

THE UNITED REPUBLIC OF TANZANIA
TANZANIA INVESTMENT AND SPECIAL ECONOMIC ZONE AUTHORITY
PROGRESS REPORT

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. Planned Activities for the Period

For the current reporting period, the company has planned and is executing the following key activities:

1. Expansion into new product lines: Procurement and commissioning of new production machinery for
 - a. Rapid Test Kits (Hepatitis B/C/HIV, Malaria, Syphilis, HCG),
 - b. Island Wound Dressings, and
 - c. Elastic Gauze Rolls.
2. Direct-to-Consumer (D2C) rollout: Launch of D2C sales channel in partnership with Digicash to reduce reliance on distributors and improve margins, targeting a 25% increase in sales volumes.
3. TMDA regulatory certifications: Continued engagement with Tanzania Medicines and Medical Devices Authority (TMDA) for product approvals covering new product lines.
4. Working capital and financing: Continued injection of owner funds and engagement with investors/lenders to finance Phase 2 CAPEX estimated at USD 8.3 million (including machinery, raw materials, warehouse upgrades, permits, and marketing).
5. ESG and government engagement: Continued collaboration with Medical Stores Department (MSD), government institutions, and development partners (GIZ, UKaid – Manufacturing Africa) on supply contracts and ESG initiatives.
6. Workforce expansion: Planned hiring of additional production staff in line with scale-up phases, with a focus on women and youth employment.

2. Achievements Made on Project Implementation to Date

From the date the project was approved to the date of writing this report, the following activities have been undertaken:

1. Procurement and installation of machinery, cleanroom, and compressor equipment (TSH 571,081,453 / USD 222,539.02)
2. Facility upgrade and setup for manufacturing operations (TSH 103,430,542 / USD 40,304.81)
3. Recruitment and engagement of 18 employees (8 local men, 10 local women)
4. Procurement of production raw materials (TSH 246,187,011 / USD 95,934.15)
5. Compliance, certifications and regulatory approvals (TSH 43,255,899 / USD 16,855.96)
6. Staff training (TSH 19,558,744 / USD 7,621.65)

3. Updated Project Information

S/No.	Information	Description	Current Project Status
1	Shareholders Information	<p>Previous:</p> <p>ALFRED CHRISTOPHER MSEMO, TANZANIAN, 35%</p> <p>ALEKA CAPITAL, US INCORPORATED, 35%</p> <p>Current:</p> <p>ALFRED CHRISTOPHER MSEMO, TANZANIAN, 35%</p> <p>VIDEN REMMIGIUS CLEMMENCE, TANZANIAN, 35%</p>	<p>Registered – Active (BRELA, 08/01/2026).</p> <p>Authorised share capital: TZS 50,000,000 (50,000 ordinary shares at TZS 1,000/share).</p>
2	Company Communication Information	<p>Email: hello@aleka.tech</p> <p>Mobile: +255 758710225</p> <p>Physical Address: Plot 44 Block D, Mikocheni, Dar es Salaam</p>	

S/No.	Information	Description	Current Project Status
		P.O. Box 10837, Dar es Salaam.	
3	Contact Person	Name: Viden R. Clemmence Position: CEO Email: hello@aleka.tech Mobile: +255 758710225	
4	Incorporation	Certificate of Incorporation No.: 137644169	
5	TIN Information	TIN Certificate No.: 137 644 169	
6	Project Objective	Project Core Activity: Manufacturing of Medical Devices	
7	Capacity	<p>EXISTING LINES (8-hour shift):</p> <ol style="list-style-type: none"> Band-Aid Plasters: 1,218,462 boxes/year Adhesive Hyperfix Plasters: 79,200 boxes/year Surgical Masks (3-ply): 456,192 boxes/year. <p>NEW LINES (planned):</p> <ol style="list-style-type: none"> Test Kit assembly machine capacity: approx. 382,500 units (machines) with monthly initial production of 1,250–3,300 boxes depending on product type Island Wound Dressing line: ~1,600 boxes/month Elastic Gauze Roll: ~1,500 boxes/month initial. 	<p>Operational –</p> <p>Phase 2 expansion in progress.</p> <ol style="list-style-type: none"> Current utilisation: <ul style="list-style-type: none"> a. Band-Aid 15.21%, b. Hyperfix 40%, c. Masks 23.15%.
8	Direct Employment	Foreign Men: None Foreign Women: None Local Men: 8	Ongoing

S/No.	Information	Description	Current Project Status
		Local Women: 10 Total: 18	
9	Indirect Employment	Suppliers of raw materials (non-woven fabric, polypropylene, packaging materials), logistics providers (freight, clearing agents, courier services), external consultants and compliance experts, security service providers, and cleaning/maintenance contractors. Indirect employment is expected to grow as new product lines (test kits, island wound dressings, elastic gauze) are commissioned.	Planned – Indirect employment being developed through new product lines launch and D2C model rollout.

4. Project Financing Expenditure to Date

Total expenditure recorded: TSH 1,600,288,897 / USD 623,600.58.

Balance available in bank accounts: USD 2,413.21

Expenditure Category	Foreign (USD)	Local (USD)	Total (USD)
Machinery / Cleanroom / Compressor	-	\$222,539.02	\$222,539.02
Facility Upgrade / Setup	-	\$40,304.81	\$40,304.81
Factory Supplies (CAPEX)	-	\$7,489.86	\$7,489.86
Office Equipment / Furniture	-	\$6,391.06	\$6,391.06
Vehicles / Aircraft	-	-	-
Land and Buildings / Rent	-	\$35,038.13	\$35,038.13

Expenditure Category	Foreign (USD)	Local (USD)	Total (USD)
Pre-operational / Compliance Expenses	-	\$16,855.96	\$16,855.96
Staff Costs	-	\$71,341.13	\$71,341.13
Production Raw Materials	-	\$95,934.15	\$95,934.15
Transport / Shipping	-	\$26,920.62	\$26,920.62
Training Costs	-	\$7,621.65	\$7,621.65
Import Duties, Port Charges & Taxes	-	\$39,093.20	\$39,093.20
Operation Costs (utilities, etc.)	-	\$18,076.79	\$18,076.79
Marketing	-	\$389.68	\$389.68
Security	-	\$9,151.08	\$9,151.08
External Experts / Consultants	-	\$26,306.51	\$26,306.51
Courier Fees	-	\$1,165.06	\$1,165.06
Casual Labor	-	\$715.06	\$715.06
Bank Charges	-	\$2,215.10	\$2,215.10
Other	-	\$2,442.76	\$2,442.76
GRAND TOTAL	\$0.00	\$623,600.58	\$623,600.58*

* Total assumes all expenditure is local. Foreign portion breakdown undisclosed per line item.

5. Project Financing

The project has been financed primarily through owner equity contributions (advances towards capital), supplemented by development partner grants.

As at 30 June 2025, advance towards capital stands at TZS 1,182,215,268 (approximately USD 461,000), reflecting cumulative owner fund injections.

Total expenditure to date is TSH 1,600,288,897 / USD 623,600.58.

Grant financing received to date includes:

1. GIZ – Covid-19 DPP Implementation programme: EUR 312,037.70 (approx. USD 298,557); and
2. CESARE Programme (Joint Action SIPS, GIZ/EU/SADC): EUR 280,643.00 (approx. USD 268,800).

These grants supported early-stage production and compliance investments.

For Phase 2 expansion (new product lines – test kits, island wound dressings, elastic gauze rolls), total CAPEX requirement is estimated at USD 8,310,755, comprising production machinery (USD 3,611,288), raw materials (USD 3,441,630), warehouse upgrades (USD 717,888), permits and certifications (USD 64,000), and marketing (USD 475,949). The company is currently in discussions with investors and lenders to finance this phase. The company is also engaged with UKaid Manufacturing Africa as a development partner.

6. Problems and Solutions

- a. **Working Capital Constraints:** The company has faced ongoing working capital challenges, with advances towards capital reducing from TZS 1,682,215,268 (Dec 2024) to TZS 1,182,215,268 (June 2025) as owner funds were drawn down. Management is actively seeking external financing (equity and debt) to fund Phase 2 expansion.
- b. **Production Line Utilisation:** Current capacity utilisation remains below optimal levels (Band-Aid Plasters at 15.21%, Surgical Masks at 23.15%), partly due to competitive pricing pressures from imported products and market access constraints. Management is addressing this through new distribution channels (D2C via Digicash) and expanded product range.
- c. **Regulatory and Certification Lead Times:** TMDA certification processes for new product lines (especially rapid test kits) take considerable time. Management is maintaining proactive engagement with TMDA and has invited regulatory authorities to the facility for site inspections.
- d. **Supply Chain:** Import of raw materials and machinery is subject to shipping delays and port clearance times. Management mitigates this by procuring a minimum of 6 months of raw materials in advance and using individual shipping containers where possible.

- e. **Trade Receivables:** Trade debtors stood at TZS 531,319,036 as at 30 June 2025 (versus TZS 604,329,286 at Dec 2024), indicating improvement in collections. Management continues to tighten credit terms with distributors.

7. Future Plans

Over the next 2 years (2026), Aleka Holdings plans to:

1. Commission new production lines: Procure and install machinery for Rapid Test Kits (Hepatitis B/C/HIV, Malaria, Syphilis, HCG), Island Wound Dressings, and Elastic Gauze Rolls. Total machinery investment: USD 3,611,288 (landed cost).
2. Launch D2C channel: Fully operationalise the Direct-to-Consumer model in partnership with Digicash, targeting a 25% increase in revenue and improved margins through reduced distributor dependency.
3. Secure Phase 2 financing: Close an investment/lending arrangement to fund the total Phase 2 CAPEX of approximately USD 8.3 million.
4. Workforce expansion: Hire 14–26 additional full-time production staff as new lines come online, maintaining focus on women and youth employment.

8. Recommendations and Any Other Comments

The company requests TISEZA's continued support and facilitation of the Certificate of Incentives, noting the significant investments made to date (USD 623,600.58) and the ongoing Phase 2 expansion plan.

The company is a growing domestic manufacturer of essential medical devices, contributing to Tanzania's healthcare supply chain self-sufficiency.