

SUMMARY OF BUSINESS PLAN

VISION To be known as a renowned food processing company that utilises state-of-the-art infrastructure and technology to provide high-quality products at affordable pricing, contributing to a future in which hunger and poverty are eliminated throughout East Africa and the entire African continent.

EXECUTIVE SUMMARY Current Situation:

Food insecurity has been a continuous problem in Tanzania for the past three decades, resulting from poverty, climate change, and insufficient access to essential resources, such as water and arable land. The majority of individuals living in rural areas depend on subsistence agriculture, and they face difficulties in producing sufficient food given various climate shocks, such as droughts and floods. 900,000 people (13% of the population) are expected to experience acute food insecurity. In 2024, the situation further deteriorated due to severe and widespread flooding, which was the result of El Niño phenomenon, which affected more than 51,000 households and displaced over 200,000 people. The floods caused extensive damage, resulting in lost harvests of 240,709 metric tons valued at \$69 million and 90,000 livestock valued at \$62 million in 14 districts. As the crop sector accounts for 25% of Tanzania's total GDP, while the livestock sector contributes 7%, the damage and loss caused by El Niño represent a significant setback to Tanzania's agricultural sector and overall economy.² As of 2024, Tanzania is facing significant hunger issues, reflected in a Global Hunger Index score of 22.73. This situation arises from 23.8% of the population being undernourished, 30% of children under five experiencing stunting, 3.1% suffering from wasting, and 4.1% of children not surviving past their fifth birthday. Goldenpot as a Solution: In response to this escalating issue, companies such as Goldenpot are playing a crucial role in combating hunger and addressing malnutrition by providing high-quality, nutritious maize products at affordable prices. Goldenpot is a woman-founded business with a workforce comprised of 70% women, sourcing from a supply chain that is 100% women-powered. Goldenpot is one of the leading local manufacturers in Tanzania, specializing in breakfast cereal and instant porridge. These products are sold in both retail and wholesale markets. The company has developed its own website to allow people to place online orders. Goldenpot's mission is to bring fortified, life-giving food to every corner of Tanzania, including the most remote areas.

The company utilises locally sourced inputs, value-addition technology, and a skilled workforce to produce nutritious food products. The company's mission is to produce nutritious maize products that are tasty and enriched with vital nutrients like Iron, Zinc, Folic Acid, and Vitamin B12. Central to its mission is the conviction that everyone deserves access to high-quality, nutrient-dense food. The company's offerings are carefully designed to fulfil these nutritional requirements while remaining budget-friendly. Goldenpot procures all of its raw materials from local women farmers, who use high-quality seedlings and proven agriculture practices to boost productivity and crop quality. The company buys maize, soy, and wheat from 500 smallholder farmers, and processes it into instant porridge, corn puffs, and other breakfast cereal. The company empowers these smallholder farmers by providing climate-resilient, drought-tolerant, and high-quality seedlings designed to withstand harsh weather, boosting productivity and income. These women are trained on the best agricultural practices like agronomy support, post-harvest handling. The company offers a reliable market for their produce, which helps them avoid post-harvest losses. Through its initiatives, the company has assisted over 500 smallholder farms in boosting their income. **Current Capacity and Expansion Plan:** The company operates from a rented facility that includes its manufacturing plant, office, and packaging unit. The

current production capacity of the processing plant is approximately 9 tons per day, and it operates for 180 days each year. The reason for operating below normal capacity is the lack of adequate power and a sufficient labour force. Based on the latest available data, it is evident that the demand for the company's products significantly exceeds the supply. Therefore, the plan is to expand the production capacity of the existing factory to double its current output, reaching 18 tons per day, while gradually increasing the number of operational days to 260 by the end of 2029. This will be achieved by addressing the power issues and recruiting more skilled personnel. To facilitate this expansion, the company will need to lease additional land to install more machinery and store raw materials and finished products. In addition to expanding the capacity of the existing facility, the company plans to construct a new factory at an alternative location with abundant power and human resources. The strategy also involves enhancing the storage and processing of maize to boost its value. The capacity of the new facility is estimated to be 45 tons per day. Construction is expected to commence in 2025, with an estimated duration of two years. The facility is anticipated to become operational at the beginning of 2027. Initially, it will operate at 20% capacity utilisation, with projections to reach 90% capacity by 2030. The plan is also to increase the range of product lines by adding corn flakes. The company's primary long-term goal is to broaden its operations across Africa to tackle the hunger crisis and

FINANCIAL PROJECTIONS As Goldenpot plans to expand the production capacity of the existing facility as well as build a second one, we have analysed the profitability of these two processing facilities separately. We have prepared individual income statements of these two facilities and then a combined income statement to showcase overall profitability. 10.1 Unit Economies The sales price and cost per unit for each of the products has been shown in the table below: Product Maize Flour Instant Porridge Sales Price per KG TZS 1,197 TZS 14,977 Cost Price per KG TZS 986 TZS 5,982 Corn Puff Honey Crunch Choco Pops Corn Flakes TZS 29,826 TZS 9,080 TZS 13,192 TZS 20500 TZS 15,794 TZS 6,625 TZS 6,719 TZS 10,250