

Background

Laser Aesthetics has been operating since 2003. During this time we have established ourselves as the go to medical spa in Tanzania. We now provide an extensive range of services that help our clients to feel and look better.

The last few years have been quite traumatic and costly for Laser Aesthetics. In May 2015 the AMI hospital operator was evicted by the landlord. Since we were a sub-tenant we also had to vacate the premises immediately. As this was unplanned we were left without a premises to work out of and we were closed for three months.

Since 1st September 2015, we have been operating out of our new location at 304 Yasmine Court on Mwaya Street. It took us a while to get our clients back and just as we were reconnecting with our clients the investment climate changed in Tanzania and a section of our client base had to leave Tanzania as their contracts came to an end. We tried to compensate for this shortfall by expanding our range of services, making ourselves more competitive and enhancing the skills of our staff to attract more customers.

We had also expanded our services to two locations in Unguja and one in Pemba. These were primarily focussed on the beauty treatments but acted as an information point for several other services and then clients came to Dar es Salaam for the treatments as necessary. Unfortunately, in March 2020 the Covid epidemic spread around the world and our business stopped almost completely. Given the health risks associated with Covid, customers stopped using the spa services. The outlets in Zanzibar closed but we made a business decision to continue in Dar es Salaam and retain our staff and keep on paying salaries even though we were not operating. In order to finance this period we received cash injections from a potential investor which kept us afloat and enabled us to emerge in 2022 still in business and having retained our team.

Our future plans are discussed later in this paper.

Achievements made on the project implementation to date

(i.e. from the date the project was approved to the date of writing the report)

Skindeep was established in 2003 as the first Medical Spa offering laser hair removal. Prior to this both men and women who could afford to travel went to Kenya and South Africa to have treatments, those who couldn't suffered miserably with their excessive hair growth conditions.

Some of the conditions that have been successfully treated with Laser Hair Removal are Ingrown hair and Hirsutism arising from Polycystic Ovarian Syndrome.

Ingrown hair (pseudofolliculitis Barbae) is a condition where the thick curly hair becomes trapped in the skin resulting in painful unsightly bumps and discolouration of the skin. The condition is common in African skin people.

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Those people who are affected suffer with embarrassment and psychological issues related to their appearance. Laser Hair removal tackles the root cause of the problem by killing the hair. So the sufferer does not need to take antibiotics which usually result in resistance, loss of time off work to go to the doctor and the financial loss associated with both.

Polycystic Ovarian Syndrome (PCO's)- this medical condition is caused by hormonal disturbances in the female body. One of the symptoms of this is excessive hair growth particularly on the face. Many women who suffer this condition also suffer from psychological issues related to their outward appearance, such as depression, inadequacy and withdrawal from society.

Laser hair removal has offered a long-term solution for those women with PCO's – women can feel good about themselves.

Apart from Laser Hair Removal, we provide treatments for the following conditions:

- Acne
- Stretch Marks
- Hyperhidrosis (excessive sweating)
- Unsightly and problematic leg veins
- Skin Tags
- Verrucae
- Treatments for Scars
- Treatments of Ochronosis
- Oedema
- Fibromyalgia
- Weight loss
- Body toning
- Pre and post liposuction body treatment
- Skin Rejuvenation Therapies
- Cherry angioma
- Solar lentignes
- Pigmentation
- Trichology service for the treatment of hair loss and hair problems

Project Financial Expenditure to date

During the years that Skindeep has been in operation, the organisation has grown in terms of the number of people that we employ and the services that we provide.

Following our initial investment in 2003, we invested a further TZS100,000,000 in purchasing new equipment in 2012. This was financed with a combination of bank loan and additional investment from the Directors. The bank loan has been paid off in full within three years.

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The following new equipment was purchased:

- Endermologie System for enhancing blood circulation throughout the body
- Regen Tripollar for melting fatty pockets in the body and regenerating collagen
- Visia Skin Analysis System
- EnergistUltraPlus VPL Laser system
- Sterilizing unit

This has allowed us to expand the range of services that we offer.

We believe this on-going investment is necessary in order to keep our skills up to date and we are confident that the investment will pay off in the years ahead.

Future Plans

As we emerge from the Covid epidemic and the efforts of the sixth phase government to promote Tanzania as a business-friendly destination we believe the time is right to renew our business and go for growth again.

We have a new shareholder who lent us money during the pandemic and to whom we have now allocated the shares and she wishes to take over as the Managing Director of Laser Aesthetics focussed on driving the business forward and expanding to the regions in the next eighteen months to two years.

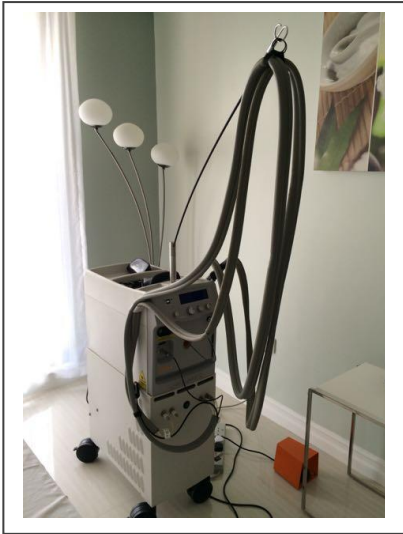
We see the business either growing generically with our own outlets or in partnership with other businesses in-order to bring our services to customers throughout Tanzania.

We are also exploring the possibility of introducing additional services that are more specialised so as to differentiate ourselves from the market that is increasingly congested.

We believe that the combination of an improving business environment along with the appointment of a new Managing Director, who is focussed solely on building this business, will allow Laser Aesthetics Limited to grow rapidly in the months ahead.

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Information on the key equipment we own

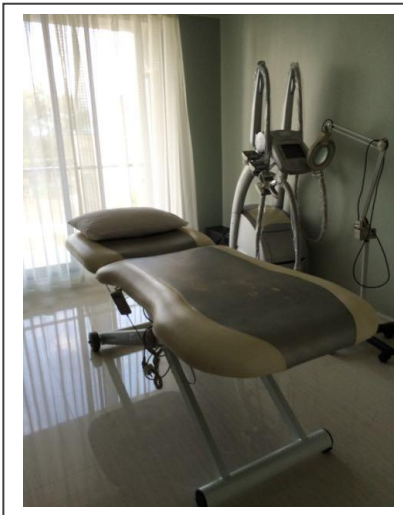


Nd-Yag laser system used for treating ingrowing hair, cherry angioma, port wine stains, leg veins and facial thread veins

These are all cosmetic conditions that affect persons with dark skin and affect people's self-confidence and seriously impact their self esteem.

We are the only business in town that still offers these services.

It can be safely operated by medically trained personnel such as nurses.



Endermologie this is a electromechanical system for improving the blood circulation within the body and consequently helping the skin to regain its elasticity and also promote fat loss.

This is particularly useful for older persons who suffer from poor circulation and want to improve their circulation and also try and loose a few kilos without having to go to the gym.

It works on all skin types and we have three staff trained on operating this machine.



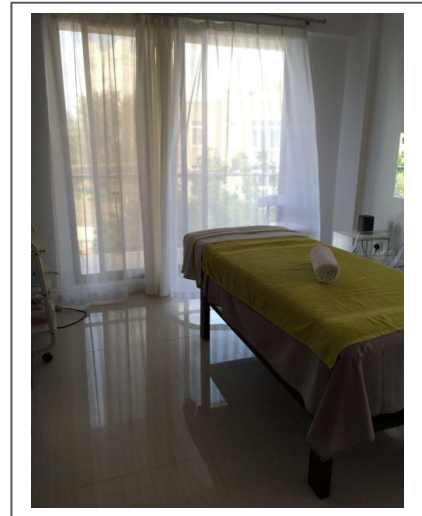
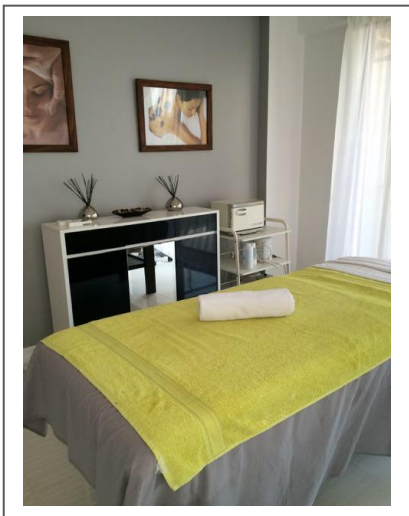
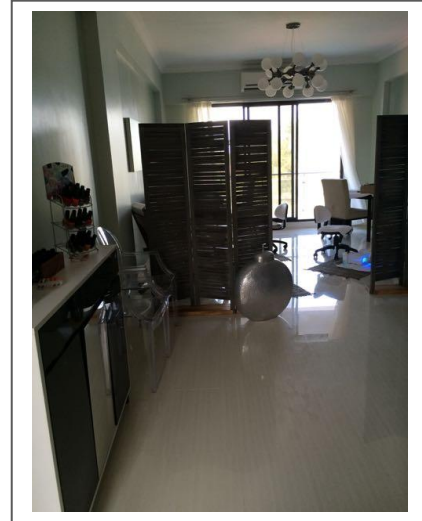
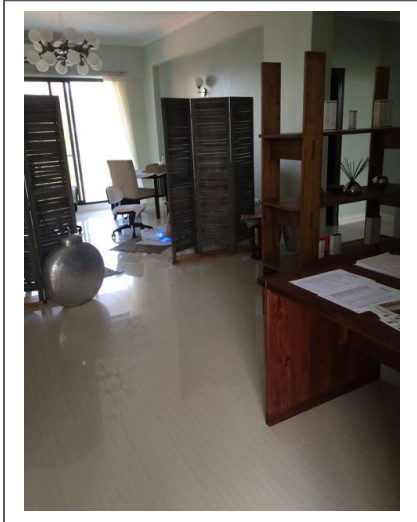
Variable Pulsed Light laser

This is similar to the Nd-Yag laser system in that it treats a number of skin conditions. It is particularly useful for Asian and European skin

It is also suitable for treating larger areas because it has both a small hand piece for precise work and a wider hand piece that can cover 10cm at a time.

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Customers using the services of Laser Aesthetics are primarily from the middle class and the expatriate population. These customers expect to be treated with care and pampering and wish to be in pleasing surroundings. In order to achieve this we have chosen a beautiful location close to the sea and furnished the space to create a calm and relaxing environment.



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S/No	information	Description	Current project status
1	Shareholder's information	Current shareholder names, nationality, %age of ownership	
	Vipul Suryakant SHAH	TANZANIAN	14.8%
	SURYAKANT DAMJI SHAH	TANZANIAN	22.2%
	GITA SHAH – NEW INVESTOR AND PROPOSED CEO	BRITISH	63.0%
2	COMPANY COMMUNICATION INFORMATION	Email address	info@skindeep.co.tz
		Mobile number	0777 784787
		Physical registered address	Region Dar Es Salaam, District Kinondoni, Ward Mikocheni, Postal code 14112, Street CHATO , Plot number 194
3	Contact Person	Name	Vipul Shah
		Position	Director
		Mobile	0686784785
		Email	vipul@istore.co.tz
4	Incorporation	Certificate of incorporation number	45355
5	TIN information	TIN certificate number	101-762-092
6	Project Objective	Project core activity	Human Resource Development
7	Direct Employment	Foreign – Men	0
		Foreign – Women	0
		Local – Men	3
		Local – Women	4
8	Indirect total employment	Estimated total number	10
		Areas of indirect employment	Marketing, accounting, security

Project Financial Expenditure to-date (USD)

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	Foreign	Local	Total
Land and Buildings	Nil	Nil	
Plant and Machinery	Nil	\$90,000	\$90,000
Vehicles	Nil	\$38,000	\$38,000
Furniture	Nil	\$10,000	\$10,000
Office Equipment	Nil	\$ 8,000	\$ 8,000
Insurance cover	Nil	Annually	
Pre-operational expenses – renovation of premises	Nil	\$20,000	\$20,000
Working capital	Nil	\$5,000	\$5,000
Grand Total		\$171,000	\$171,000

The project is fully financed with local equity from the shareholders. The new shareholder has invested to grow the business to the next level. There is no debt in the company.

Project Panned Investment 2023-2025

We plan to open three additional locations over the next three years

	Foreign investment	Local investment	Total
Land and Buildings	Nil	Nil (rented space)	
Pre-operational expenses – renovation of premises	Nil	\$60,000 (\$20,000 per location)	\$60,000
Plant and Machinery	Nil	\$90,000 (\$30,000 per location)	\$90,000
Upgrade of equipment at Main location	Nil	\$55,000	\$55,000
Furniture	Nil	\$45,000 (\$15,000 per location)	\$45,000
Office Equipment	Nil	\$ 18,000 (\$6,000 per location)	\$ 18,000
Insurance cover	Nil	Annually	
Working capital	Nil	\$20,000	\$20,000
Grand Total			\$288,000

Total project investment will rise to US Dollars four hundred and fifty nine thousand (US\$ 459,000)

Business Plan for 2023 to 2025

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With the improving business climate following the Covid pandemic and the on boarding of a new shareholder who is committed to growing the business we are pleased to outline our plans below.

Opening of branches

The nature of the services we provide means that there are potential customers throughout the country. We now envisage branches to be opened in Dodoma, Zanzibar, Arusha and Mwanza. We expect to open three new branches over the next three years. We also expect to acquire newer more up to date machines to compliment the ones we already have.

Offering additional services

We have established ourselves as the premiere spa for laser and skincare treatments we are now investigating the possibility of expanding the range of services we offer to include injectables that can help people feel and look better.

This is a growth market globally and our new investor is a licensed practitioner who can bring the skills she has learnt in the UK and bring them to the Tanzanian market in a professional and controlled manner.

Investment in equipment

The equipment we are now using is ageing and there are newer more up to date machines on the market that we will require as we grow our presence in the market.

Staff

We are looking to grow the staff in Dar es Salaam upto fifteen direct employees and then add between seven and ten employees to each branch that we open. We may need to compliment the Tanzanian staff with either one or two foreign staff for a short period so that the Tanzanian staff can learn the skills to carry out the treatments.

Financing

We expect to raise the financing for this expansion of the project through a variety of sources including personal funds, equipment purchase with three to five year payment plan and local bank financing.

As the business is already operational we are continuing to develop the specifics of the investment and will share updates with TIC on an on going basis.

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Potential Challenges

Identifying and securing the right location – the nature of the business means that it is critical to have the right location. This takes time and often comes at a premium. Sometimes the locations are already occupied or still being built so it takes time. We are actively searching for locations and will start work on the branch as soon as we have secured the location.

Supply of equipment – Due to the global supply chain problems the supply of equipment is affected by longer than expected lead times. In addition, prices are higher due to supply shortages and inflation in many countries globally. The supply situation is predicted to improve in Q2 2023.

Staffing - Recruiting and retaining the right individuals with the right mindset and experience is one of the main challenges. Ours is a very personal business and clients have to feel at ease with their therapist. We recruit candidates with the right mindset and then immerse them in on the job training to develop the right way of behaving and carrying out the treatments. This training takes up to three months per candidate.