to design, produce, and implement a strategy that will see its Serengeti themed products, being sold, and advertised in countries all over the world. The company will have the option to review its desired direction, as to whether to remain as a craft spirit, produced in smaller batches, with each of the bottle caps being hand fastened, or to go more mass produced.

Big 5 hopes to produce a fantastic premium level spirit more unique to its competitors, that will showcase tropical flavours, encapsulated in our custom bottles and packaging. We intend to pair our spirits with a select range of mouth-watering mixers from our 'Big 5' sub brand of the business. Our eye-catching paintings produced from Arusha, will assist in growing our 'Serengeti' brand.

We have aspirations of opening an additional distillery and waterfront location in Tanzania for our core range and we will partner with other distilleries and soft drink manufacturers for some of our additional and extensive product range. All sales, marketing, finance, and admin related departments will continue to operate remotely, as we want to continue to grow a flexible, cost effective and diverse team, bursting with differing ideas, cultural backgrounds and we are open to hiring from any background and from any geographical location.

Our young, bright, and vibrant company wants our customers to associate our products with far away tropical paradise and good times.

Talking of paradise, our goal, is to own and operate our own slice in Dar es Salaam or in Zanzibar Island, where we hope to incorporate an overseas office, micro distillery and 'Big 5' beach resort, where we can showcase our animal themed craft spirits, mixers, along with our paintings & pictures on display, from a central hub. This investment would also offer huge tax savings opportunities, if the company head office structure, is set up correctly.

While our products are premium UK produced, flavoured spirits are extremely competitive and quite possibly reaching its peak in the UK market, so we are wary of this and as such, the Tanzania and wider Africal is our intital target market for sales revenue.

1.3 Financial summary:

Investment: The company foresees that it will require \$250,000 capital to initiate the company's trading, during its start up phase. This will include the cash flow that is required for the business to be fully trading and operational. Further financial requirements are anticipated to be produced from profit generated from sales, before being re-investing back into the business, to facilitate growth and expansion. The company aims to achieve long term stability with a viable product selling in various markets around the world. This is not intended as a 'get rich quick' scheme at a time when gin and other flavoured alcoholic products are at their peak in the UK, but rather as a premium brand and product range, ideal for other markets just establishing themselves in this sector.

The owner has provided all his available financial resources in the sum of \$120,000 into the start-up of this business and will be seeking outside investment for the remaining \$250,000, now required. The company is seeking an experienced angel investor, familiar with the Tanzanian market, that along with assisting with financial capital, will be able to help with actively assisting in growth and achieving our long-term goals.

Detailed financials can be located at the bottom section of this business plan. Most of the finances spent thus far relate to the UK incorporated company and do not sit on the balance sheet. For context, they have been spent on refitting the premises for the UK micro distillery, insurance, equipment, grading machine, product development and bulk buying of the necessary items for production, i.e., Gin drum, flavourings, bottles, labels and custom caps and stoppers. We have used specialist outside consultancy to assist in all required areas, such as product development, sales and marketing. Our management team is set up, with offshore personnel in the UK, Tanzania & the Phillipines. The company really has front loaded its capital on set up costs. Fully functioning distillery (with no debt), Product development, custom produced caps, trademarks, licences, websites, sales brochures, flyers, pitch and product decks and operating social media platforms are all complete. The \$250,000 still required, will be needed for sales costs, marketing budget and to establish a premises in Dar es Salaam. As we now plan to begin wholesale and export sales, substantial running cash flow, will also be required. It was business critical that the company secured a status for duty suspended goods, to be able to produce in its UK distillery and initiate into the export market without duty payable and this licence has been granted, ready for operation. Because we have front loaded much of our start up costs and have set up to be as efficient as possible, we feel we will be profitable right from the first year. Once we have the building blocks in place, we believe we will begin to experience quite rapid growth. By year 4, we believe our turnover can be in the region of \$9.2m, with gross profits of \$3.0m.

2. Brand Story & Vision

The brand story has been broken down into the four sections, detailed below:

Evolution

The owner, who is well travelled, came to a realisation that African spirits are under-represented on a bar shelf and many of the spirit category in general, lacks diversity, impact and innovation. Being British, who are world renowned for producing some of the finest spirits and being married into an East African family, that is home to some very desirable aspects of Africa, in addition to the experience held in the food & drink industry, this all channels to a huge opportunity, in a ever growing market.

Aesthetics – Look & Feel

Imposing, vibrant, bold and colourful for the visual aspect of the product. The animal designs are instantly relatable to the chosen animal due to many aspects, such as the bottle shape chosen. Once in your hand our bottles are heavy to give the impression of quality and high value. Our labels are premium to the touch and they look and feel like the skin of the animal that it relates to. Our Hakuna Matata and Kilimanjaro labels, have the spot gloss on key landmarks or elements, such as the mountain, our monkey mascot and the beaming sunshine. This is to immediately draw you in, to the unique elements of the product, in addition to our bright and intriguing colours.

Heart – Mission & Values

This stems from the company's family background and culture. The owner feels passionate about showcasing Tanzania to the world and in a setting where people are coming together and enjoying themselves. Our products will make people feel good, unwind and make their mind wonder to far away tropics and adventures. We will also use the company's hopeful success, to be able to give back to the poorer and less fortunate areas of Tanzania.

Voice – What do we say

As our slogan say's 'A taste of the tropics' and we mean it. From the moment you run our spirits, under your nose, you get a rush of tropical fruit flavours that begin tingling your senses. Your not dissapointed, when you then take a first sip and it's exactly how you expected, The dissapointment later comes, when you reach the end of the bottle and it went down quicker and easier than first anticipated. We stand for diversity, natural and transparent ingredients, sustainability and being laid back, cool and fun. We hope this flows through in all aspects of our business.

Brand strengths

Our strengths start from the top of our products. Our custom designed bottle caps are well constructed, hand painted and unique. Moving down the bottle, our flavours are delicious and easy drinking and the colours of the liquid, immediately provide our customers with intrigue. With intrigue, usually follows a taste experiment and some mixology of changing of the colours, within different drink serves. Once the bottle is complete, you feel they are too good to throw away, so they go back on your shelf, until you are able to order another bottle.

Brand Perception

Our products are seen as vibrant, fun and intriguing. High end-and evidently craft produced, with care and attention going into producing the tropical experience.

3. Big 5 Products & Services

The company has launched two initial signature products to the market. All the 10 products in the range, will represent the big known animals of an African safari and will cover the range of all the main alcoholic spirit categories, so we can cater for all requirements and tastes. One of the products will also be a non-alcoholic spirit which is growing in demand, but should also appeal to some of the middle east countries where alcohol is banned, discouraged or attracts extremely high taxation. Most of our products are trademarked and with the names and branding designs. We hold a full product deck for the whole projected range, across our 5 year road map.

At this point, there is also a potential for a high end premium limited release product to complete the collection, which would represent the 'King of the Jungle' should we say. The details of each of the first two signature products of release are provided individually below:

Giraffe Gin

The first introduced is our double award-winning Giraffe Gin. We entered two award categories at the world gin awards with our first ever produced bottle and received bronze awards in categories for best flavoured gin and best bottle design for the year 2022. It all begins with a premium Burlington London dry gin containing 10 globally sourced botanicals, which is then infused with mango & passion fruit extracts from hand-picked Mangoes and Passion fruits, from the idyllic Zanzibar Island. We then enhance this with further 100% natural fruit flavourings, to deliver this exceptional final product in a sunset yellow colour at the volume of 40% ABV (70cl).

To match the quality of the product, the bottle and packaging is highly distinctive and will stand to represent the companies background, branding, and image. We use a very tall and high-quality French bamboo bottle. We then customise this by having a hand painted wooden giraffe head attached to the top of a real wooden cork.

Our labelling is in the design of the giraffe skin, so by joining these components together, the final product in a sunset yellow colour is resonant of the appearance of the Masai giraffe. The product design and height make it look extremely striking on a shelf and it's head and shoulders above the next largest bottle, which is usually grey goose. With height being a sign of power, this giraffe will gracefully take its place in the market and at the top of a bar shelf, whereby any other products will simply have to move aside.

Rhino Rum

Our Blackberry & Blueberry Rhino Rum begins with a premium sourced caribbean white rum from Guyana, which we blend with blackberries and blueberries we source from the fertile land of Iringa. We then infuse this with additional natural fruit flavourings, to arrive at a brilliant blueish purple, tropical and fruity rum which has the appearance and kick of the African endangered black rhino. Our product is topped off with individually hand painted Rhino head cork stoppers that are attached to a real wooden cork. The branding and feel, mirror's that of the Giraffe and will be the same for all of our animal themed signature products.

Our next releases are to be **Vulture Vodka**, which will be a fruit flavoured UK produced vodka, coloured black and with a Vulture head cork stopper. The other release will be the **Hyena Tequila**, which will follow the same theme and be a mexican imported base spirit.

So what is our USP?

Our product caps and brand design, are extremely distinctive. Our colouring holds colour with a mixer or even changes colour in a variety of cocktails. Our delicious fruit pairings are also currently un-rivalled in the market, by way of flavour profile.

Our complete product range will appeal to a wide range of consumers who can choose their favourite spirits and flavourings, but all of our products do have a common theme of being bright, fruity and on the sweeter side, to capture the tropical nature of our brand and to abide by the 'A taste of the tropics' tagline. We will therefore not appeal to consumers wanting a clear or plain flavoured spirit, like London dry or Navy Gin, white rum or a whisky coniseuir, who believes it sacriligus to add any such flavourings, such as an apricot, caramel or honey undertone, for example.

When undertaking market research and product development trials, the appetite grew for us to offer further flavoured gin and rum products to our consumers. We also wanted to offer our consumers the opportunity to purchase our products in a slightly smaller offering, lower price point and without the stand out animal caps. This is how the 'Hakuna Matata' (under 'No Worries' in Tanzania) and 'Kilimanjaro Rum' (under Rocky Rum in Tanzania) brands were born. We now symbolise all of the most famous and iconic elements of Tanzania and much of East Africa. Below is some product information to our available product range:

No Worries Kiwi & Lemon Gin

This gin symbolises the meaning of Hakuna matata and is the owners favourite. We wanted a gin so refreshing, it gives you no choice but to sit back, relax and enjoy it, with no worries (just like our Hakuna Matata mascot monkey is doing on the bottle). We knew we wanted the citrus of lemon, but the introduction of the kiwi gives a perfect combination of sweet and sour. This perfect natural fruit flavour combination is infused with our premium burlington London dry gin base, boasting 10 globally sourced botanicals. Wow!

No Worries – Raspberry & Peach Gin

A remarkable flavour combination. A stand-out performer from our extensive product development trials, which comes out in a beautiful red, like the burning sun you see beaming down over the plains of the savannah or from behind the famous Serengeti Acacia tree. This product starts with our premium Burlington London dry gin, boasting 10 globally sourced botanicals and is rounded off with the delicious natural flavours of raspberry & peach.

Rocky Rum – Wild Strawberry & Hibiscus

Our selection would not be complete without a fruity and floral-infused white rum. The combination of sweet strawberry and fruity and floral hibiscus is a match made in heaven. We tried this combination with gin, and it was fantastic and then we tried it again with rum and it was even better. Be careful with this one, it's so refreshing you will drink more than you planned.

Rocky Rum – Toasted Coconut & Banana

Moving away from spiced rums, we believe the best flavoured dark rums feature coconut or banana. So we thought why not combine these together, lightly toast the coconut, infuse some caramel ,and voila!, we now have one of the finest rums of modern times. We certainly stay true to our slogan of the 'taste of the tropics'. This rum is made for a pina colada, is fantastic in a range of cocktails, but can be truly appreciated, poured over a bunch of crackling ice cubes.

4. Big 5 & Serengeti Paintings & Pictures

Big 5

Our sister side of the UK company, is Serengeti 'Big 5' and has not yet had any product development or progressive steps towards launching into the market. Funding is required for this to take place and also, it needs to be at a time when the Spirits side of the business has had the time and attention to successfully launch on its own. The idea for this sub-brand, is to offer complimentary drinks to our main spirits. These will come in the form of mixers and RTD's, so they can be paired with our Big 5 spirits range. We will have one product for all of the animals that make up the 'Big 5'

All branding and preferred flavour profiling has been undertaken, but nothing on the operational side of developing the products. To get a perfect serve or the best experience, from our spirits, we want to offer another revenue opportunity of purchasing and pairing them with our spirits. They will also be sold independently, so they can be enjoyed as a premium soft drink, or mixed with another brand spirit.

The idea is that this side of the business will have its development completed in Tanzania, as the cost and quality of soft drinks are excellently priced and produced to a good quality. We will certainly outsource the mixers to a soft drink company in Dar es Salaam and for the RTD's, we will work in collaboration, to pair these with our spirits.

We have had our logo and branding professionally produced and they fall within the same brand guidelines as the spirits brand. We also have the trademark certification in both the UK and Tanzania. We hope to pick up momentum on this in 2024/25.

Serengeti Paintings & Pictures

The company is firmly of the opinion that the branding opportunities of the business are sizeable. The business can use "Big 5" & "Serengeti" in many ways and have secured some interesting and desirable trademark registrations. Upon the owner visiting the city of Arusha, he has formed an exciting partnership potential with a group of five very talented young artists. This will pave the way for the company having a branch to this business called Serengeti paintings & pictures. The artists have made some fantastic paintings of Big 5's alcohol products, incorporated into the Serengeti landscape and with the animals the products represent. These will be advertised on our website, so they can be sold alongside these alcoholic products. The painters will also make original paintings on the Serengeti, Kilimanjaro and beautiful sights of this region. We also advertise these on a separate website, offering the original painting with the option to purchase replicas by high quality bamboo prints and canvas options. The huge benefit of this branch is both websites and social media can promote all products hand in hand and with discounts and offers that span across both spirits and paintings.

In addition, we have also formed a linked partnership with a long-standing workshop in stone town on Zanzibar Island. The hand craft wooden frames in the traditional Zanzibar carving style, using Africa mninga hardwood. These frames are a perfect complement to our paintings, and we can combine the painting and frame if ordered together.

We currently have a collection of 36 original paintings with 12 more designed and in production. We can also use these paintings for branding opportunities (especially the ones containing our spirits) For example, we could offer them complimentary to outlets that are stocking our products, which will work as very cost effective advertising.

5. Team

Our team construction is still very much in its infancy, but a fair observation, would be that for the resources available, its a well put together team and operation. However, it clearly has much knowledge and expertise gaps, that need to be hired and put into place. This can only really take place with the required fund raising, that the company needs to complete. The owner plans to build a world class team for its global operation, from a central hub in Dar es Salaam.

Some of the reason for the knowledge gap, is the founders decision to operate as a single owner and not to bring on a co-founder with industry expertise and experience. The option for a business partner would certainly be considered, if the right person became available.

The make up of the team, can be seen below:

Alex Wright (Managing Director)

Location: UK & Tanzania

Former Investor backed start up founder in the seafood industry, with revenues exceeding \$15m USD per annum (from the first year onwards)

- Previous company owner with offices in 3 continents, traded in 14 countries worldwide and managed team of eight employees, across UK, Canada, China & Dubai as the Finance Director.

- Experienced Certified Chartered Accountant (FCCA) and First-class Accounting and Finance graduate.

- Background and wealth of experience in a range of industries from manufacturing, banking, retail & hospitality. Currently undertakes a 6-figure financial consultancy contract in banking, on a high-profile cost project, in the technology space.

Janice De Guzman (Marketing Manager - One day a week)

Location: Philippines

Experienced and dedicated all round Marketing professional, which covers all of the companies marketing requirements, from Market research, social media, project management and graphic design, to include the production of the company's label and marketing material needs.

Mwajuma Ramadhan (Lizzy) (Website and graphics designer – One day a week)

Location: Tanzania

Laid back and kind-hearted member of the team. Based in the heart of Dar es Salaam, with an understanding of our brand goals and values, Lizzy is our website and graphic designer. This includes working with local photographers on content for advertising and social media.

Michelle Burt (Shelly) Finance Manager & UK distillery operative (one day a week)

Location: UK

The aunty to Alex, but the mother of the team. Passionate about ensuring the company is running in the right way, Michelle helps on anything from finance & administration to assisting in the distillery, with production, packaging & labelling, as and when required. Alex's brother George also works ad hoc on manufacturing and other distillery tasks when required. This in on a paid hourly basis.

Outside consultancy (Production, Marketing & Sales)

Available on an hourly or daily basis, the company has good relationships with wharf distillery and table-top consulting (both UK), to be able to tap into their expertise, as and when required. Both have over 20 years senior experience in their trades, so they have been useful assets to assist in the start-up of the business.

Big 5 would like to be able to utilise the expertise and experience of consultants locally, once the company set up is ready and the business can make the necessary connections.

All of our current staff have the potential and capacity to undertake more work, but the company is under financial restraints on people costs, while it get's ready to launch into the markets of the UK and Tanzania.

Vacancies

Sales Managers (UK & Tanzania)

Our first use of investment funds, needs to go into the hire of a sales manager in both the UK and also in Tanzania. Alex will assume these roles on a very part time basis in the interim, but we require experienced sales personnel that has working experience in the drinks industry. If these hires could also bring their little black book of account contacts, then all the better.

As the company expands, it plans to hire a sales manager to take care of each region. For example, when the time comes to seed into the Asian market (predominantly China) we will hire a mandarin speaker, who has the understanding and expertise to list our products, through the right sales channels.

Distillery operatives (UK & Tanzania)

These roles are also assumed by Alex currently, who is to travel between both locations and ensure enough stock is produced and on hand in each location. To grow and operate properly, the company really needs a distillery operative in both locations, that can manufacture and produce the products, required to meet the demands of the sales managers. For the UK, there is also an option to outsource all or part of the process of producing our products, ready for sale.

Serengeti is aware of the current economic conditions and certainly in the UK and wishes to operate as lean as possible, during the initial stages, to avoid high levels of burn for its cash resources. However, the awareness is there that currently, there is not the right balance and resource in play, for the company to achieve its aspirations.

With operational and sales markets in the UK and Tanzania, clearly personnel are required to be deployed in these locations, but for any roles, such as marketing, that can be undertaken remotely, we are willing to hire without any geographical barriers.

The company is able to hire on a consultancy basis in the initial stages, to ensure operational efficiency, in this regard and to keep recruitment and salary overhead related costs to a minimum.

6. Distillery & Operations

UK Distillery

We do all of our manufacturing in house at a small micro distillery that we have converted from a barn, on a piece of land attached to an old country house that belongs to the owner. We're centrally located in a canal side village on the Northamptonshire / Warwickshire border in central England.

Our site has been renovated with all new stainless-steel equipment and decor designed in our brand colours of sunset orange and midnight black. Recently, it was awarded a Food Hygiene Rating of 5 (Very Good) by West Northamptonshire council.

We believe our premises have been designed to give us the flair to get creative with a vast range of bottles, flavours, colours and spirit types. The size of the premises is a large double garage size and we have built an extension, to accommodate a small working office space and a storage/stock room.

The distillery consists of 5 stainless steel tanks of 200ltr, so we can produce 5 different products or 1000ltr of the same product, at any one time. Our operations include a wall mounted water osmosis system, so our water is 99% pure. We also have a commercial grade bottling machine and also two label machines, to accommodate any label size or dimension. We test our products on an Anton Parr Alex 500, which is a laboratory grade machine at 0.02% accuracy, which ensures that our standards, would meet any outlets requirement for volume grading.

All the equipment has been purchased for commercial use and for the purpose of distilling or compounding.

The property has parking spaces by the distillery to fit around 6 cars. The distillery has lighting and its own fuse box, with unlimited WIFI & water connection installed. This gives the company a perfect starting point and when it outgrows the current location, we should be well positioned to seek a larger commercial premise, which may even include a Big 5 gin bar. The garage has electric shutters and is secured by key fob, and we have CCTV, sensors, smoke and water detectors and an alarm system with 24 hours security guard monitoring system, provided by Simpli safe.

With our own distillery, we also have the potential to offer a white label production service for other people and companies.

Big 5 can largely manufacture to order initially and operate the distillery part time with small batch runs, for operational efficiency. We can increase to match demand and if required operationally or financially, we could partner with an external company to do our blending, bottling, labelling and distribution, if required. If our demand exceeds the supply we can produce in our micro distillery, then we can visit this area.

Alex currently holds a personal alcohol licence and the company has all the required licences for alcohol production, storage and distribution. This also includes export.

Products for export, will either be sold directly by Serengeti spirits for small orders or larger requirements, can be held in duty suspension and moved when in 'free circulation'. For this, the products will need to be transported to the airport or port under a 'movement guarantee' so we will ensure we obtain competitive quotes from transport companies to offer this complete service.

Due to the ownership and current set up, aside from a handful of small monthly commitments, the running of the distillery, does not have costly operational overheads.

Considerations have been taken on the boxing and packaging to ensure protection and safety to the products in transit. As the products will have a custom cork stopper figure, we have had custom boxes designed to ensure they are safe in transit.

This should help reduce risk on both the stopper being broken or the bottles themselves. We also hold standard bottle corks, so the product can be distributed with a standard cork and the custom bottle cork can be distributed separately.

To be able to deliver this product to the market, many components are internationally sourced. The fruits for the flavourings come from the UK and Africa, the bottles from France, cork stopper is made from India (soon to be China) and the product is manufactured and packaged locally.

This obviously has logistics costs and headaches, but once set up and we can source in bulk with a regular supply chain, this should become easier. From internationally sourcing, we can select the best quality products from the best possible sources. This will be one key component that will put the products head and shoulders above its competition.

Wharf distillery in Northampton have a wealth of experience in running a distillery and have been hired by Serengeti spirits on a consultancy basis to assist with all equipment set up, product development and compliance, to ensure we can effectively get the company off the ground.

There is also two other outbuildings that are in close vicinity to the distillery, that are currently being let out in addition to the main residence. One of these is a fully functioning 3 person office and the other is a gym. In future, these could become available to the company.

Right next to the distillery that is owned by Alex, there is un-utilised land that offers the opportunity for the company to more than double the capacity of its current site. The owner intends to explore this option further, once the company is in a position whereby it would benefit from an extension. It would make sense to re-finance the current property site, to make use of this. Ideas would be to extend manufacturing area, add a packing room and possibly a shop / tasting room.

Tanzania Operational site

While a premises has not been chosen yet, Big 5 is currently looking for a site in Dar es Salaam where it can operate its Tanzania registered company from.

This property will need to contain a storage and production/packaging room and ideally a small shop and tasting room frontage.

The purpose of having an additional operational site, will be so the company can operate more efficiently in the Tanzanian and African market by being flexible in production volumes and product types, dependent upon consumer demand. It will also add a greater presence for the business, and allow the company to gain a stranglehold in other neighbouring African markets, such as Kenya & Uganda.

The operational costs and duty costs will also be much cheaper to produce and it will offer huge savings on the final production cost of our finished bottle of spirit.

It will also help with producing products on demand for the Tanzanian market, along with having a physical presence in the city. The benefits of this, should far outweigh the costs as the company is currently exploring very cost efficient locations for this, that would result in operating costs, around \$1k USD per month.

Another option currently being explored is a beach bar location, that could include the storage and manufacturing requirements above, but also work as a customer facing outlet for our products, via our own Big 5 beach bar.

This outlet would be great to display all our products and also a range of product development trials and combinations, with cocktails and mixers, to gain customer feedback and support.

We could hold events here and use for social media, networking and photography opportunities. Our products would be perfectly suited to either a beach side location or one that is of a foresty, safari like terrain, that we could add a theme, of all of the big 5 safari animals.

In regards to location, the company will need to undertake consultation with our chosen investor. It's more likely that a beach side bar location, would be in the second part of the fundraise and operating from a non beach side house location, would be a better starting point.

The Tanzania distillery will have the same equipment as that of the UK (we have already purchased most of what is required) and will then operate in the same way that is tried, tested and implemented for the UK incorporated business of Serengeti Spirits.

The premises really does not need to be that big to begin with and requires water connection and electricity. We will of course also need to clean and paint the walls in hygienic commercial paint and use stainless steel equipment, so we can ensure our production standards, health and safety and hygiene level is matched to our UK distillery. Our UK distillery is grade 5, which is the highest possible accreditation.

The owner is fully trained on how to produce world class spirits and will just need support on bottling, labelling, packaging and distributing from the distillery. This can be done initially on a part time basis, as we do not expect to be producing spirits every day intially. Currently produce around 300 bottles a day, but this can be increased with more manpower.

7. Logistics & Distribution

Serengeti has just entered into an agreement, with a local company called Pack smart. This company now takes care of all our Serengeti's packaging and UK distribution. The costs to package are offset by the more competitive shipping rates that Pack smart can offer as a large business, compared to the rates that Serengeti can get as a small account, direct with a logistics company. Previously, the account was held with DHL.

This move also free's up a lot more operational time within the current limited resource within the business, to focus on company growth activities. Pack smart now take over all queries and issues, relating to the transportation of our products, across the UK.

The process is, Serengeti produce a bulk of stock, in the distillery and then deliver them to pack smart, who then hold, pack, and distribute from their warehouse, on next day delivery terms. With stock management in place and Serengeti providing our orders, directly to pack smart, we can re-stock to their warehouse efficiently as soon as our stock drops to a certain re-order level.

This is the same model that Big 5 would like to implement and some initial conversations on storage and distribution have taken place. To begin with, we will most likely do our own delivery, so we can build up a direct rapport and relationship with our customers and ensure that their needs are being sufficiently met.

Once we grow in size, it may make financial sense to purchase our own Big 5 delivery van and hire a full-time driver to take care of our deliveries and logistics.

As the company grows into export, the owner has experience on the usage of freight forwarders. Big 5 will have two main suppliers to use by way of comparing service, price and routes. A champion and challenger model is best, as we would like to put as much business through one account and therefore achieve the best deal on rates. If the company grows to the size of Alex's previous operation, then it could also explore direct accounts, if this is a possibility, to offer the best service to our customers. For a large importer/distributor, they may well want to take care of the logistics themselves and will purchase from us on FOB terms from our warehouse. This is perfect for us as we do not mark up on freight.

Big 5 will provide all of the documentation required for the customer for domestic orders. Some documentation will be required from the freight forwarder/shipper for export orders, that Big 5 will compile and provide to the customer. Insurance will be taken on export orders, to the point in which the customers take ownership and responsibility of the goods. This is usually the arrival to the final port destination. Payment terms will be in advance of departure, or insured credit options only. The cost of the insurance will be at the customers expense or by way of negotiation for a new customer. No un-insured orders and unnecessary risks will be taken on the area of payments and bad debt.

By having two operating locations, we can get cheaper manufacturing rates on our raw materials from China and then split the quantity into two sections and deliver one batch to the UK and one to Tanzania in accordance with our requirements. We will be starting smaller in Tanzania, so will hold the stock in our own distillery premises to begin with, before looking at an option, similar to what we have agreed with pack smart.

8. SWOT Analysis

Strengths

- Unique design / differentiated proposition
- Relatable and desirable product types (trademarked)
- African theme offers opportunity in niche market
- British produced offers consumer confidence in product quality and expertise
- Market relevance – Growing spirit categories
- Diverse product range provides intrigue and a wider customer base. (Roadmap – All spirit types)
- Delicious flavour profiling that can be replicated efficiently in house via our product development
- Capable, qualified and experienced founder in FMCG and target sales markets
- Operational and financial efficiency with locations and workforce set up

Weaknesses

- Lack of funding and current time resource
- Limited expertise in Marketing, sales & mixology
- Fruit rum could be confusing to the consumer
- Bottle height of the giraffe may prevent positioning on some bar shelves
- Custom caps incur additional costs, operational issues, such as transportation & damage.
- Timing of launch, when economy is weak
- Difficulty in current climate of attracting a RTM
- Premium price may impact consumer choice

Opportunities

- Market is screaming for innovation in growth spirit categories.
- Tanzania has no comparable products or business types in the market (craft / flavoured spirits)
- Diversity of African products in the market
- No current commitments/contracts, so can move to market demand on sales and development
- Products offer huge potential in mixology, perfect serve & cocktails
- Margin gains through pricing structure and doing own manufacturing
- Brand Ambassadors / advocates for this brand
- Serengeti and sub brands offer large scope for growth/opportunities. E.g Safari themed gift sets
- Own distillery with spare capacity offers potential for other services and revenue streams I.e Tasting rooms, shop, white label service
- Export/market plan means company can be flexible and pivot sales plan to industry movements

Threats

- Inflation and rising costs in production
- Competitive market with many big players / deep pockets
- Price / health conscious consumer trend
- Discerning drinker preferring unflavoured/colourless and/or a straight drinking experience
- Uncertainty of climate and strict regulations for the industry to include brexit complexities
- Operating many products in two jurisdictions could dilute resources and focus.
- Lack of capital stunting company growth

9. Target Market

9.1 Tanzania Market

Market research has been undertaken to assist with identifying the right target consumer and market. This begins with 'finding our niche' We started with looking at the needs of the consumer and where we could identify gaps in the market and then we worked backwards, to develop our products with the USP's we have and to meet these requirements.

Our ideal customer would be well travelled and be familiar with the big animals of the Serengeti and the iconic landmarks and culture that our brand represents. They enjoy the tropics of a far-away paradise location and have an intrigue for something new. Of course, their palate wants to tantalise many different exotic flavours, a sweet tooth and something that is perfect to upload onto their social media, as the full bottle, or in a multi coloured perfect serve or cocktail.

Our customers will be in many trendy bars, restaurants, hotels, and night clubs, but also found in premium supermarkets and high-end wine and spirit outlets.

The industry outside of the retail market, is broken down into three tiers. A breakdown to these can be seen below.

Tier 1 – On trade – Nationals. Large groups for hotels and restaurants. Such as Ramada or Hilton.

Off trade – Major Multiples (Mults) These relate to the top retailers such as, Shoppers or Village supermarket.

Tier 2 – On trade – Multi retail groups (MRG) Examples include Mawella or Mohan stores.

Off trade – Food or drinks markets or online retailers like Piki.

Tier 3 – On trade – Independent free trade (IFT's) – Independent pubs or trade outlets, such as George & Dragon.

Off trade – Independent traders (Indies) – These are all independent owned bottle shops and liquor stores.

Most companies, including us, aspire to be trading at the top table, in Tier 1. As you can imagine, its highly improbable to be able to jump up the ladder and begin listing a new start up product in somewhere Shoppers or the Hilton, without establishing in the market first.

Brands need to be built bottom up and in the on trade, so they can begin to get into the eyes of consumers and then onto their lips. As you expand and have listings with independents and smaller outlets, you can begin to entice the bigger players to list your products. For this stage, a route to market (RTM) is required. There is more about this, in the next section.

Therefore, our first target market will be in the tier 3 category, to go direct to independently owned businesses. This has a simpler business model, as you can quite often go straight to the owner/decision maker and engage with them about directly listing our products. We will begin with local to Dar es Salaam bottle and wine shops and independent pubs and outlets and then branch out to other cities.

We will also see if we can attract a bigger fish in Tier 2, that could be a good fit for our business.

9.2 Export

The UK is the 5th largest alcohol consumer but is the largest spirit exporter in the world. The UK exported a staggering \$7.7bn worth of spirits in 2021 alone. Even exporting from Tanzania, as our products carry the British & Tanzanian flag and are known as British produced, they will be able to capitalise on the demand for UK produced spirits.

Currently the USA is the largest export market for the UK and North America, to include Canada, will certainly be an area of focus for us in the future, due to its size and potential. There is a large number of African American's that could a key population for our products, but this is a market for an established business, that has already achieved a stable and settled business on its home turf. For us, this is Tanzania and the UK.

Tanzania

Our first market is clearly Tanzania, where we now also have a registered office. We will export our products in drums and then do the bottling, labelling, packaging, and distribution on the ground there. We can therefore also operate largely to customer demand.

Our target market will be a little different to the UK, as we will immediately begin working on discussing with big name brands higher up the chain. This will be in the form of all of the high end 4 and 5-star hotels and restaurants across the coast line of Dar es Salaam. The city is full of locations, such as Hilton, Ramada, Rotana, Sheraton, Kempinski and many premium destinations. Being British, with a product that is totally incomparable to anything currently on the market, the owner believes getting meetings and listings will come easier than just walking into a Hilton hotel in London for example. With the owner being white British and with a premium UK produced product, this will be an extremely powerful combination when networking and undertaking sales, locally in the city. We will also provide retail via our website and sell via 'Piki'.

Our international target market spreads far and wide, across the globe. As we have a product with no expiry date, there are no barriers to where we can sell and distribute our products. As long as the pricing and insurance/payment terms work, then we can enter that market and take the order.

Our plan is to be open to trading in emerging markets and areas where many other African or western companies, do not have the knowledge or appetite to trade. This is not to say, we will not compete in European or established markets, but we are open to explore further afield opportunities.

Tanzania is growing rapidly through elevating levels of urbanisation and especially Dar es Salaam. 85% of the country's wealth, runs through this city. The spirit's industry is currently worth around \$600m and expects to reach \$1bn by 2027, with annual growth of 10%. The population of Dar es Salaam is also expanding rapidly, as one of the fastest growing cities in the world and is expected to be a super city by 2030 (10mn population).

Diageo have also highlighted the huge potential growth and have just signed off the build of a spirit's distillery here. They will sell mainstream spirits, so there is still going to be plenty of room for our craft distillery, offering a more unique product offering and service.

Africa & Emerging markets

Once gaining a stranglehold of the Tanzanian market for our niche and premium flavoured spirits category, we plan to expand into wider African countries.

Neighbouring Kenya and Uganda are both experiencing high levels of growth and GDP and we can offer distribution by road. More well-established African markets, such as South Africa and Nigeria would offer could sales opportunities, as they continue to increase UK produced and premium product offerings. Gaining traction are more left field options, such as Rwanda for example and other gems, that could offer unrivalled competition for our types of products. The chances of UK produced and operated companies, exploring markets such as these are very slim.

Outside of Africa, there are so many countries that are experiencing growth and a shift in consumer trends. With our diverse team and background, we can explore some of these opportunities. The owner having visited Cambodia on a personal trip, discovered it has one of the youngest world populations and has a growing number of wealthy people congregating in the capital of Siem Riep and has quite a limited choice of international spirit brands in some of the well-known hot spots.

The African spirits market as a whole is worth around \$5bn with an expected annual growth of 12% over the next 5 years. There is plenty of sales opportunity here and although African's make up 16% of the world's population, they account for only 5% of the world's beverage consumption. This also, suggests there is huge areas for growth in this category.

China & the rest of Asia

China and neighbouring Asian countries are key markets in our roadmap of sales channel locations. The owner has plenty of experience of importing products into China and trading in this market. There is certainly dark and risky side that makes people rightfully wary and Alex has experienced many of the trading issues, people encounter. However, with the right customers, payment terms and steps in place, it can be extremely lucrative and the sales volumes, can exceed what is available and on offer, to other locations. This was the case for food products and will be the same for drinks, due to the huge volume of people in each of the main provinces.

Flavoured gin is currently only around 1% of the Chinese spirit market, but it is growing. This is similar for rum and the appetite is growing for these spirit types within the younger population.

Consumers are becoming more aware about popular foreign spirits and are open to trying new and innovative products. Clear spirits have always struggled a little more, as the local spirit of Baiju, is also clear and locals, struggle to distinguish other spirits to this. Baiju is the most consumed spirit in the world, just because of its consumption within China. Clear spirits are also targets for counterfeit with ethanol and other substances. Our bright multi coloured spirits, will both help us stand out to the consumer and limit the chances of counterfeit.

In terms of the branding, the Chinese are superstitious and love to relate to animals of the zodiac. The monkey is very popular and for this reason, Monkey 47 gin sells extremely well in China. We have a mascot monkey on our Hakuna matata bottles. While the Giraffe is not in the zodiac, it is seen as a 'Qilin' in Chinese culture, which is known as a special unicorn, which is a powerful creature, that symbolises strength, prosperity, and success. We feel this product, could be a real hit, in the market.

To give an idea on size, the Asia pacific market had a \$447bn spirit market in 2021 and is growing at 6% annually. High growth countries are China, India, Japan & Hong Kong. India especially is receiving double digit growth in this area.

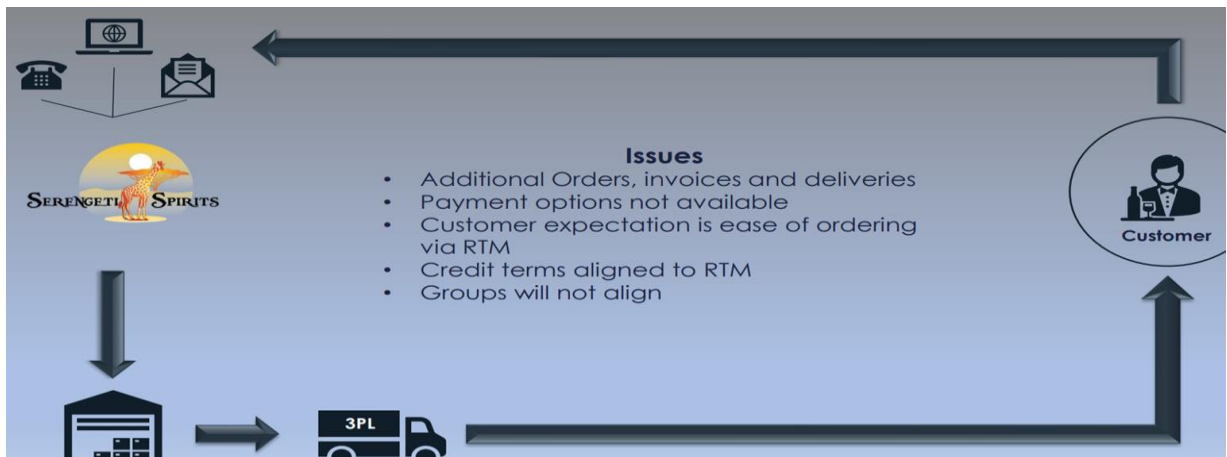
We will have to be fully established to be able to enter some of these mammoth markets and when the time comes to seed into China, we will certainly have a Mandarin sales manager to assist with managing this transition.

10. Route to market (RTM)

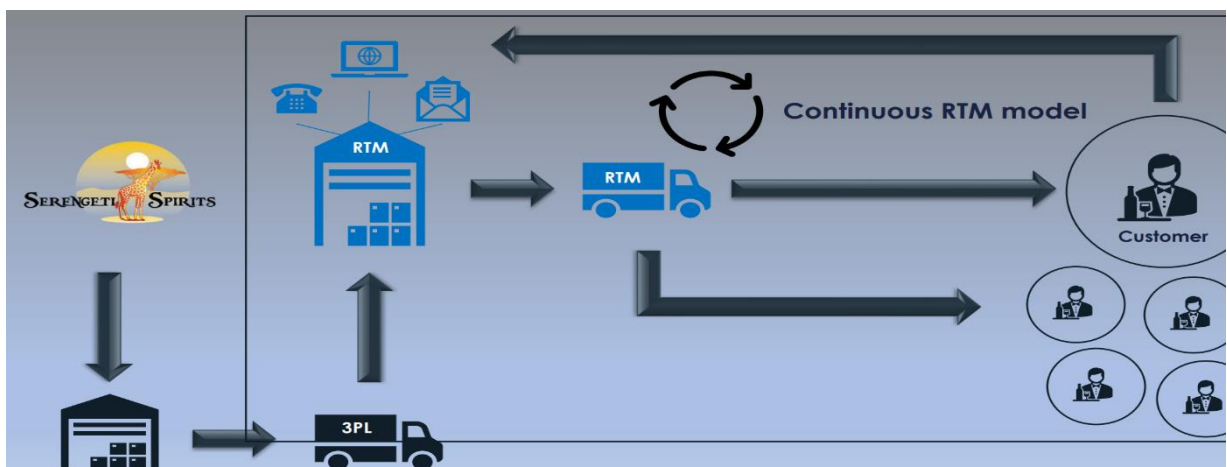
There are quite a number of RTM companies in Tanzania, with some of the biggest and well-known ones, being MMI, Red & White, Mawella & Mohan's. Being listed with one of these companies is of critical importance to be able to expand and grow large sales volumes within the on and off trade. One of these companies will be the sales and distribution outlet for the company, as they will purchase and stock our products in their warehouse and then sell them to their large customer accounts. An RTM will take a margin off the retail price for their margin in the sales cycle, but it will certainly be worthwhile.

Before being able to list with one of these, the company will look to trade as a direct sales account. This is possible but does add additional complexities for the customer. They will usually have only a couple of listed suppliers for their drinks and do not want the paperwork of additional orders and invoices. They may also have expectations to match that of a current RTM, which may not be possible as a start-up single supplier. With more accounts, this becomes equally burdensome for us as the supplier, who also needs to arrange the logistics for each individual order.

The below graphic displays how a direct order would work with each customer.



With a RTM, Big 5 would distribute on a bulk order to them and they would then sell and distribute to all of their sales accounts who wish to order the products on their weekly/monthly order list. This can be seen on the below:

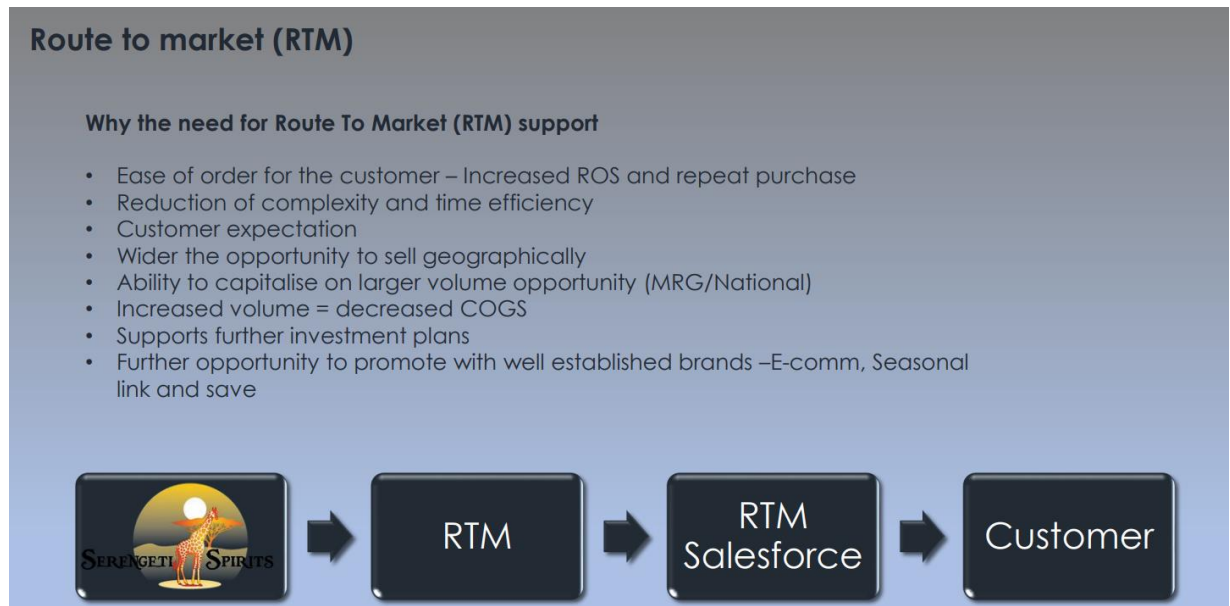


So, although it sounds like a logical step, even with the margin taken by the RTM, it's very difficult for a start-up, to get listed with one of these and especially in the current climate. The RTM does not want dusty bottles on shelves or needing to discount, to keep the stock moving.

Big 5 would also need to work with the RTM to help move the products. This will be via our appointed and hired Sales executive. They need to have confidence that they will sell efficiently, with their customers. This is very difficult to showcase, if the same customers are not willing to buy from you direct, as they only buy products from those already listed with the RTM. For us to be listed, we will need the RTM to expand its range (currently reducing) or to replace an existing portfolio product they have.

Fortunately, although it's a challenging market, RTMs are challenged with finding niche, exciting and innovative products, so we are confident that we can achieve a listing, but it may not be immediately.

Below are some of the benefits of achieving the support of a RTM.



Big 5's plan to get listed with an RTM, is to build up a number of independent accounts and then to approach an RTM that could take on those direct accounts (we would bring those with us) and work with them on their requirements to accept our products on their platform.

We will also hope to work on attaining industry contacts and by hiring a sales manager with existing business relationships, we may be able to achieve the listings that we need, to get up and running.

11. The three hurdles

So, what are the hurdles we are currently facing? Our market research and outside consultancy work on the industry has highlighted the hurdles we will face, so we can begin to work on how we will navigate them. We have these broken down into three stages, shown below:

Route to market

Building on the last section, for the company to be successful, it will need to achieve a listing with a route to market. This is a priority for Big 5 for its Tanzania sales plan, but there is an appreciation that this may take some time to be able to get one onboard. If we win a large group as a direct account, then this should be sufficient. It's believed that around 10 accounts are where we should aim, to then approach an RTM. This could be one or two large chains with a number of outlets each, if you get a national agreement, then this would be a positive start.

We will need to work on our marketing, SEO, attend events and networking opportunities and it is also possible that a buyer will approach us, to list with them. This would be a good solution.

Outlet Activation

Once listed, work needs to be undertaken to get the products sold. Many see getting listed with the RTM as job done, but at this stage, it is just beginning. Big 5 will need to then work with the customers directly, via the decision maker to boost sales and also with the bar staff of outlets that are selling the product. This is to try and build a relationship with the bar, so they push the sales of the product. Getting space on a cocktail menu is also a high priority, to increase volume.

Securing outlet activation, will come down to price, available stock and volume discounts and incentives. There will also be an expectation for support, that might come in the way of Promo's, glassware, and merchandise. Advertising material, such as mats and coasters are a bit of a thing of the past, but there could be some things to get creative and also on an initial lower budget. Sponsored events, with tailored drink promo's and free sample bottles, could be an option here.

Rate of sales

After an outlet is activated and secured on the bar shelf, our job will be to increase the rate of sale. This will be building on the work done in the outlet activation. Building the relationship with the decision maker and making good use of the promo's and support. We need to ensure we target the right sites for the brand and dedicate enough time to holding events and supporting the outlet, where possible. This might just be training and education on our products and some ideas on cocktails, that incorporate our spirits.

A key advantage we will have of increasing our sales, will be our extended product range, that will allow us to cross sell our products. If we list our giraffe gin and it is performing well, then it makes a logical transition to add the Rhino rum to sit alongside this (maybe the outlet takes both at the outset) If they love the flavoured gin and want more of this, then we can sell them the Hakuna Matata gin also. There could be a scenario, where they are at capacity with their gin, but are willing to start with rum and then the door is open for gin at a later time. This was the main reason that Big 5, decided to launch with five products, in quick succession.

12. Competitor Analysis

There is a growing competitive market for flavoured spirits, which will continue to grow over the coming years. There are many local companies producing local spirit drinks and some are now branching out into different flavours. We will not focus on some of these that are in the bottom end of the market (such as Konyagi or Kvant) as they are in totally different segments in the market and the product quality is totally incomparable to that of Big 5. For imported spirits, Gordons, Tanqueray, and Beefeater are very established in the gin category. For the rum, no fruit flavoured options are available, but Bacardi, Captain Morgans and Havana Club are popular in the white, dark & spiced rum category. All of the below brands are established and in the UK, would be described more as a supermarket 'gin' rather than a craft produced spirit. No direct competitors in this market space, with a similar product offering, have been found.

Malfy Gin

This company are quite new to the market and would be deemed as the closest competitor to big 5's spirits. They have a range of more premium flavoured gin produced in Italy. Their branding is certainly not as striking, nor their flavour profiles, but they are a slightly lower price point also.

Hendricks

Probably the most well-known premium gin in the Tanzanian market. It's not available at many outlets or bars, but is available across a wide range of liquor stores. Is the closest on price point and quality, containing 11 botanicals and being distilled in the UK. However, it is serving a different market, being a clear London dry gin, in a dark black bottle. Their branding, image and product taste, differs greatly.

Beefeater Pink Gin

Another mainstream Gin and popular in the market but is a different proposition to Big 5's products and is served at a much lower price point. This pink Strawberry gin is appealing to the flavoured Gin market and equally looks good for mixology and in a range of cocktails.

Hennessy

While this product is a famous Cognac, it's been included in the list, as it's price point is similar at around 100,000TZS. It's also a very popular product in bars, whereby people are ordering the bottle, which is delivered to the customer by glamorous bottle girls with flashing lights. It will therefore compete directly with consumers who are ordering products that are great for entertaining, gifts and events.

We have not included the Rum here, as there have been no flavoured rums found on the market. Bacardi is the biggest selling white rum, and Captain Morgan and Havana Club are popular for the spiced and dark rum. All of these are established main stream brands and our Rhino rum and fruit flavoured Kilimanjaro rums are a different proposition.

It is noted that the Big 5 signature range is of a higher price point than much of the competition, whereby its Hakuna Matata and Kilimanjaro ranges are more comparable. Big 5 are comfortable with its pricing, due to the components and ingredients and overall product quality that it supplies to the consumer. The company anticipates a great deal of interest and intrigue for our products when they enter the market.

13. Marketing strategy

Big 5 plans to build a new marketing strategy, once it has the funding and marketing budget in place, to be able to implement a strategy to improve exposure and sales opportunities. Additional expertise would be beneficial to assist in this area.

The UK is the home of gin, which is the company's manufacture location, and is currently the largest gin exporter in the world, so marketing the product as being produced from the UK, but with the signature ingredients from notable landmarks in Africa, is going to be a perfect blend and selling point to customers all over the world. Flavoured rum is tipped to be the next big thing, so starting with these two as the first launched products from an anticipated extended final wide range, we feel is a smart move.

For the domestic market in Tanzania, we will be a lot more hands on with direct marketing in terms of social media advertising and product promotion. We currently have Facebook, Instagram, and our own website for company exposure platforms. We will also be able to reach out and visit wholesalers, restaurants and attend local festivals and events to market the products to the public.

Our social media, websites and marketing material are all produced and maintained by our staff employed in the Philippines and Tanzania, on a consultancy basis. We also have a photographer team with male and female product models, who are on hand, to assist with product material in some very picturesque locations, which we used for some of our start up social media material.

Currently, we have a \$300 monthly marketing budget, that is loaded into a Soldo company card and will be used across Amazon, Facebook & Instagram ads, as soon as our products are available in the market. This will yield some basic results, but we really need more funds and a more targeted and structured approach.

We would like to make more use of influencer marketing, but due to budget restraints, this is currently on hold. This is similar for PR opportunities as we have not yet been able to secure much, by the way of free PR and have not been able to pay for any such services.

We have attended a couple of trade events, which have been good exposure for the company and the business would like to make more usage of trade shows and expo's, but have also been limited in this area, by a very stringent marketing budget.

Internationally, we want to market ourselves to large wholesalers and distributors within the beverage industry and will be able to work on this, once we have established a local presence and market. We have already made connections with the department of international trade, China Britain business council (CBBC), Chamber of commerce export department and have enlisted a membership with the best wine importers, to gain access to a database of over 13,000 spirit importers in 149 different countries.



www.big-5.com (finalising before launch) – UK – www.Serengetispirits.co.uk



www.facebook.com/serengeti_spirits (Big 5 - Launch once go live date is set)

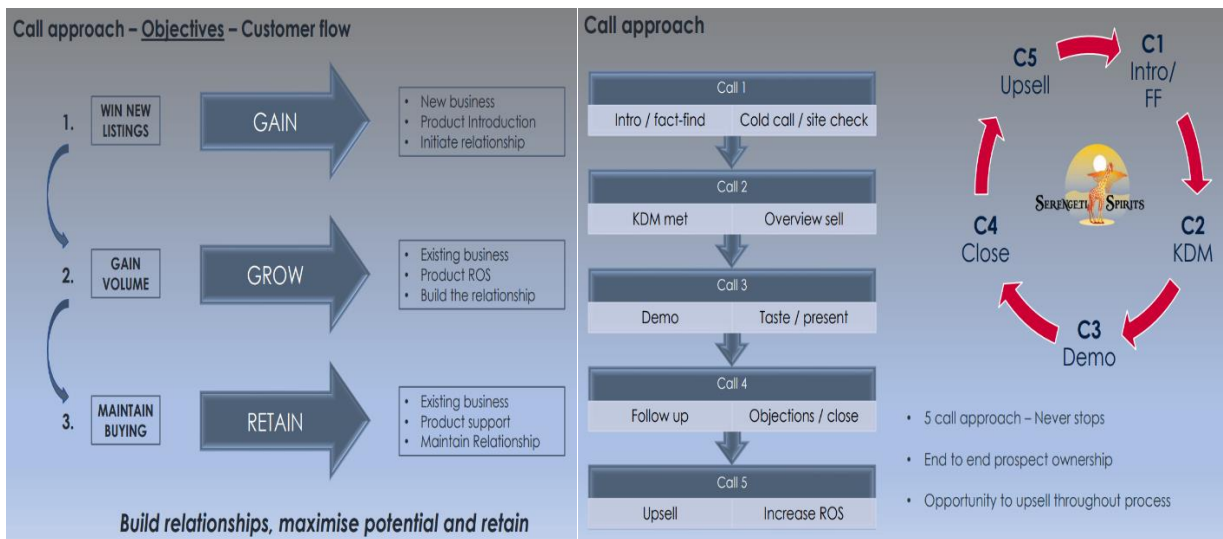


www.instagram.com/serengeti_spirits (Big 5 - Launch once date set)

14. Sales plan

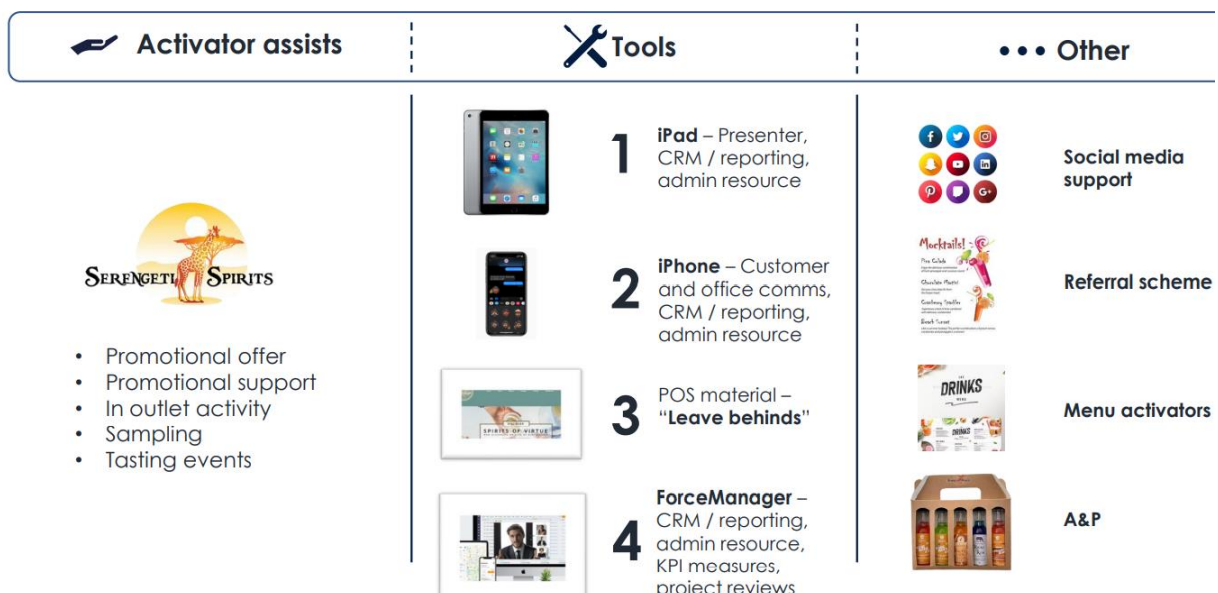
Our sales plan will clearly need to differ, between domestic sales to the on and off trade and then to the export market. As the company needs to establish domestic sales first, the business plan will focus initially in this area. The owner has more experience in export and doing business with distributors in international markets, so he will use his experience and expertise in this area, when the company is able to make that jump. For export, Big 5 will look for the right profile fit in each of its target markets, to build up a relationship with and will not be a large volume of customers, as its approach, as it will become more difficult to manage, which could result to trading issues, such as cash flow on non payment or stock availability, while servicing numerous customers.

Our plan for domestic sales and accounts, stems from having to roll up sleeves and get the product and company in front of as many potential customers as possible. This will be a combination of 'door knocking', emails, calls, referrals and targeted social media. Sales calls to set up appointments, will be the initial focus to enter the B2B sales channel.



Through our outside consultancy, Big 5 have a set up plan on how to structure sales calls and what to expect in the trade. Big 5 also has information on what results should be expected of a sales executive in the industry. For strike rates, there are certain requirements for triggering account and sales activations.

Strike rates – Contributing factors



15. Pricing & Sales KPI's

Our products are priced at quite a high price point, but the company believes justifiably so and this, along with us undertaking our own manufacture, allows us to achieve a good margin, even when trading through an RTM.

Our retail pricing (Ex VAT) is \$34.94 (80,000TZS) for the Giraffe Gin and Rhino Rum and \$24.29 (65,000) for the Hakuna Matata and Kilimanjaro range. With our product costs coming in at \$10.03 (without delivery) for the animal theme products and \$7.70 for the latter, it provides a good margin return, between 50-60%. Even selling via an RTM and via wholesale, our margin should still be within this region, due to lower packaging costs.

PRODUCT COSTING EXAMPLE: GIRAFFE GIN (AUG 23) - Excl VAT			
Product item	Cost (Excl VAT)		
Burlington London dry gin 70cl at 40%	-		
Purified Water	-		
Mango	-		
Passion Fruit	-		
Inverted Sugar	-		
Red colouring	-		
Sunset Yellow colouring	-		
Bamboo Bottle	-		
Giraffe head cork (hand painted)	-		
Label	-		
Tamper seal	-		
Total product cost	\$7.04		
Packaging & Delivery (retail)	\$4.18		
Packaging & Delivery (wholesale & export)	\$0.87		
Import duty & Taxes	\$3.00		
Retail cost per bottle	\$14.22		
Wholesale cost per bottle	\$10.91		
		Gross Profit	
RRP	\$34.19	\$19.96	\$0.58
Wholesale price	\$28.79	\$17.88	\$0.62
Large Distributor (RTM)	\$25.91	\$15.00	\$0.58
Export price	\$19.50	\$11.59	\$0.59

Once we hire our first sales executive, we have a proforma template, where we can plug in our mutually agreed performance targets. From our initial forecast, it will be around 6 months, before we return a positive ROI on this headcount. Below are some expectations, that we have attached to these KPI's.

Outcomes – KPIs			
	BDE / BA		Considerations
Min to average	Relevant calls per day per BDE	8	Dependent on data specific to relevant outlet and agreed call specifics (train the trainer, perfect serve, menu planning). Actual calls per day = 7
	% samples	75%	% of outlet calls using sample tasting
	% strike rate	10-15%	Strike rate % determined by a number of mitigating factors - Price, strength of promotion, overall marketing plan, market relevance, product, RTM specifics etc
	Non-sales activity days per week	0.5	Admin - Sales orders, weekly planning,
Consider	Retention loss 6 months	-10%	Expected attrition rate of overall activated outlets. "one off" activations and stockists that only re purchase once
	Stockists who do not order again	-10%	
	Stockists who only reorder once	-10%	
Expect	Discount on first order	15%	Assumption of promotional offer to entice first time buyer. Increased offers can dramatically influence overall strike rates

Along with discounts, we anticipate potentially offering a free case with the first order, or some other incentives, to entice the outlet to trial our products on the shelf. We are confident, they will then be retained on a re-order.

16. Opportunities

Big 5 has included this area, to highlight some of the opportunities available, which has been broken down into two sections.

Production & Operations

Our own Distillery will have the scope to enable additional revenue streams, such as white label service, tasting room/bar and to expand into other products and services.

To be the only craft distillery in Dar es Salaam (another one is currently planning to enter) that offers a product selection totally unique and unrivalled in the market. Scope for other new products to enter the market in addition, such as RTD's, premium mixers. Currently Tanzania, only has one local tonic water, which is Crest.

Company has very cost efficient set up and production, which covers two strategically placed locations, for manufacturing and distribution. A third office, could be introduced for a more beneficial tax structure, also. The utilisation of solar panels, would be a fantastic option in Tanzania, due to their long day time hours, and 365 days of sunshine, the country has.

To be able to combine our production with the Wright foundation, to provide clean water and meet our social responsibility aspirations.

Sales & Marketing

Dar es Salaam is one of the fastest growing cities in the world, with 85% of the country's wealth running through it. It is covered with 5-star hotels, serving Gordons, as its premium option gin.

Africa in general is developing rapidly, along with other emerging markets (such as Cambodia) whereby flavoured spirits is just beginning to take off (like it has previously in Europe & USA)

We can offer multiple revenue streams, on & off trade, export, white label, tasting/bar attached to our facility and our set up, allows us to capitalise on the most lucrative options.

There is a huge space in the market for African produced and inspired spirit products and our exciting, tropical and very modern styled products, can fill that gap. No comparable products have been found, to this design and they are all trademarked and have design copyright status.

The owner has a wealth of experience (good & bad) in booming Asian markets, that many western people and companies do not know how to navigate. Our products will also resonate with the Chinese culture/zodiac Just like Monkey 47, which has taken China by storm.

17. Assets & Intellectual property

For the UK, the company has purchased all of its required assets for trading, in cash. Therefore the company does not have any form of credit or leasing agreements, as a result of being bootstrapped from day 1. This has been the intention from the outset, to ensure the company is financially sound and does not enter into choppy waters with additional overheads, while it seeks growth.

While Big 5 does not technically own any physical assets yet (it will purchase its Distillery equipment from Serengeti on favourable repayment terms), it is now in a perfect position to realise the benefits from some of these assets, without the cost outlay. It can also learn from any previous unnecessary purchases in the UK and can be very streamlined with the construction of its asset register.

Currently being held (both both entities) is around 10,000 bottles, caps and labels and a reasonable quantity of flavourings and colourings. Therefore, only the base spirit itself is required for producing our stock over what will most likely be the next 12 months or more. We can forward plan re-ordering these, to ensure we do not run out of any of the required items.

The value of our equipment and stock held in the UK, is currently around £60,000. All our production equipment, bottles and stock items have formed a large bulk of the cost outlay of the business.

The company logos (on the front page) have been created with the sunset orange theme in mind, accompanied by midnight black. We have a brand document, that outlines our company brand colours and fonts, which has been chosen as the cool looking, figures of eight. A lot of work and detail has gone into producing our final branded products, labels, caps, brochures, flyers, decks and website, ready to commence business beyond retail sales.

We have taken product photos and a company introduction video in the paradise island of Zanzibar and in Slipway and in future, we can do the same from the Serengeti, Mount Kilimanjaro and other chosen hotspots. The background story can then be weaved into these beautiful images.

Trademark registrations have been secured for most of our 5-year product range release, totalling 12 trademarks, including our Big 5 logo. Many of these trademarks are also held in the UK, so we are ready to begin to export in August 2023. Other international trademarks will be expensive to obtain for all of these prospective sales markets, so applications will be made to targeted countries prior to launch in that particular destination.

Serengeti's and Big 5's trademarks covering iconic African landmarks and phrases and the big animals of the Serengeti within the alcohol category (33), were not all straight forward to obtain, but now acquired, they are valued highly by the business. Numerous attempts to register similar marks, have been successfully rebuffed, so they are certainly in demand.

Copyright has also been registered against each design and documented and stored safely together in case fraud against the company is ever committed. Before securing sales contracts overseas, Big 5 will seek IP protection against its products to ensure the intellectual property is protected against possible theft and counterfeiting. Along with all the required protection, Big 5 will ensure its totally up to date on all licencing and legal compliance across the business.

18. Financials

Big 5 has a full financial model in excel, that can be available on request and is part of the company data room, that requires an access link.

A prudent view of sales around 6,000 bottles in the annual period of 23/24 has been forecast. We will probably not export in full force until mid 2024, after it has been tried and tested in Tanzania and then we can look to neighbouring markets, such as Kenya, Uganda and even South Africa. This first year, launching into B2B is really about gaining a foothold in the market and making sure the final building blocks are in place. These figures, therefore, reflect a cautious approach, due to being a start up in a competitive Tanzanian market and the difficult economic environment. Our cost of goods including delivery is anticipated to be around 62% on sales, on average.

Our expenses will be around \$24,000 on staff related costs in the first year, on 2 full time staff and one part time. Around another \$45,000 will cover the running of the distillery, insurance, initial marketing spend, admin costs.

We anticipate a high growth in all of these figures as the company's brand gains traction and when we expand into other international markets. We have provided a 3-year forecast, instead of 5, due to the current economic environment and the uncertainty on the speed that the company will grow. Therefore a rolling 3 year forecast, is currently sufficient.

The business requires another \$250,000 start-up capital in addition to the \$120,000 capital outlay thus far. For a range of branded alcoholic spirits being sold domestically and internationally from our own micro distillery along with the additional revenue streams, this isn't really a very substantial figure. Much attention has been made in the start-up, to be as cost efficient as possible. As the owner of the company already owns the UK distillery site, we have been able to bring our start-up costs right down.

All other costs can really be controlled to scale and if the business begins to quickly expand and more finance is required for larger bulk purchases, marketing or travelling expenses then we can approach this as required. The owner is looking for a long-term business, so will be reinvesting proceeds where possible back to the business, to assist with the company's growth.

Big 5 believes it will make a profit of around \$25k in it's first year, which will grow year on year.

From year 4, the company anticipates to be in an extremely stable position, with gross profits of more than \$3.0m per annum.

19. Utilisation of Funding

For phase one of Big 5's investment raise, it will be split into part A & B. More information can be found on the financial model, but the company requires a total of \$250,000 to establish themselves in the Tanzanian market, before they can move into phase 2, for growth and exporting into further export markets.

For the UK company and market, Serengeti has full SEIS advance insurance from HMRC, who have reviewed the company's business plan and financials. This is a very attractive tax incentive scheme provided by the UK government. Any such scheme's or processes that are available to an investor in Tanzania, the company will of course work to assist on becoming eligible, to add to an already attractive business proposition.

Part A, is for the value of \$100,000 and the funding is required for four key areas.

Salaries & operational costs

Big needs to hire a full time sales executive in Tanzania, with contacts and industry experience. The market rate for the level we need to begin with, is around £\$11k. The Marketing manager will be hired from Tanzania, whereby the comparable salary figure is £7k per year. A distillery assistant to help with some bottling, labelling & packaging may also be needed on a part time basis.

The company has all the required equipment and any logistics costs are included in the COGS and will be covered by sales generated by the company. Any profit made, can also be initially, regenerated back into the business.

Cash flow will also be needed for operational costs and timing of receiving payments from invoices. A cash flow budget of \$30,000 has been forecast.

This will include providing credit to our customers and the cost of any insurance cover or other costs relating to sales. This may look like a low number, but Big 5 will be manufacturing largely to order initially and already has it's first bulk of stock and ingredients on hand. Big 5 will not offer long or large credit agreements, while it is building in the market. It may be that one order is held on account and then cleared on the next order. If the company agrees longer payment terms with does need to stretch it's cash flow allocation beyond this allocation, then it can certainly look to cover this, with additional finance options. This could be an agreed bank overdraft or invoice financing for example. Big 5's margin, should allow for factoring, should this be required, but it is not preferable.

Marketing & consultancy costs

Another £25k is required here. Although the company already has a part time marketing manager for the UK and will hire a full time employee in Tanzania, the company will also need the expertise of outside marketing consultancy and PR expertise. Investment will be needed in marketing compaigns, brand ambassadors and advertising costs.

Events / Expo's

Big 5 has very striking products, that is perfect for events and expo's. It attended the classic at silverstone UK in 2022 and almost sold out of all available stock. The company will need to attend some more events and have stands at expo's to increase its coverage and trade contacts. \$10k has been budgeted here. The company already has some banners, tables and marketing material, but believes it will attend a few events of around a few thousand each and will need a little more event equipment.

Big 5 Distillery & Legal set up

Big 5 is currently looking for an ideal distillery & business premises to operate from in Dar es Salaam. This will of course be done on a rental lease agreement initially, while the company establishes in the market. The preference is to rent a house in and around Masaki, Oyster bay, Mikocheni or Mbezi beach. Posta/city centre location could also be considered.

The property should be secure as a compound which is gated and ideally have a servant quarter, which could be converted into the micro distillery space. If space allowed, the property could contain a shop & tasting room, so the products can be sampled and customers can collect orders, instead of paying for delivery.

Up to around \$1k per month will be needed for rent & running costs (expensed in the P&L of the financial plan) Another \$18k could be required for fit out costs and additional equipment, utility connection etc. This is difficult to estimate accurately until the premises has been found. Most of the distillery equipment has already been purchased in the UK & Italy, ready to be shipped and installed. Total budget here is \$30k.

Finally around \$5k budget needs to be allocated to legal, licence and compliance costs. The company is still finalising its licences and the owner will also need to apply for the type A business visa.

Phase 1, part B.

Another £150k is believed to be required to finance the second part of the companies activities, during its launch phase.

The breakdown of this requirement, may of course alter as the company enters this period (expected 25/26) but it's likely that more funds will be required for the areas below:

INVESTMENT FUNDS BREAKDOWN (25/26)		
BEACH PLOT PURCHASE	\$50,000.00	Whether in Dar or Zanzibar, Big 5 aspires to have a beach side location to showcase its products, to its customers. Purchase, company, legal structure and utility connection is required here. A possible JV could be sought here, without higher capital outlay.
BIG 5 BEACH BAR	\$50,000.00	Once ownership has been obtained, Big 5 has design ideas to create an innovative business location. Implementation of many of these ideas will be funding/cash flow dependant.
PRODUCT DEVELOPMENT / STOCK	\$20,000.00	Although we will be reinvesting proceeds back into further stock purchases. We will need more animal moulds to be produced and will need to increase stock on hand volumes, as the company expands. This purchase will include distillery solar panels from China
MARKETING	\$20,000.00	Increased investment and focus will be required in this area and will need to expand scope, as Big 5 enters more markets and sales channels.
INTERNATIONAL EXPANSION	\$10,000.00	Big 5 will require funding for IPO, Market visits etc, to be able to penetrate into more overseas markets.
TOTAL	\$150,000.00	Big 5, should at this point, have a strong footing in the industry and further strategic direction can be sought from the leadership team.

All of these figures may appear on the low side, but this investment is just for the first phase, whereby the company believes it can display traction and confidence for either a future fundraising round or it will be self sustainable and will be able to reinvest profits, back into these areas.

20. The Wright Foundation & Sustainability (Social Responsibility)

Sustainability

The owner has been attending workshops and how to make Big 5 more sustainable. This is both in terms of its carbon footprint, but also economically on how it can operate as efficiently as possible, during the current economic energy crisis.

The workshop was with the well known Cranfield University in UK, which have assisted Serengeti & Big 5, in building a carbon reduction business plan, to tackle its scope 1, 2 & 3 emissions, in order to be net zero by 2030.

As part of this program, certain investments are required to ensure we reach our target. Due to the current company's very streamlined manufacturing approach and current low emission usage, we can most likely become carbon negative, without a huge input of capital expenditure. This would be great for us to advertise as part of the company image and ethos.

These investments relate to installing solar panels on our distillery and office roof. As we only use electricity to run our machinery on part time production runs, we could run our entire distillery on solar power, if we installed around 10-15 panels (\$8k). We can also install infrared radiators and buy a cardboard shredder, which we could re-use in our packaging. Big 5 is currently exploring grant funding to assist with this project, but may need to revisit when it's properly launched and has enough turnover.

The Wright Foundation

The owner plans to open a small registered charity alongside this operation, called the Wright Foundation, which is to support poverty related projects in local Tanzanian villages. Big 5 will pledge 5% (net) of its profits, to supporting such projects, once Big 5 is established and becomes profitable.

Being a drinks company, one idea is to use the water osmosis system in our Tanzania micro distillery, to produce clean drinking water and bottle this for some of the remote villages, without clean water. Possibly we could produce one bottle of drinking water for each bottle of spirits sold, or something along these lines. Or we could make an investment at the end of each year, into a related project. Another area, the company would like to support is orphanages, due to this type of loss, resonating with the owner and his family personally. Both the owner and his wife have supported orphanages in Dar es Salaam and Zanzibar over the last couple of years.

This area is only to be set up once the company is in a position to do so and the owner is conscious that it will need to be set up in the right way and potentially independently managed, so there is no risk of cross over of how funds are managed and utilised between the main company and the charity side of the business.

This foundation will be the company's way of giving back to Tanzania, as it will be highlighting the wonders and tropics that it has to offer, but it also has another side that comes with being a 3rd world country, that is linked to poverty and many locations, lacking basic supplies and essentials.

The owner and his family do not want this to be overlooked and want to use the charity for social responsibility and not for the optics of company branding and social media opportunities.

Any questions on this business plan, please reach out to alex@serengetispirits.co.uk or on +44 7756142487. On the next page, there is a link to our data room. Some folders may require a password for access, so please request if needed.

21. Data room links

Link to data room:

[Serengeti spirits - Data room - Dropbox](#)

Folders contained within the data room

Commercials

Contains sales deck, brochures, product deck, road map & photography

Distillery

Compliance documents

Investment

Pitch deck, Financial model, Term Sheet

Legal

Company registration, licences, legal agreements, trademarks

Any other information required, please request this from Big 5 via alex@serengetispirits.co.uk or +44 77561 42487

