



FASHION UNLIMITED GHANA

We pride ourself in converting a place of rich heritage and authenticity, into wearable, contemporary pieces that the modern consumer can wear again and again.



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INTRODUCTION

You do not want to lose who you are, your roots when you relocate. It is with that mindset and an interest in fashion that led to creating a brand that embraces culture and is appealing to both African and Western markets.

Style is a way to say who you are without having to speak. —Rachel Zoe

At the heart of everything we do is Style. Think of a meticulous attention to detail, a challenger to the norm, and an appearance that's equal parts alluring and bold. If fashion is a never-ending pursuit of style, then Fashion Unlimited Ghana “FUG” is what happens after you’ve found it.



Who we are

Fashion Unlimited “FUG” is a fast growing, premium fashion brand that operates Ghana’s largest apparel manufacturing factory and retails contemporary Africa-inspired, apparel and accessories into the UK market.

The Problem

Traditional bespoke tailoring has long been the mainstay of fashion production. African fashion brands don't have ready-to-wear clothing and a curated/efficient route to global markets. One of the weaknesses of the bespoke fashion system is that it perpetuates designer anonymity and designs are easily replicated without financial recourse to the designer as they are not mass-produced.



Our Solution

We provide ethical sourced, sustainable African inspired garments with an unrivalled emphasis on standard and quality.

Fashion Unlimited has built a solid platform business: 4,000m² of factory space in Tema, secured on a long-term lease and consistently fulfills orders for its customers in the UK and European markets



Our Why

The fashion industry holds considerable potential to motivate and bring change to some of the most disadvantaged people, especially women and youth, while advancing structural transformation.

Opportunity Overview

With a successful proof of concept executed on a global scale the company now seeks further investment of US\$ 10m over 3 years for working capital investment in people and systems, as well as to expand its product line to provide a robust offer for the whole family.

KEY HIGHLIGHTS

Successful proof of concept executed on a global scale.

Strong USP based on African heritage and African design made contemporary for a global audience

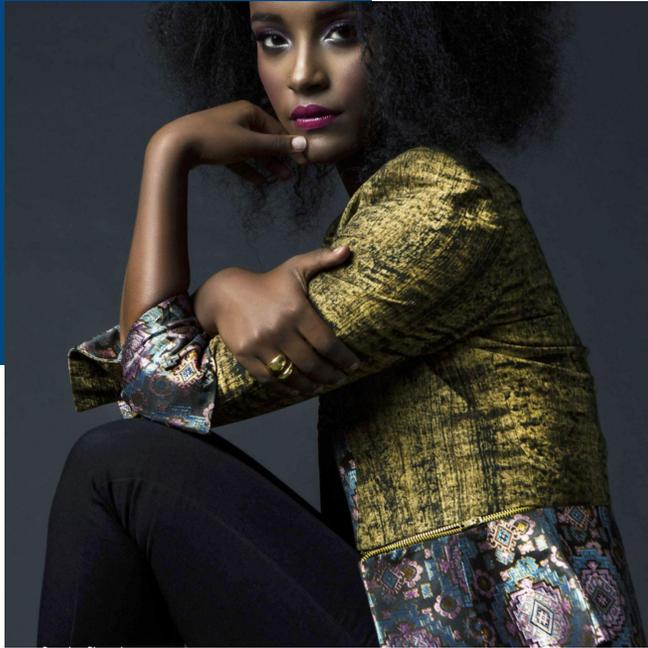
Capitalizing on new growth trends such as emerging markets & ethical fashion to build brand loyalty.

Committed founders and creatives, backed by an experienced executive team

Multiple drivers for significant growth; via Global, Product & Revenue Channel expansion.

Strong margins from economies of scale and from future investment





Business Overview

The Tema based brand is the brainchild of a British-Ghanaian architect turned fashion entrepreneur, Serwaa Davis and Afi Ameh, who was the former COO of a top 5 apparel company in Europe. The label started in 2016 and was incorporated in Ghana, April 2017.

The Company's factory...;



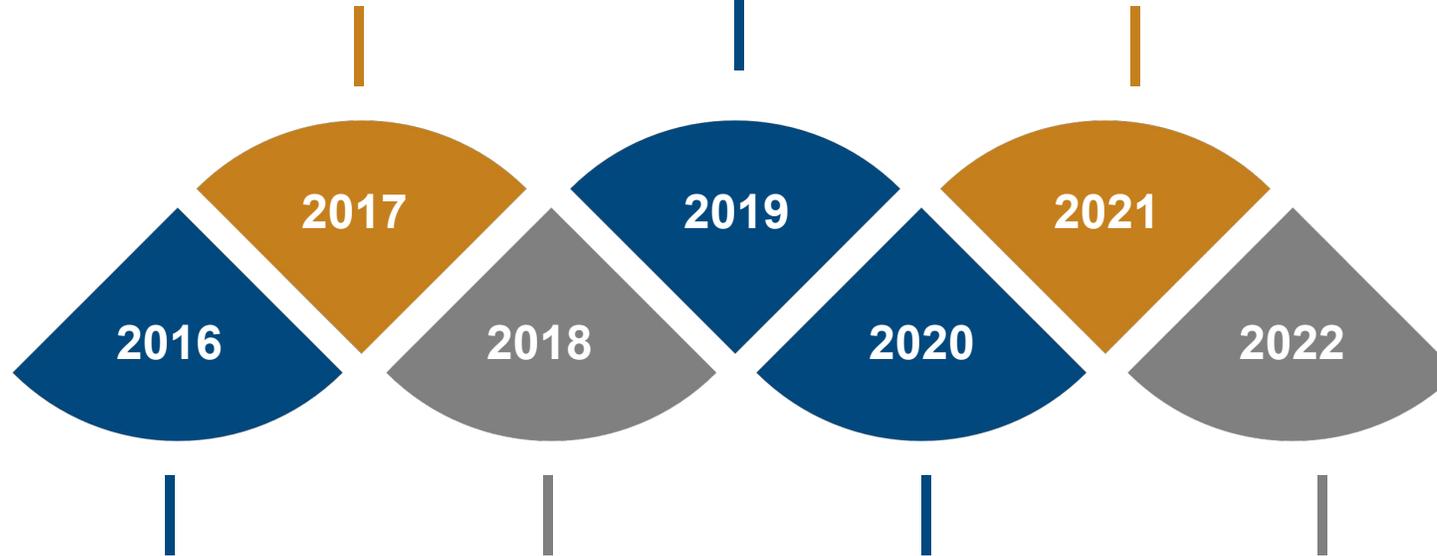
- Spans 4,000 m² of manufacturing floor space, capable of hosting up to 14 production lines per shift and producing 8-10 million garment items per year.
- Is secured via long term lease from a prominent family for a 50-year term.
- Is tax exempt in Ghana as a free zone enterprise, with duty free export access to the U.S. and EU.
- Is operated by nearly 300 locally trained workers, of which 80% are women, many of whom were previously unemployed.
- Hosts equipment that is independently valued at US\$ 2 million.

Our Journey

In 2017, we saw the need to backward integrate into starting our own brand of apparel, so the brand sourced fabric, developed prototypes and presented the sample collection at a key fashion fair in UK.

In 2019, leased a factory space in a prime location in Tema, close to the port for ease with export.

In 2021, launched the 2nd collection at a fashion event, which resulted in a strong lineup of international clients including top department stores in the UK and Europe and generated pre-orders of over US\$ 100k for the season.



Initially launched in 2016 as a one-stop shop for African inspired apparel from various vendors, bringing them to a global audience.

2018, commenced commercial retailing, with a collection of 10 ready-to-wear dresses, 10 shirts and trousers and few kids clothing.

In 2020, focused on training and grew staff strength from 15 to 100 with 80% being women

In 2022, marketing launches by way of pop-up stores were held all over the UK and revenues have grown in excess of US\$ 2M

5-years down the line, the business has now evolved into a lifestyle brand with a collection of over 250 pieces made of contemporary and vibrant African fabrics for international audience.



Vision

FUG's medium to long term vision is to be Africa's leading apparel manufacturer with the highest standards both for production as well as for human capital.



Product

FUG's products are said to be, "Riotously colorful, densely patterned, and unassailably fabulous."

Focus is presently on the B2B model. We aim to provide modern African outfits to globally recognized department stores and Fashion Houses who retail to customers who are trendy, whilst keeping a strong sense of tradition to their roots.

Product range include blouses, dresses, skirts, shirts, trousers, shorts, lounge wear, t-shirts, jackets, accessories and kids wear in over 20 sizes.

Our minimum order quantity is 1000 pieces per style. This ensures our factory can focus on continuously improving efficiency.

Price ranges from GHS 200 – GHS 1,000 based on product size, color and other details.

Every piece is made with these 3 qualitative themes in mind;

physical fit

aesthetic fit, and

functional fit

Below is a selection of product categories that we specialize in;





Management Team

Our team has a combined work experience of over 50 years from around the world, bringing their expertise and passion for ethical manufacturing to the work we do. Prior to joining FUG our team worked with global brands such as Walmart, ASOS, GAP, George, M&S, Levi's & Tesco.

Serwaa Davis

Co- Founder & Chief Creative Officer



Brings over 17 years of experience in sourcing, merchandising, production and retail operations. Her passion for ethical manufacturing drove her to start the business, to develop a model that proves that living wages and worker empowerment are not mutually exclusive with cost-competitive product and profit.

Prior to starting FUG, she worked with both large retailers such as Walmart UK/South Africa and with small scale artisan suppliers.

At FUG, she's responsible for the creative design of its collection.

Afi Ameh

Co- Founder & Chief Commercial Officer



Afi's drive to create tangible impact through business led her to found FUG with Serwaa in 2016. As a trained management consultant from PWC, Afi focused on process optimization, organizational restructuring, and growth strategy for multi-million-dollar companies.

Prior to FUG, her work in monitoring & evaluation for international NGOs in West Africa gave her a firm belief in the power of job creation for women.

She is thrilled to contribute to building a sustainable industry in West Africa, unlocking its potential to become a world-class manufacturing hub.

Emmanuel Harold

Finance Manager



Emmanuel brings on board over 12 years of extensive experience in Financial Management. He has specialized in Accounting, Auditing, SOX, Operations, Business turnarounds and Cost Reduction in the Banking, Petroleum, Manufacturing, Construction, and IT sectors within Africa and Europe.

He is extremely strong at improving bottom line results and growing businesses through strategic, tactical and financial/reporting expertise.

Aniela Okonkwo

Production Manager



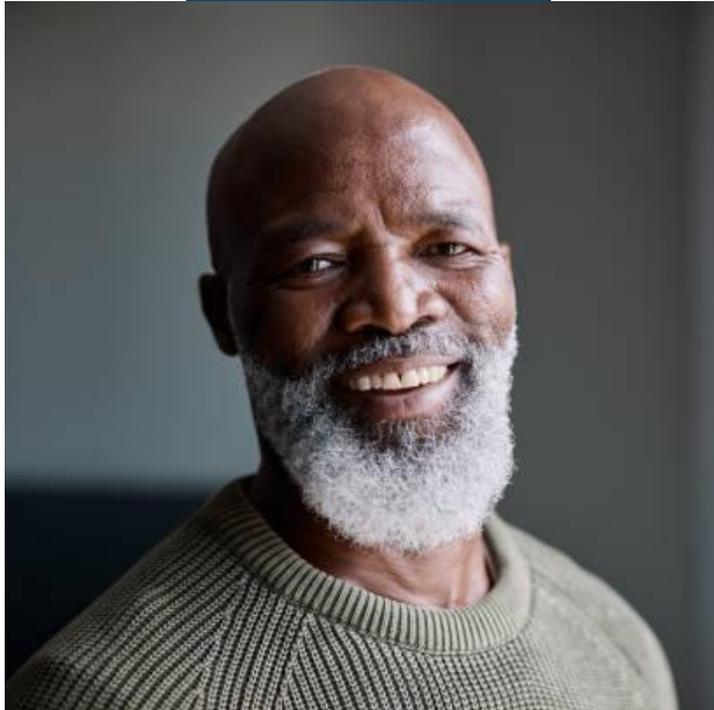
Aniela brings more than 10 years of experience in fashion forecasting, product development, production and retail merchandising for an end-to-end supply chain management.

She is a passionate professional who particularly likes working in challenging and fast paced environments.

At FUG, she is responsible for raw materials sourcing and logistics.

Nana Kwesi Antwi

Merchandizing Manager

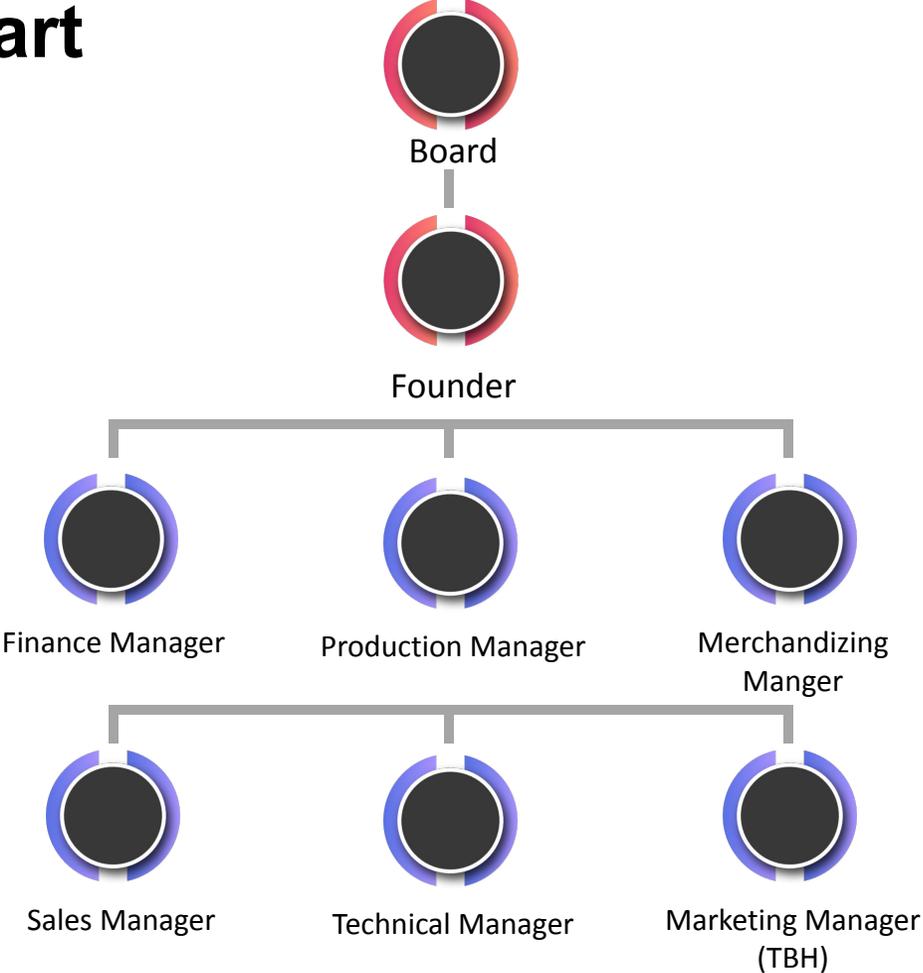


Nana Kwesi has worked in Manufacturing in India and Kenya and has worked with brands such as Gap and Old Navy. He is client focused and a dedicated and creative problem solver always striving for excellence.

His focus is in sourcing and supply chain management, building strong relationships with brands and factories.

He likes working at FUG because of our ethical way of working and focus on job creation.

Organizational Chart



TBH – To be Hired post capital raise



Strength

- Robust knowledge in the always changing end-market requirements i.e., seasonality, costs, quality, volume, deliveries, styles and lead times
- Good location with good access road
- International Recognition
- Established distribution network
- Fashion with a conscience

Opportunities

- Increased productivity through training
- Access to cheaper labor in sub-Saharan Africa vs increasing wages in China and South-East Asia
- Access to untapped local and global market for fashion, apparel and accessories
- Attracting global buyers to increase exports, replicating successful models in sub-Saharan Africa

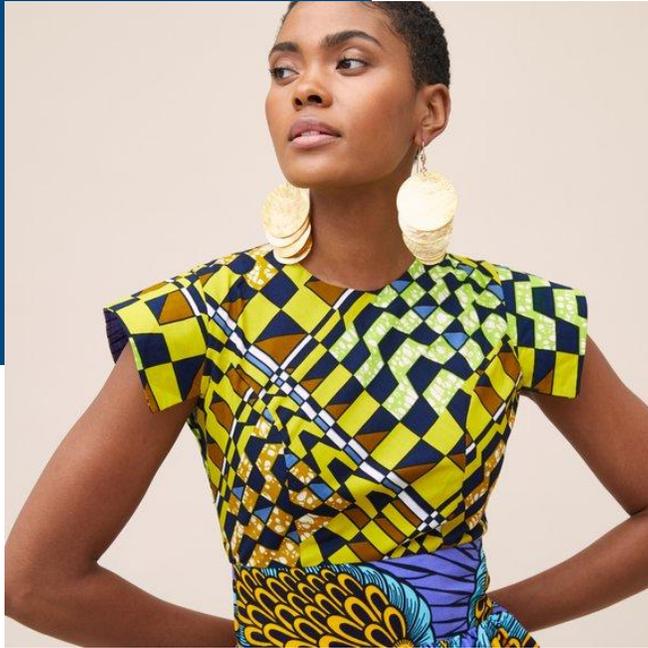
Challenges

- Inadequate local textile production facilities
- Skills shortage and lack of industry-specific training facilities
- Constrained access to financing
- Limited local input suppliers
- Lack of institutional and government support to the sector

Threats

- Limited access to information, including trends, buyers and market data
- Regulatory issues i.e., tariffs and exchange rates
- Poor infrastructure - water, waste, energy, roads & customs





INDUSTRY OVERVIEW

The fashion industry globally is expected to double in the next 10 years, generating up to US\$ 5 trillion annually. In the UK alone, US\$ 284 billion is spent every year on fashion retail through the purchase of 19 billion garments. This presents a tremendous opportunity for Africa at various levels of the value chain: from design to production to marketing, the fashion industry is a profitable business.

While still in its infancy, the African fashion industry has started to expand. This is largely due to growing interest in Africa's cultural traditions, including its vibrant hues and colorful fabrics, such as wax and printed dyed cotton, and the high quality of craftsmanship in African cultures. The industry and its designers, both on the continent and abroad, are capitalizing on this situation, with Africa-inspired designs now regularly shown on the catwalks in fashion shows in Paris, London and Milan.



INDUSTRY OVERVIEW

Demand for African fashion is likely to be further boosted by the continent's growing urban middle class, opening up the perspective of sustainable growth for the African fashion industry. The second-largest sector after agriculture in Africa is the fashion and textile industry with an estimated market value of \$31 billion in 2020 and growing every year. In Ghana, data shows that every job in the garment sector generates 5 other auxiliary jobs.

Africa currently accounts for just 1.9% of global manufacturing. There is an urgent need for Africa to rapidly industrialize and add value to everything that it produces, instead of exporting raw materials that make it susceptible to global price volatilities. The fashion industry is a case in point. Instead of exporting raw cotton, Africa needs to move to the top of the global value chain and produce garments targeted at the growing African and global consumer class.

Successful Cases in the Apparel Sector in Sub-Saharan Africa

Mauritius



- Mauritius, with US\$ 761.3 million in apparel exports, is the leading African nation manufacturing and selling apparel abroad.
- In 2012, exports to Europe accounted for 48%, USA 18%, South Africa 24% and others 11%.
- There are more than 170 garment factories
- TA&A employment represents 66% of all manufacturing jobs.

Madagascar



- In the mid-2000s, apparel products accounted for more than 50% of commodity exports and the garment industry employed more than 100,000 workers.
- There are more than 70 apparel factories.
- Although the industry experienced adverse shocks in the 2000s, garment export growth did not collapse.

Lesotho



- Apparel represents 60% of total exports and 80% of Lesotho's manufacturing workforce.
- The number of companies has grown from 21 in 1999 to 43 today.
- The sector was strongly dependent on the USA until 2005; since then, it has been mostly dependent on South Africa.
- 20% of the workers (mainly women) are in the apparel industry.

Ethiopia



- The Ethiopian textile and apparel industry has grown an average of 51% over the last 5-6 years.
- Half of Ethiopian textile and apparel companies are SMEs with 500-1,000 workers.
- Ethiopia has 2.6 million hectares that are suited for cotton cultivation. Currently only 5-6% of this capacity is cultivated.

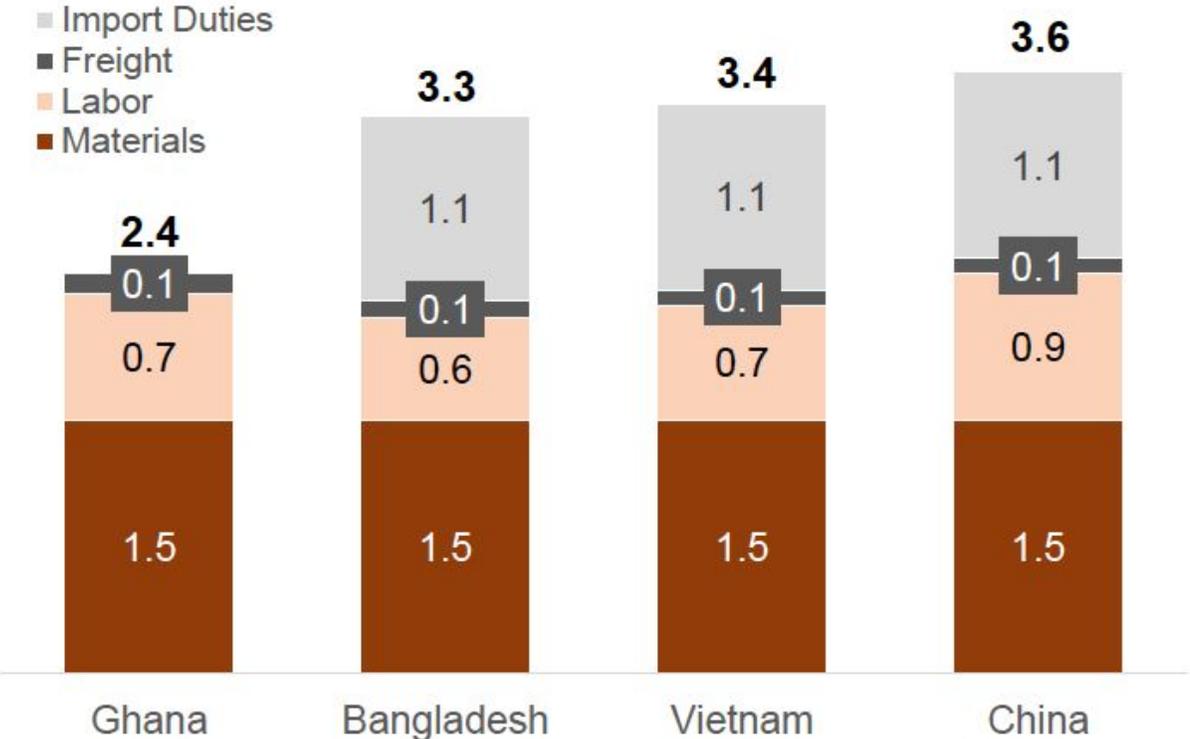
Competitive Landscape

FUG's Cost Competitiveness VS. Asian Exporters

FUG benefits from duty free access to the U.S. and European markets under the African Growth & Opportunity Act ("AGOA") and the Economic Partnership Agreement ("EPA") respectively.

Asian exporters pay up to 32% duties on exports to the U.S. market, so despite slightly higher labor costs vs. Bangladesh and Vietnam, FUG is a more cost competitive option for European and U.S. buyers

Average Unit Cost of Apparel Imported to U.S. (USD / unit)



Ghana provides a favorable environment for garment production as compared to Asia. Key highlights are tabulated here;

1. FAVOURABLE TRADE AGREEMENTS

- Duty free into the US under AGOA = 15-32% advantage
- Duty free into Europe = up to 12% advantage

2. SPEED TO MARKET

- 15-20 days shipment to the EU and 15-30 days shipment to the US, with daily shipping schedules
- Quick access to major ports (within 50km of factories)

3. LOW LIVING COSTS & LABOUR AVAILABILITY

- Relatively low cost of living versus Asia: \$150/month living wage and \$57 minimum wage in Ghana (*source: Trading economics, WageIndicator*)
- Strong workforce availability: Africa has the world's fastest growing workforce, population set to double to 2 billion by 2050

4. RAW MATERIAL POTENTIAL

- 6th largest cotton producing region in the world (4x as much cotton as East Africa)
- Region produces conventional, sustainable, and organic cotton
- Currently 95% cotton exported in raw form; Opportunity to invest in spinning and weaving/knitting to close the gap in the value chain

5. ETHICAL APPROACH

- Informed and engaged factory owners with a people-first mindset who are committed to empowering their workers
- Government and development agencies (USAID, GIZ, FCDO) supporting factories to achieve and go beyond compliance

6. LONGEVITY

- Ghana has a strong history of political and economic stability
- Huge potential to capture increasing value over time through efficiency gains, vertical integration and renewable energy
- Rapidly developing middle class in West Africa represents new potential consumer market





Business Model, Strategy & Growth Plan

We provide a transparent service for high volume manufacturing from sampling and product development through to final export. Our integrated service offering, includes design development, manufacturing, quality control, and logistics at globally competitive prices.

1. Sourcing Raw Materials

Source not less than 80% of our input from the continent

2. Developing Patterns and Samples for approval

Ensure client and factory satisfaction

3. Production

We aim to get it right on the first try

4. Quality Check

Perform in-line and end-of-line checks through each production run

5. Exit logistics

On FOB basis and support our clients to secure duty-free benefits

1

Digital Marketing – Paid,
Influencer, SEO

2

Event Marketing – Fashion
Shows, Pop-up shops, in-store
launch, sponsorships,



3

Referral Marketing –
Loyalty Rewards

4

Partnership Marketing

Pipeline Customers



Turnover > US\$ 400M

FUG is currently developing samples for Baukjen's statement-printed pieces for an annual order value of c.US\$1m



Outlets >100

FUG is awaiting approval of samples sent.



Turnover >US\$ 50m

Hobbs quality and control team have scheduled a visit to FUG's factory with plans to start commercial production by Q4



Popularity among the youth

FUG's is in discussion with Hush about opportunities in their core categories



Current turnover > US\$ 40m targeting US\$ 250 in 3 years

FUG's will begin production for Mint Velvet in Q1 2023 and expects to produce over US\$200k, growing to over US\$500k by 2024

Growth Plans

FUG has strategically phased out its growth and development plans in line with the company's mission and vision.

Short-Term (1-2 years)

Medium-Term (3-5 years)

Long-Term (+ 5 years)



Short - Term (1-2 years)

Secure long term strategic partner(s) to support recapitalization and fund growth

Secure long term trade finance partner

Invest in supply chain and inventory management systems to facilitate scale

Hire and train new workers to fill factory floor and initiate a 2nd daily shift

Sign preferred supplier agreement with pipeline customers

Commence and grow commercial production for new customers secured

Launch B2C online trading platform to serve consumers directly.

Medium - Term (3-5 years)

Reinvest operating cash flows into hiring and training of new employees, working capital and management team support

Achieve full production capacity at existing factory; 18 lines operating on two daily shifts

Begin planning and development for new expansion factory and backward integration into local fabric manufacturing / spinning

Launch retail distribution operations in U.S.

Secure new customers to further diversify demand base and reduce concentration risk

Long - Term (5+ years)

Establish new expansion factory via long term lease with industrial real estate partner to reach >9,000 m² floor space

Raise project financing for construction of a local fabric mill and spinning operation for domestic production of raw materials

Promote proprietary environmentally friendly fabric products



SOCIAL IMPACT



Jobs, Training & Healthcare for Women

More than 80% of FUG's employees are women, most of who were unemployed before joining the Company receive family health benefits and ongoing professional development.



Childcare

Provide ad hoc childcare and free hot lunch when children come to the factory during school breaks; but we seek to formalize this into proper daycare for young children

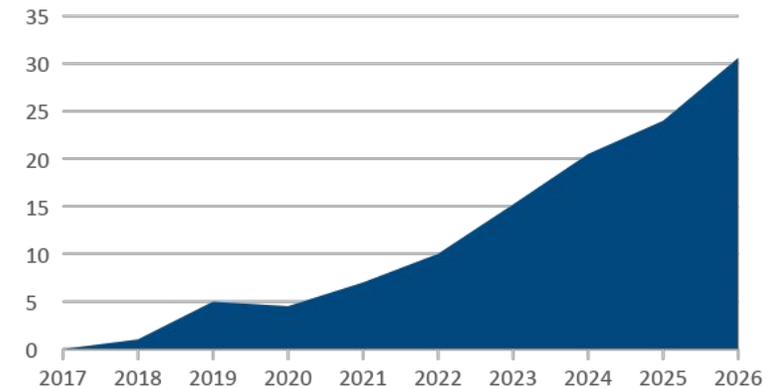
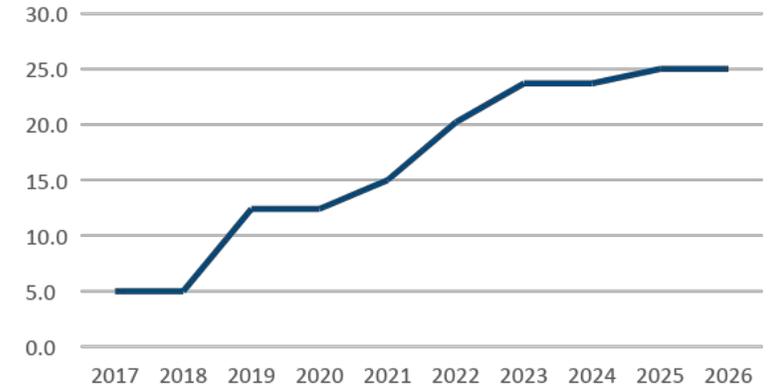
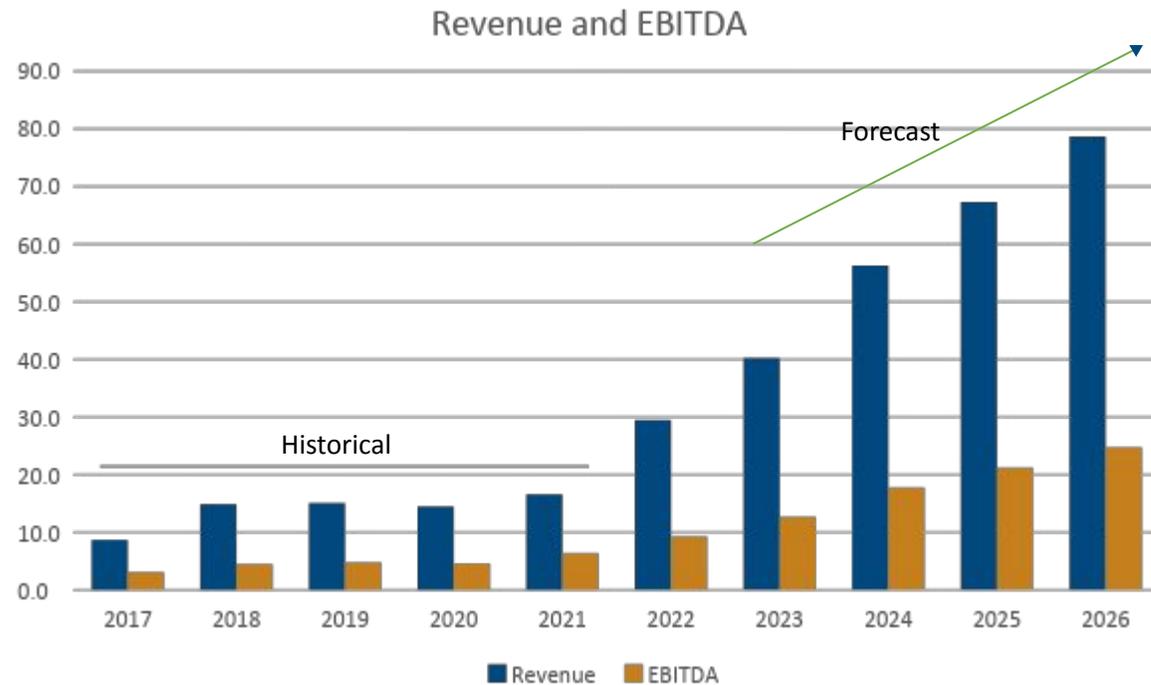


Environmental Impact

Investing in less water-intensive production methods, and ways to reduce the amount of chemicals used in production. Also taking steps towards only using natural dyes, which have a much lower environmental impact.



Established Business with Strong Unit Economics & Proven Track Record



The Company has shown strong growth 17.5% Revenue CAGR and 19.87% EBITDA CAGR from 2017-2021, and is poised for additional growth over the next 4 years - Revenue CAGR 27.8% and EBITDA CAGR 32.7% (2021-2026).

Strong unit economics and profit margins relative to industry averages. FUG has remained profitable with strong margins; average gross margin of 53%, EBITDA margin of 33% and Net Profit Margin of 22%.

FUG's revenue projections are conservative. Supported by purchase orders and written guidance from its primary customers. There's potential for additional orders from other customers which the Company is currently engaging.

FUG's business is highly scalable; its existing factory has existing capacity to increase production by between 2x its current rate without significant capex, facilitating a significant scale up in terms of revenues and EBITDA.



INVESTMENT

PROPOSED FINANCING PLAN

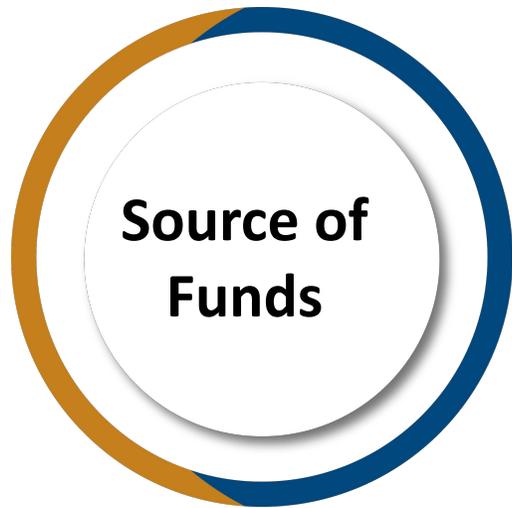
FUG is seeking a US\$10 million investment in the form of a convertible note with both debt and equity like features.

The new investment would be used to retire the Company's existing short term bank loans to free up operating cash flows for reinvestment.

In addition, the investment would fund investments in working capital, staff hiring and training, supply chain and inventory systems and head office support required to deliver on the Company's growth plans.

The Company is in active conversation with several potential partners to support a near term expansion of its trade LC lines, including with Afreximbank and several specialized trade finance funds.





Source of Funds

US\$m

10.00

10.00

Use of Funds:

Eliminate Short Term Debt 3.0

Supply Chain & Supporting Investments 3.5

New Staff Hiring & Training 1.5

Working Capital 2.0

Total

10.00

The assumed convertible note terms are:

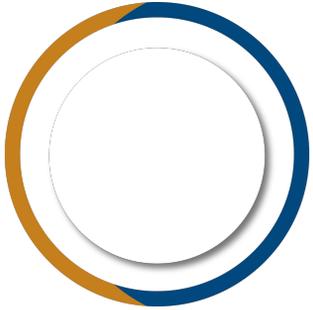
Amount:	US\$10.0m
Interest:	10.0% per annum
Conversion Year:	2025 (3 years)
Conversion Discount:	25%
Conversion Multiple:	6.0x EBITDA (trail)
Exit Year:	2027 (5 years)
Exit Multiple:	6.0x EBITDA (fwd)

If the Company achieves its base case growth targets, convertible investors will receive a 30% IRR and 3x cash multiple in 5 years.

The founders' key priorities for the investment are:

1. Alignment on long term vision and values with the new investor(s), who will ideally contribute to the business's growth.
2. Ability to retain control of the Company's operations and strategic direction, in consultation with new investor(s)
3. Fair recognition by the investor(s) of the value of their established platform and the future growth it may deliver

Investment Highlight

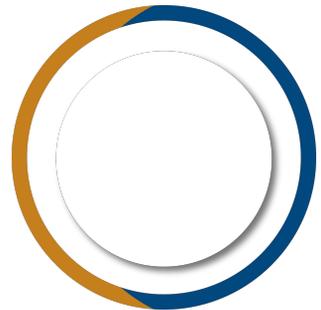


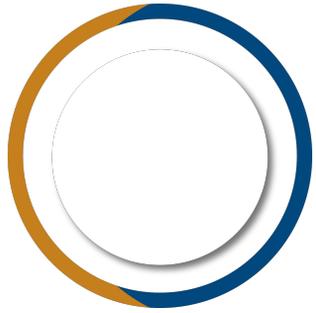
Market Opportunity

UK apparel market size is expected to reach above US\$390 billion in 2025. Today, most of the manufacturing is done in China and other Asian countries, with Africa gradually becoming the preferred choice due to adequate and affordable labor force and proximity to the EU and US.

Established Platform

FUG has built a solid platform business: 4,000m² of factory space secured on a long-term lease, tax exempt as a FZ enterprise, duty free export with access to the UK and EU



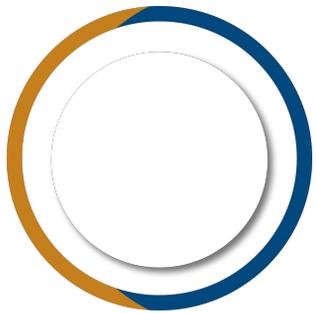
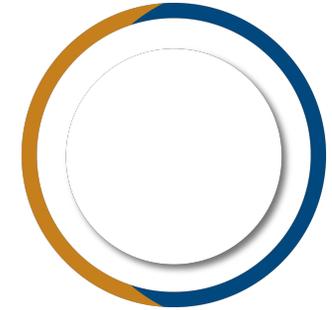


Capacity to Double Output

Current factory in Tema has capacity to increase production by 3x as FUG increases and diversifies its customer base. With the job security, training and the impact it has on its current employees, FUG will be able to secure well qualified employees as it expands.

Experienced Team

Senior team at FUG have a total of 50 years of experience in the African apparel manufacturing industry, with an average of 10 years of relevant experience as executives.



Huge Impact Potential

FUG has implemented its own sustainability standard – “Fashion with a conscience, to drive social change in lesser developed communities in which it operates. Vision is to exceed the industry’s typical labor and environmental standards and create a sustainable business which will provide employment opportunities and growth potential for a workforce that would otherwise be unemployed.

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