

Business Plan: Rapid Diagnostic Test Manufacturing and Distribution in Tanzania

Prepared by McHadeRecoveraid Distribution Corp

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Executive Summary

Our mission is to improve healthcare outcomes in Tanzania and the wider East African region by providing high-quality, affordable rapid diagnostic tests. Through a strategic partnership between our Canadian manufacturing operations and Tanzanian assembly facility, we aim to revolutionize disease detection and management in underserved markets.

Key Highlights

- **Innovative Manufacturing Strategy:** Our rapid diagnostic tests will be manufactured in Canada, ensuring superior quality, and then shipped as uncut sheets to our Tanzanian assembly facility for final production.
- **Market Potential:** With a rapidly growing population and increasing investment in healthcare infrastructure, Tanzania presents a lucrative and underserved market for rapid diagnostic tests. We aim to become the second manufacturer in the country.
- **Strategic Partnerships:** Leveraging our partnership with Aarto Biotech for manufacturing, and Baresh Company Limited for distribution, we will establish a strong local presence in Tanzania.
- **Unique Selling Proposition:** Our tests are distinguished by Canadian manufacturing quality and the availability of innovative cardiac and tumor marker tests that are not currently available in the market.
- **Regulatory Compliance:** Our products will fully comply with Tanzanian Medicines and Medical Devices Authority (TMDA) regulations and be recognized across the East African Community (EAC) and Southern African Development Community (SADC) regions.

Company Overview

The company will be registered as a new limited entity in Tanzania, with McHadeRecoveraid Distribution Corp holding 55% ownership, Aarto Biotech holding 5%, and Baresh Company Limited holding 40%. Manufacturing and distribution operations will be managed jointly by McHadeRecoveraid, Aarto Biotech, and Baresh, overseen by a board of directors that reflects their respective shareholdings.

McHadeRecoveraid Distribution Corp will assist in setting up the manufacturing operations and establishing a team to manage daily production. They will also

provide strategic guidance, including creating training materials and assisting Baresh with their supervisory roles. Aarto Biotech will contribute its manufacturing expertise and ensure the quality of the uncut sheets while remaining a silent partner in Tanzanian operations. Baresh Company Limited will focus on distribution, local market engagement, and obtaining the required permits and licenses.

Management Team

- Meisam Mulla: Business professional with extensive experience in entrepreneurship and management.
- Dr. Mohammed Somji: Pharmacist with over 20 years of regulatory experience.
- Ali Gokal: Business specialist the in rapid diagnostic test space.
- Dr. Bartazary John: Healthcare professional with deep knowledge of the Tanzanian market.
- Dr. Eshton Nkala: Healthcare delivery expert.
- Mr. Amoury Abdallah Amoury: Advisor with connections in the Tanzanian Ministry of Health.
- **Dr. Francis Mallya: Oversees medical affairs.**
- **Geoffrey Mwaka: Responsible for strategic planning and growth initiatives.**

Market Analysis

Tanzania's healthcare industry is rapidly evolving, driven by population growth, government initiatives, and rising infectious disease prevalence. The diagnostic test market is expected to grow significantly, fueled by the demand for accurate and rapid diagnostics. The market size is estimated at \$33.6 million (126 million tests) annually for rapid diagnostic tests, with significant potential for growth across the EAC and SADC regions.

Products and Services

Our product line offers a comprehensive range of rapid diagnostic tests to address critical healthcare needs in Tanzania. Initially, we will start with a select number of tests before gradually expanding the product portfolio. The initial tests will include:

- Malaria (Pf) Antigen Test
- Malaria (Pf/Pan) Antigen Test
- Hepatitis B Virus Surface Antigen Test
- Hepatitis C Virus Antibody Test
- Helicobacter Pylori Antigen Test
- Salmonella Typhi Antigen Test

- Troponin I Test
- Cardiac and Tumor Marker Tests

We will use the HCG rapid diagnostic test as a loss leader to penetrate the market, while infectious diseases, specialized cardiac and tumor marker tests will generate higher profit margins.

Marketing and Sales Strategy

Our diagnostic tests will be positioned as high-quality, reliable, and affordable solutions. Our primary market segments include private healthcare facilities, pharmaceutical distribution companies, government agencies and public health programs, and NGOs.

- **Distribution Channels:** Direct sales, partnerships with secondary distributors, and retail pharmacies.
- **Promotion Strategy:** Branding and messaging, advertising, PR campaigns, and educational outreach.
- **Sales Targets:** Year 1: \$1.01 million; Year 2: \$1.46 million; Year 3: \$2.05 million.

Operations Plan

Uncut sheets will be manufactured at Aarto Biotech's facilities in Delta, Canada, and shipped to our assembly facility in the AFED Business Park, Dar es Salaam. The assembly process includes cutting, assembling, packaging, and labeling for distribution. Comprehensive quality control measures will ensure compliance with TMDA regulations.

Financial Plan

- **Startup Costs:** \$98,950
- **Monthly Fixed Costs:** \$9,666
- **Variable Costs Per Test:** Varies from \$0.06 to \$0.20, depending on the test.
- **Revenue Model:** Primary revenue streams include private healthcare facilities, distribution companies, government agencies, and NGOs.

Projected Revenue by Segment (Year 1-3)

Segment	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)
Private Healthcare Facilities			
Distribution Companies			
Government Agencies & Programs			
NGOs			
Total Revenue	\$1,012,430	\$1,468,024	\$2,055,233

Projected Revenue and Profit (Year 1-3)

	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)
Revenue	\$1,012,430	\$1,468,024	\$2,055,233
Costs			
Fixed Costs	\$115,992	\$145,903	\$185,248
Variable Costs	\$348,915	\$505,927	\$708,298
Profit Before Fixed Costs	\$663,514	\$962,096	\$1,346,935
Pre-tax Profit After Fixed Costs	\$547,522	\$816,183	\$1,161,507

Break-Even Analysis

- Fixed Costs (Year 1): \$115,922
- Variable Cost per Test (Average): \$0.146
- Selling Price per Test (Average): \$0.42
- Break-Even Volume: 35,262 tests per month

Funding Status

The total cost to establish the assembly facility in Dar es Salaam and provide working capital for production and distribution is \$98,950. McHadeRecoveraid Distribution Corp has the capitalization in place to cover its 55% share, amounting to \$54,422, as well as fund Aarto Biotech's 5% share, amounting to \$4,947. Baresh Company Limited will provide the remaining 40% in funding, amounting to \$39,580, ensuring that all necessary capital is available to successfully launch and operate the business. This collaborative funding approach will facilitate the establishment of our assembly facility and support initial production and distribution efforts.

Exit Strategy

Our primary exit strategies include:

- **Strategic Acquisition:** Selling the company to a multinational healthcare company seeking market expansion in East Africa.
- **Public Offering (IPO):** Launching an initial public offering to raise capital and enhance competitiveness.
- **Sale to Aarto Biotech:** Selling the operation to Aarto Biotech, leveraging synergies between our assembly operations and their manufacturing expertise.
- **Management Buyout (MBO):** An acquisition by the existing management team, often with private equity support.

By keeping multiple exit options open, we will maximize the value of the business and deliver significant returns to our investors.

Company Overview

The company will be registered as a new limited entity in Tanzania, with McHadeRecoveraid Distribution Corp, based in Canada, holding 55% ownership, Aarto Biotech holding 5%, and Baresh Company Limited, a local Tanzanian partner, holding the remaining 40%. Manufacturing and distribution operations will be managed jointly by McHadeRecoveraid, Aarto Biotech, and Baresh, overseen by a board of directors that reflects their respective shareholdings.

McHadeRecoveraid Distribution Corp will be responsible for setting up the manufacturing operations and establishing a team to manage daily production. Aarto Biotech will contribute its manufacturing expertise and ensure the quality of the uncut sheets. Baresh Company Limited will focus on distribution and market penetration across Tanzania and the wider East African region, while also playing a supervisory role at the facility.

Management Responsibilities and Team

Responsibilities within the company are divided based on the strengths and expertise of each partner. McHadeRecoveraid Distribution Corp will provide support in setting up the team that will run the operations. They will assist in creating and training the sales team, developing all marketing materials, and creating an online marketing strategy with all necessary deliverables. McHadeRecoveraid will also be responsible for establishing new distribution partnerships outside of Tanzania.

Initially, the facility operations will be supervised by Baresh Company Limited. Baresh will oversee daily operations until a full team is in place to manage these tasks independently. This team will operate under the joint oversight of Baresh and McHadeRecoveraid, ensuring compliance with international quality standards and regulatory requirements. Baresh will also handle the necessary permits and licenses and supervise local market engagement and distribution efforts.

Management Team

- Meisam Mulla, Partner at McHadeRecoveraid Distribution Corp, is an accomplished business professional with extensive experience in entrepreneurship and management. He will oversee overall business strategy and ensure alignment with company goals.
- Mohammed Somji, Partner at McHadeRecoveraid Distribution Corp, is a pharmacist with over 20 years of experience in regulatory affairs. He will ensure compliance with international regulations.

- Ali Gokal, Partner at McHadeRecoveraid Distribution Corp, brings extensive experience in the rapid diagnostic test industry. He will focus on supply chain efficiency.
- Dr. Bartazary John, Managing Director of Baresh Company Limited, is a healthcare professional with deep knowledge of the Tanzanian market. He will lead Tanzanian operations and manage strategic partnerships with government agencies.
- Dr. Eshton Nkala, Co-Founder of Baresh Company Limited, will contribute to strategic decision-making and business development with his expertise in healthcare delivery.
- Mr. Amoury Abdallah Amoury, Director of Finance at Baresh Company Limited, works at the Tanzania Ministry of Health. He will serve as our liaison within the Ministry, clearing regulatory hurdles and securing government protection.
- Dr. Francis Mallya, Medical Director at Baresh Company Limited, will oversee Tanzanian medical affairs, ensuring compliance with clinical standards.
- Geoffrey Mwaka, Strategic Director at Baresh Company Limited, will be responsible for strategic planning and business growth initiatives within Tanzania.

Business Location

Manufacturing of uncut sheets will occur at Aarto Biotech's facilities in Delta, Canada, while the assembly facility in Tanzania will be located in the AFED Business Park, Dar es Salaam. This facility will handle the cutting, assembly, packaging, and distribution of diagnostic tests across Tanzania and the East African region.

Strategic Partnerships

We have established key strategic partnerships to ensure seamless manufacturing, distribution, and market penetration:

- Aarto Biotech, our Canadian manufacturing partner and minority shareholder, will ensure a steady supply of high-quality uncut sheets.
- Baresh Company Limited will leverage its local expertise and government connections to ensure effective distribution and regulatory compliance.

- Tanzanian government agencies, such as the Tanzania Medicines and Medical Devices Authority (TMDA) and the Medical Stores Department (MSD), will facilitate regulatory compliance and distribution through government tenders.

Unique Selling Proposition (USP)

We will be the second manufacturer of rapid diagnostic tests in Tanzania, differentiating ourselves through high-quality Canadian-sourced raw materials and an innovative product line. Through our partnership with Aarto Biotech, we can quickly expand the range of rapid tests available, ensuring we meet diverse healthcare needs. This unique combination of top-tier manufacturing and cost-efficient local assembly guarantees rapid and reliable delivery across Tanzania and the East African region. Our competitive advantage is further strengthened by strong government recognition and strategic partnerships with local healthcare agencies.



Market Analysis

Industry Overview

The healthcare industry in Tanzania is evolving rapidly due to population growth, a rising prevalence of infectious diseases, and government initiatives aimed at improving healthcare infrastructure. As a member of the East African Community (EAC) and the Southern African Development Community (SADC), Tanzania enjoys favourable trade policies, creating a conducive environment for healthcare companies. The rapid diagnostic test market is projected to grow significantly, driven by the increasing burden of diseases like malaria, HIV, COVID-19, and tuberculosis. Additionally, government initiatives are strengthening healthcare infrastructure and supply chains, while private sector involvement is enhancing healthcare delivery in underserved regions.

Market Size and Growth Potential

In Tanzania, the current market size for rapid diagnostic tests is estimated at \$33.6 million (126 million tests) annually. With a projected Compound Annual Growth Rate (CAGR) of 4.84% over the next five years, this sector presents significant opportunities for growth. Regionally, the East African Community (EAC) and Southern African Development Community (SADC) represent a combined market size of approximately \$200 million, with substantial growth potential due to favorable trade agreements.

Target Market Segments

The primary target market segments for our rapid diagnostic tests include government agencies, private healthcare facilities, non-governmental organizations (NGOs), and pharmaceutical distribution companies. The Tanzanian Medical Stores Department (MSD) and the National Malaria Control Program (NMCP) are key public sector clients. Private hospitals, clinics, and diagnostic labs also represent significant market segments, while international and local NGOs play a crucial role in disease detection and management. Pharmaceutical distribution companies will further enhance market penetration across East Africa.

Our cardiac and tumor marker tests, which are currently unavailable in Tanzania, will address critical gaps in the market. We will use our HCG rapid diagnostic tests as a loss leader to establish a market presence and then generate revenue through the high-margin diagnostic tests that are currently not available.

Competitive Landscape

Currently, KAS Biotech is the only local manufacturer of rapid diagnostic tests in Tanzania, sourcing raw materials from India. Foreign manufacturers also export rapid diagnostic tests to Tanzania and the broader East African region. Our competitive advantage lies in sourcing high-quality raw materials from Canada and assembling the tests locally at the AFED Business Park. This approach ensures rapid and cost-effective delivery while differentiating us from competitors through superior product quality. Additionally, our strong government connections with the Tanzanian Medicines and Medical Devices Authority (TMDA) and the MSD will facilitate regulatory compliance and rapid adoption.

Regulatory Environment

The Tanzanian Medicines and Medical Devices Authority (TMDA) regulates the quality and safety of medicines and medical devices in the country. Our products will fully comply with TMDA regulations, enabling streamlined market entry. Furthermore, TMDA recognition by other SADC and EAC member states will allow our products to gain acceptance across the region.

Market Entry Strategy

Our market entry strategy is centered around establishing a strong local presence through manufacturing and distribution at the AFED Business Park in partnership with Baresh Company Limited. Strategic partnerships with government agencies, NGOs, and healthcare facilities will help establish our brand and facilitate market penetration. Marketing and awareness campaigns will be crucial in educating healthcare professionals and the public on the importance of accurate diagnostics.

Direct sales initiatives will target government agencies, NGOs, and healthcare facilities, while collaborations with pharmaceutical distribution companies will help expand our reach across the region. By leveraging our strong connections with the TMDA and the MSD, we will establish ourselves as a trusted supplier of high-quality rapid diagnostic tests in Tanzania and beyond.

Products and Services

Product Line Overview

Our company will offer a comprehensive range of rapid diagnostic tests to meet critical healthcare needs in Tanzania and the East African region. While HCG tests will be used as a loss leader to penetrate the market, we aim to introduce specialized cardiac and tumor marker tests that are currently not available in the region.

Our product line will eventually include:

- **Human Chorionic Gonadotropin Test:** Detects elevated levels of the hormone hCG, commonly used in pregnancy testing.
- **hCG Ultra-Sensitive Early Detection Test:** An ultra-sensitive version of the hCG test, providing early detection of pregnancy.
- **Luteinizing Hormone Test:** Measures the luteinizing hormone (LH) levels to help assess ovulation and fertility.
- **Follicle Stimulating Hormone Test:** Assesses follicle-stimulating hormone (FSH) levels, critical in evaluating fertility and reproductive health.
- **Male Fertility Home Use Test:** Designed for home use, this test assesses sperm concentration as an indicator of male fertility.
- **Hepatitis B Virus Surface Antigen Test:** Detects the presence of Hepatitis B surface antigen, aiding in early diagnosis of Hepatitis B infection.
- **Hepatitis C Virus Antibody Test:** Identifies antibodies against the Hepatitis C virus, facilitating timely diagnosis.
- **HIV 1/2 Antibody Test:** A rapid test to detect antibodies for both HIV-1 and HIV-2, offering quick and reliable diagnosis.
- **Helicobacter Pylori Antigen Test:** Detects Helicobacter pylori antigen, crucial for diagnosing gastric ulcers and infections.
- **Malaria (Pf/Pan) Antigen Test:** Detects the presence of Plasmodium falciparum and non-falciparum malaria species for accurate malaria diagnosis.
- **Salmonella Typhi Antigen Test:** Detects the antigen specific to Salmonella typhi, enabling rapid identification of typhoid fever.
- **Point-of-Care Fertility Tests (POCT):** Provides immediate results for fertility assessment, facilitating prompt diagnosis and treatment decisions.
- **Carcinoembryonic Antigen Test:** Measures levels of carcinoembryonic antigen (CEA), often elevated in certain cancers, such as colorectal cancer.
- **Alpha-Fetoprotein Test:** Screens for liver cancer and certain germ cell tumors by detecting elevated alpha-fetoprotein levels.

- **Prostate-Specific Antigen Test:** Identifies elevated levels of PSA, helping in early detection and monitoring of prostate cancer.
- **Troponin I Test:** Detects elevated levels of troponin I, a key indicator of myocardial infarction.
- **C-Reactive Protein Test:** Measures levels of C-reactive protein (CRP), which can be elevated in inflammation and infection.

These tests are designed to provide simple positive or negative results, offering rapid and reliable diagnosis.

Production and Assembly Process

The manufacturing of uncut sheets will occur at Aarto Biotech's facilities in Delta, Canada, adhering to stringent quality standards. These uncut sheets will then be shipped to our assembly facility in the AFED Business Park, Dar es Salaam, where they will be cut, assembled, packaged, and labeled for distribution.

Quality control measures, including routine batch testing and analysis, will ensure compliance with Tanzanian Medicines and Medical Devices Authority (TMDA) regulations. This assembly process will provide locally produced, high-quality rapid diagnostic tests to meet Tanzania's healthcare needs and the broader East African market.

Research and Development

We will continuously collaborate with Aarto Biotech's R&D team to improve the performance of existing tests while also developing new diagnostic solutions. This will include expanding into new tests for lifestyle diseases, such as diabetes and cholesterol markers, and improving the sensitivity and specificity of our current portfolio.

Strategic Initiatives

Malaria Rapid Diagnostic Test Initiative

To address the healthcare challenges posed by malaria and alleviate the burden on hospitals, we plan to collaborate with the Tanzanian government to make our malaria rapid diagnostic tests available over the counter. By enabling users to test at home, this initiative will:

1. Reduce the burden on hospitals by allowing people with negative test results to avoid unnecessary hospital visits.
2. Encourage individuals who test positive to seek medical care promptly for accurate diagnosis and treatment.

Through this initiative, we aim to improve healthcare delivery and create a scalable model for tackling other infectious diseases in Tanzania and beyond.



Marketing and Sales Strategy

Market Positioning

Our diagnostic tests will be positioned as high-quality, reliable, and affordable solutions that address critical healthcare needs in Tanzania and the East African region. By leveraging the high standards of Canadian manufacturing and the local assembly operations in Tanzania, we will differentiate ourselves based on quality and accessibility.

Initially, all tests will be available at point-of-care (POC) locations such as private hospitals, clinics, and diagnostic laboratories. We will work towards making the malaria rapid diagnostic tests available over-the-counter (OTC) through a strategic initiative, but this will take time to implement.

The malaria rapid diagnostic test (RDT) will be positioned as a cost-effective, over-the-counter solution to reduce hospital burden and provide early detection of malaria.

Cardiac and tumor marker tests will be marketed as innovative diagnostic tools addressing gaps in the Tanzanian healthcare system.

Target Market Segments

The primary target market segments include government agencies and public health programs, private healthcare facilities, NGOs, and pharmaceutical distribution companies.

Government agencies and public health programs are key partners, particularly the Tanzanian Medical Stores Department (MSD) and the National Malaria Control Program (NMCP). Private healthcare facilities, including hospitals, clinics, and diagnostic laboratories, will be targeted for direct sales. Collaboration with international and local NGOs focused on disease detection and management will further expand our market reach. Additionally, strategic partnerships with pharmaceutical distribution companies will be developed to ensure broad market penetration across Tanzania and the East African region.

Distribution Channels

Our distribution channels will include direct sales, distributor networks, and point-of-care (POC) locations. The dedicated sales team will focus on government tenders, private healthcare facilities, and NGOs. Partnerships with pharmaceutical

distribution companies will help expand our market reach, while POC locations will ensure accurate diagnostics with healthcare professional oversight.

Promotion Strategy

Branding and messaging will emphasize Canadian manufacturing quality combined with local assembly, highlighting the availability of innovative tests not currently available in Tanzania.

Advertising and PR campaigns will be launched in healthcare journals, trade publications, and social media, with engagement through webinars and conferences. Educational outreach efforts will include workshops and seminars with healthcare professionals to emphasize the importance of accurate diagnostics, backed by training materials and product demonstrations.

Public awareness campaigns will be run in collaboration with the government to promote over-the-counter malaria tests. Radio, television, and social media will be leveraged to reach a broader audience.

Pricing Strategy

The pricing strategy will be tailored to each test category. Malaria tests will be priced competitively to gain market penetration and positioned as reliable point-of-care solutions for early detection. Specialized cardiac and tumor marker tests will follow a premium pricing strategy based on their value proposition of addressing unmet diagnostic needs. Tiered pricing will be offered for government tenders, private healthcare facilities, and NGOs, with bulk pricing available for government agencies and NGOs.

Sales Strategy

A dedicated direct sales team in Tanzania will target key market segments, supported by training and incentives to build relationships with healthcare professionals. Partnerships with reputable pharmaceutical distribution companies will be incentivized to drive sales growth.

A key account management strategy will be developed for government agencies, NGOs, and large private healthcare facilities, assigning account managers to maintain strong relationships and ensure customer satisfaction.

Sales Targets and KPIs

In the first year, we aim to achieve a revenue target of \$1.01 million, with 10% market penetration in government healthcare facilities and 20% in private clinics. By the

second year, the revenue target will increase to \$1.46 million, with 20% penetration in government healthcare facilities and 25% in private clinics. In the third year, a revenue target of \$2.05 million will be pursued, with 60% penetration in government healthcare facilities and 50% in private clinics.

The marketing and sales strategy will be continually refined based on market feedback and performance metrics to ensure sustained growth in Tanzania and the East African region.



Operations Plan

Manufacturing and Assembly Facilities

The uncut sheets for our rapid diagnostic tests will be produced at Aarto Biotech's facilities in Delta, Canada, a company renowned for its stringent quality standards and advanced manufacturing technologies. Once manufactured, these uncut sheets will be shipped to Tanzania, where they will be assembled at our facility in the AFED Business Park, Dar es Salaam.

In Tanzania, the assembly process will involve cutting the sheets, assembling the test cassettes, and packaging and labeling the final products for distribution. Our assembly facility will be equipped with state-of-the-art machinery and tools to ensure efficient production. Initially, we will take advantage of Tanzania's affordable skilled labor to assemble the tests until higher production volumes are required.

Routine batch testing and analysis will be conducted as part of our comprehensive quality control measures to ensure compliance with Tanzanian Medicines and Medical Devices Authority (TMDA) regulations.

Supply Chain Management

We will source raw materials from Canada to guarantee the quality and reliability of the uncut sheets. A robust logistics plan will ensure seamless shipping of the uncut sheets from Canada to Tanzania. Our local partners, Baresh Company Limited, will oversee distribution across Tanzania and the wider East African region. They will coordinate with our team to develop an efficient supply chain that minimizes lead times and reduces transportation costs.

Production and Assembly Plan

In the first year, production will focus on establishing a consistent supply of malaria rapid diagnostic tests, as well as introducing specialized cardiac and tumor marker tests. We will aim to reach a monthly production capacity of 200,000 test kits within six months.

In the second year, production will be scaled up to meet the growing demand for our rapid diagnostic tests. The production target will increase to 300,000 test kits per month, expanding to include additional tests for infectious diseases, cardiac markers, and tumor markers.

Staffing for the assembly facility will be managed carefully to ensure optimal production efficiency. Initial hiring will focus on a core team of production supervisors, quality control specialists, and assembly line workers, supported by training programs to maintain high-quality standards.

Risk Management

Potential risks include supply chain disruptions, regulatory changes, and competition.

To mitigate supply chain risks, we will maintain buffer stock levels and establish secondary suppliers where feasible. Our compliance team will monitor regulatory changes and maintain strong relationships with the TMDA to ensure continued adherence to all regulatory requirements.

To stay ahead of the competition, we will focus on quality differentiation through Canadian-manufactured raw materials and consistent local assembly. We will also invest in continuous research and development to improve product quality and introduce innovative diagnostic tests.

By proactively managing these operational aspects, our assembly facility will deliver high-quality rapid diagnostic tests that meet the needs of the Tanzanian and East African markets.



Management and Organization

The company will be structured as a new limited company registered in Tanzania, with McHadeRecoveraid Distribution Corp holding 55% ownership, Aarto Biotech holding 5% ownership, and Baresh Company Limited holding 40% ownership. The management and decision-making processes will be governed by a Board of Directors, reflecting the ownership structure. Each company will have seats on the board proportionate to its shareholdings. Aarto Biotech will remain silent in the Tanzanian operations, focusing on providing high-quality uncut sheets for manufacturing.

The Board of Directors will provide strategic oversight and establish key business policies. The CEO will provide strategic guidance, assisted by the COO, who will oversee day-to-day operations and the management team. Below the management level, department heads will ensure that various aspects of the business, such as production, distribution, quality control, and compliance, run smoothly.

Management Team

The management team will include experienced professionals from McHadeRecoveraid Distribution Corp, Aarto Biotech, and Baresh Company Limited.

- **Meisam Mulla (Partner, McHadeRecoveraid):** An accomplished business professional with extensive experience in entrepreneurship and management. He will oversee the overall business strategy, ensuring alignment with company goals.
- **Dr. Mohammed Somji (Partner, McHadeRecoveraid):** A pharmacist with over 20 years of experience in regulatory affairs. He will ensure compliance with all regulatory matters.
- **Ali Gokal (Partner, McHadeRecoveraid):** An experienced business professional specializing in rapid diagnostic tests. He will provide strategic direction and help create growth in international markets.
- **Dr. Bartazary John (Co-Founder and Managing Director, Baresh):** A healthcare professional with deep knowledge of the Tanzanian healthcare market. He will lead Tanzanian operations and ensure strategic partnerships with government agencies.

- **Dr. Eshton Nkala (Co-Founder, Baresh):** An expert in healthcare delivery, contributing to strategic decision-making and business development.
- **Mr. Amoury Abdallah Amoury (Director of Finance, Baresh):** An experienced finance director working at the Tanzania Ministry of Health. He will manage relationships with the Tanzanian government.
- **Dr. Francis Mallya (Medical Director, Baresh):** Responsible for overseeing medical affairs and ensuring compliance with clinical standards.
- **Geoffrey Mwaka (Strategic Director, Baresh):** Leads strategic planning and business growth initiatives.

Advisory Board

To guide the company's strategic direction and help navigate the complex healthcare landscape, we will establish an Advisory Board composed of experts in healthcare, diagnostics, and business strategy. This board will provide insights into emerging market trends, innovative technologies, and regulatory landscapes.

Roles and Responsibilities

- **CEO:** Sets strategic vision and leads the company in achieving its business goals.
- **COO:** Manages daily operations, including production, distribution, and quality control.
- **Chief Regulatory Officer:** Ensures compliance with local and international regulations.
- **Managing Director (Tanzania):** Oversees Tanzanian operations and manages strategic partnerships.
- **Finance Director:** Manages financial planning, budgeting, and investor relations.
- **Medical Director:** Ensures compliance with clinical standards and oversees product development.
- **Strategic Director:** Develops and implements business growth initiatives.

Staffing Plan

Initially, the assembly facility will employ a core team of production supervisors, quality control specialists, and assembly line workers. This team will gradually expand as production ramps up. A team of 16 sales representatives will be trained to reach every single facility in the greater Dar es Salaam region. The



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North American team will provide strategic guidance and expertise, helping to forge partnerships outside of Tanzania and create all training materials. They will send a representative once a month to assist Baresh and will drive business outside Tanzania. Baresh will focus on distribution and supervisory roles, securing the required permits and licenses.

This management and organizational structure will provide a robust foundation for the company's growth, ensuring the delivery of high-quality diagnostic tests and expanding market share across Tanzania and the East African region.



Social Impact and Community Engagement

Corporate Social Responsibility

Our company is deeply committed to improving healthcare outcomes and contributing positively to the communities we serve. By manufacturing rapid diagnostic tests in Tanzania, we aim to provide affordable and accessible diagnostic solutions that address critical healthcare needs. Our presence will contribute to job creation and skill development, empowering the local workforce and enhancing the regional healthcare industry.

Healthcare Improvement Initiatives

We will work closely with the Tanzanian government and non-governmental organizations (NGOs) to support public health programs that target infectious diseases like malaria, HIV, and tuberculosis. Through the Malaria Rapid Diagnostic Test Initiative, we aim to make over-the-counter malaria tests widely available, reducing hospital wait times and improving early detection.

Furthermore, we plan to offer training programs for healthcare professionals to ensure the proper use of our diagnostic tests. By educating practitioners on the importance of early and accurate diagnosis, we will help improve patient outcomes and reduce disease burden.

Community Support

Our partnership with Baresh Company Limited ensures a deep understanding of the local healthcare landscape. By actively engaging with community leaders, healthcare providers, and NGOs, we will identify key areas where our diagnostic solutions can make the most significant impact.

We are also committed to investing in educational outreach programs that promote awareness of disease prevention and early diagnosis. By empowering communities with the knowledge and tools to manage their health effectively, we will foster healthier lifestyles and support the overall well-being of the population.

Environmental Responsibility

We recognize the importance of minimizing our environmental impact. Our assembly facility in Dar es Salaam will incorporate sustainable practices, including efficient energy use, waste reduction, and environmentally friendly packaging solutions. By prioritizing sustainability in our operations, we aim to contribute positively to the environment while delivering high-quality healthcare products.



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Conclusion

Our social impact and community engagement strategy aligns with our mission to revolutionize healthcare delivery in Tanzania and the East African region. By creating jobs, improving healthcare outcomes, and actively supporting community initiatives, we will establish ourselves as a trusted partner in the journey towards a healthier future for all.



Financial Plan

Startup Costs

The startup costs will cover the initial setup of the business in Tanzania, including legal fees, facility setup, and equipment acquisition.

Start-up Cost Breakdown

Cost Item	Amount (\$)
Business Registration	350
Work Permits	6,000
Attorney Fees	12,000
TIC Project Registration	1,100
NEMC Project Registration	10,000
TMDA Facility Registration Fee	550
TMDA Product Registration Fee (8 tests)	16,000
Equipment Purchase and Installation	200,000
Facility Setup & Renovation	124,000
Marketing & Business Development	110,000
Contingency	30,000
Total Costs	500,000

Monthly Fixed Costs

The monthly fixed costs represent the recurring expenses required to maintain day-to-day business operations. These include rent, utilities, salaries, and other overheads.

Monthly Fixed Costs Breakdown

Cost Item	Amount (\$)
Rent	2,500
Utilities	250
Internet	100
Security	200
Salaries (Management)	0
Salaries (Labor & Sales)	1,920
Marketing & Branding	4,166
Maintenance & Repairs	500
Insurance	480
Total Costs	10,116

Variable Costs Per Test

The variable costs per test include raw material costs and other specific costs like assembly, packaging, and quality control.

Test	Material	Cassette	Printing	Assm.	Pkg	QC	Total
Malaria PF	0.075	0.03	0.02	0.005	0.005	0.01	0.145
Malaria PF/PAN	0.08	0.03	0.02	0.005	0.005	0.01	0.15
Hepatitis B	0.062	0.03	0.02	0.005	0.005	0.01	0.132
Hepatitis C	0.075	0.03	0.02	0.005	0.005	0.01	0.145
H. Pylori Stool	0.1	0	0.02	0	0.005	0.01	0.135
H. Pylori WB	0.13	0.03	0.02	0.005	0.005	0.01	0.2
Typhoid	0.13	0.03	0.02	0.005	0.005	0.01	0.2
HCG	0.025	0	0.02	0	0.005	0.01	0.06

Revenue Model

Our revenue model is based on selling rapid diagnostic tests to various segments, including private healthcare facilities, pharmaceutical distribution companies, government agencies and programs, and non-governmental organizations (NGOs). The malaria rapid diagnostic test will act as a loss leader, allowing us to gain market penetration and establish strong relationships. In contrast, specialized cardiac and tumor marker tests will generate higher profit margins.

- 1. Private Healthcare Facilities:** Direct sales to private hospitals, clinics, and diagnostic laboratories will generate significant revenue.
- 2. Distribution Companies:** Strategic partnerships with pharmaceutical distribution companies will expand our reach across Tanzania and the East African region.
- 3. Government Agencies and Public Health Programs:** We will participate in government tenders through the Tanzanian Medical Stores Department (MSD) and the National Malaria Control Program (NMCP).
- 4. Non-Governmental Organizations (NGOs):** Collaboration with NGOs focused on disease detection and management will drive additional revenue.

Projected Revenue by Segment (Year 1-3)

Segment	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)
Private Healthcare Facilities			
Distribution Companies			
Government Agencies & Programs			
NGOs			
Total Revenue	1,012,430	1,468,024	2,055,233

Projected Revenue and Profit

Selling Price per Test

Test	Sell Price Per Test	Sell Price Per Case
Malaria PF	\$0.357	\$8.925
Malaria PF/PAN	\$0.357	\$8.925
Hepatitis B	\$0.385	\$9.63
Hepatitis C	\$0.388	\$9.72
H. Pylori Stool	\$0.350	\$17.50
H. Pylori WB	\$0.700	\$17.50
Typhoid	\$0.776	\$19.40
HCG	\$0.035	\$1.75

Projected Monthly Sales and Profit Before Fixed Expenses

Test	Monthly Volume	Monthly Revenue	Monthly Variable Cost	Profit Before Expenses
Malaria PF	21,542	\$7,690	\$3,123	\$4,567
Malaria PF/PAN	34,458	\$12,301	\$5,168	\$7,133
Hepatitis B	22,000	\$8,474	\$2,904	\$5,570
Hepatitis C	16,000	\$6,220	\$2,320	\$3,900
H. Pylori Stool	16,000	\$5,600	\$2,160	\$3,440
H. Pylori WB	26,000	\$18,200	\$5,200	\$13,000
Typhoid	32,000	\$24,832	\$6,400	\$18,432
HCG	30,000	\$1,050	\$1,800	(\$750)
Total	198,000	\$84,369	\$29,076	\$55,293

Projected Monthly Profit After Fixed Expenses

The projected monthly profit after fixed expenses is calculated by deducting the total fixed costs from the profit before fixed expenses.

Projected Monthly Profit After Fixed Expenses (Year 1)

Test	Mo. Profit Before Fixed Expenses	Fixed Cost Allocation	Mo. Profit After Fixed Expenses
Malaria PF	\$4,567	\$1,051	\$3,516
Malaria PF/PAN	\$7,133	\$1,682	\$5,451
Hepatitis B	\$5,570	\$1,074	\$4,496
Hepatitis C	\$3,900	\$781	\$3,119
H. Pylori Stool	\$3,440	\$781	\$2,659
H. Pylori WB	\$13,000	\$1,269	\$11,731
Typhoid	\$18,432	\$1,562	\$16,870
HCG	(\$750)	\$1,464	(\$2,214)
Total	\$55,293	\$9,666	\$45,627

Projected Annual Sales and Profit (Year 1-3)

Test	Ann. Rev Year 1	Ann. Rev Year 2	Ann. Rev Year 3	Y1 Profit Pre-Expense	Y2 Profit Pre-Expense	Y3 Profit Pre-Expense
Malaria PF	92,284	133,812	187,337	54,802	79,462	111,248
Malaria PF/PAN	147,619	214,048	299,667	85,594	124,112	173,756
Hepatitis B	101,692	147,454	206,436	66,844	96,924	135,694
Hepatitis C	74,649	108,241	151,538	46,809	67,873	95,023
H. Pylori Stool	67,200	97,440	136,416	41,280	59,856	83,798
H. Pylori WB	218,400	316,680	443,352	156,000	226,200	316,680
Typhoid	297,984	432,076	604,907	221,184	320,716	449,003
HCG	12,600	18,270	25,578	(9,000)	(13,050)	(18,270)

Financial Projections

In the first year of operation, we expect to achieve a revenue of \$1.01 million, driven primarily by sales in the greater Dar es Salaam area to private healthcare facilities and distribution companies. In the second year, revenue is anticipated to increase to \$1.46 million as we expand into government tenders and establish partnerships with NGOs. By the third year, with deeper market penetration and the introduction of new diagnostic tests, revenue is projected to reach \$2.05 million. Net profit margins are projected to be 54.08% in the first year, improving to 55.59% in the second year, and further increasing to 56.51% by the third year.

Projected Income Statement (Year 1-3)

Item	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)
Revenue	1,012,430	1,468,024	2,055,233
Cost of Goods Sold (COGS)	348,915	505,927	708,298
Gross Profit	663,514	962,096	1,346,935
Expenses			
Rent	30,000	30,000	30,000
Utilities	1,800	2,205	2,822
Internet	600	600	600
Security	2,400	2,400	2,400
Salaries (Management)	0	0	0
Salaries (Labor & Sales)	23,040	28,224	36,127
Marketing & Branding	49,992	72,488	101,484
Maintenance & Repairs	2,400	2,940	3,528
Insurance	5,760	7,056	8,467
Total Expenses	115,992	145,913	185,428
Net Profit	547,522	816,183	1,161,507
Net Profit Margin	54.08%	55.59%	56.51%

Break-even Analysis

The break-even analysis identifies the volume of tests needed to cover both fixed and variable costs.

Breakeven Calculation

- Fixed Costs (Year 1): \$9,666 per month
- Variable Cost per Test (Average): \$0.146
- Selling Price per Test (Average): \$0.42
- Break-Even Volume: Fixed Costs / (Selling Price - Variable Cost)
 - $\$9,666 / (\$0.42 - \$0.146) \approx 35,262$ tests per month

Funding Status

The total cost to establish the assembly facility in Dar es Salaam and provide working capital for production and distribution is \$98,950. This funding will cover all necessary expenses related to the setup and initial operation of the facility, including equipment purchase, facility setup, and other operational costs.

Funding Breakdown:

- **McHadeRecoveraid Distribution Corp:** MchadeRecoveraid Distribution Corp will cover 55% of the total cost, amounting to \$54,422. This includes their share of the capital needed to establish the facility and provide working capital. Additionally, MchadeRecoveraid will fund Aarto Biotech's 5% share, which amounts to \$4,947, demonstrating their commitment to the partnership and ensuring that Aarto Biotech's financial contribution does not hinder the project's progress.
- **Aarto Biotech:** Aarto Biotech, holding a 5% share, will be funded by MchadeRecoveraid, covering their required contribution of \$4,947. This allows Aarto Biotech to focus on providing their manufacturing expertise without the immediate financial burden.
- **Baresh Company Limited:** Baresh Company Limited will contribute the remaining 40%, amounting to \$39,580. This funding will cover their share of the initial setup and operational costs, leveraging their local market knowledge and connections to ensure the project's success.

Total Cost and Allocation:

Contributor	Ownership %	Contribution (\$)
McHadeRecoveraid Distribution Corp	55%	\$54,422
Aarto Biotech	5%	\$4,947 (funded by McHadeRecoveraid)
Baresh Company Limited	40%	\$39,580
Total	100%	\$98,950

This collaborative funding approach ensures that all necessary capital is available to successfully launch and operate the business. McHadeRecoveraid Distribution Corp's significant investment underscores their commitment to the project's success and provides financial stability. Aarto Biotech's role, although funded by McHadeRecoveraid, brings essential manufacturing expertise. Baresh Company Limited's investment emphasizes their vested interest in the project's success, leveraging their local expertise and connections.

The secured funding will facilitate the establishment of the assembly facility in Dar es Salaam, support initial production, and enable effective distribution efforts. This comprehensive financial strategy ensures a solid foundation for the business, positioning it for growth and success in the Tanzanian and East African markets.

Funding Allocation Breakdown

Cost Item	Amount (\$)
Business Registration	350
Work Permits	6,000
Attorney Fees	12,000
TIC Project Registration	1,100
NEMC Project Registration	10,000
TMDA Facility Registration Fee	550
TMDA Product Registration Fee (8 tests)	16,000
Equipment Purchase and Installation	200,000



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Facility Setup & Renovation	124,000
Marketing & Business Development	110,000
Contingency	30,000
Total Costs	500,000



Exit Strategy

Our exit strategy aims to provide significant returns to investors while ensuring the continuity of the business operations and maximizing the value of the enterprise.

Strategic Acquisition

As the market for rapid diagnostic tests in East Africa continues to grow, multinational healthcare companies are actively seeking to expand their presence in the region. By establishing ourselves as a leading supplier of high-quality diagnostic tests and building a strong brand reputation, we will make the company an attractive acquisition target for these companies. A strategic acquisition by a multinational healthcare company would ensure a seamless transition and the continued delivery of high-quality diagnostic tests. This approach will also allow us to command a significant premium from potential acquirers.

Public Offering (IPO)

An initial public offering (IPO) could provide an opportunity for investors to realize substantial returns. As the company continues to grow, we will aim to establish a robust financial track record and increase our market penetration in East Africa and beyond. Expanding into new markets and diversifying our product portfolio will improve our valuation and create a compelling investment story. A public offering will provide the company with the necessary capital to accelerate growth and enhance its competitiveness.

Sale to Aarto Biotech

Given our strategic partnership with Aarto Biotech, which supplies our uncut sheets and provides manufacturing support, we could explore the possibility of selling our operation to them later on. Although Aarto Biotech holds a minority share of 5%, this option offers significant value due to the synergies between our assembly operations and their manufacturing expertise. Aarto Biotech would benefit from direct access to the Tanzanian market and leverage our established distribution network. This exit route would ensure business continuity and a smooth transition for all stakeholders.

Management Buyout (MBO)

A management buyout (MBO) offers another viable exit strategy, where the existing management team acquires the business, often with the support of private equity investors. Our management team possesses the expertise and deep understanding of the market to lead the company independently. An MBO would



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ensure continuity in leadership while providing a compelling investment opportunity for new stakeholders.

By keeping multiple exit options open, we will maximize the value of the business and deliver significant returns to our investors.

