



# PROGRESS REPORT

SAS LOGISTICS INVESTMENT PROGRAMME  
SUBMISSION TO THE TANZANIA INVESTMENT  
AND SPECIAL ECONOMIC ZONES AUTHORITY  
(TISEZA).

## 1.0 INTRODUCTION

SAS Logistics Limited is undertaking a structured and strategic expansion programme aimed at capitalizing on the growing opportunities within Tanzania's Mining, Oil, and Gas sectors. These sectors continue to attract substantial investment, driving increased demand for high-capacity, compliant, and reliable logistics services. In response, the Company is strengthening its operational footprint to support national industrialization, enhance supply chain efficiency, and meet the evolving requirements of large-scale projects.

The Company's original business plan outlined a total project investment of USD 25,000,000, designed to support the acquisition of approximately 500 transport units and the development of supporting logistics infrastructure over a phased implementation period. This investment framework was structured to position SAS Logistics as a leading regional logistics provider across Tanzania, East Africa, and Central Africa.

The current progress reflects the successful execution of **Phase I** of this broader investment programme, with a total of USD 3,145,706.1 deployed to establish core operational capacity. This phase has focused on initial fleet acquisition, infrastructure development, workforce establishment, and implementation of operational systems. The Company has deliberately adopted a **phased investment strategy**, ensuring prudent capital deployment, operational stability, and alignment with actual market demand.

Projections for 2026, 2027, and beyond indicate sustained growth in cargo volumes, specialized transport requirements, and long-haul movements. In line with this, SAS Logistics will continue scaling its operations progressively toward the originally envisaged project scope.

This application for the Certificate of Incentives is therefore essential to support the continued implementation of subsequent phases, accelerate capital deployment, strengthen local content participation, and enhance the Company's competitiveness. The project remains fully aligned with Tanzania's Vision 2050 and national development priorities.

## 2.0 PLANNED ACTIVITIES FOR THE EXTENSION PERIOD

During the extension period, SAS Logistics will continue implementing the next phase of the project in line with the original investment framework. The Company will progressively expand its fleet through the acquisition of an additional 250 - 300 trucks and supporting equipment, as part of the broader plan to achieve the originally projected total fleet of approximately 500 units.

The Company will also expand its maintenance and service infrastructure, including workshops, spare parts storage facilities, and mobile service units, to ensure operational reliability and efficiency as fleet capacity increases. Workforce capacity will be scaled accordingly, with additional recruitment of drivers, logistics coordinators, safety officers, and administrative personnel, contributing to national employment objectives.

SAS Logistics will deepen local content participation through partnerships with local suppliers, training institutions, and community-based service providers. At the same time, the Company will advance the deployment of digital logistics systems, integrating real-time tracking, predictive maintenance, and automated reporting to enhance operational control.

Regional operational hubs will be strengthened to support cross-border logistics and multi-corridor operations, while ESG initiatives will be enhanced to promote fuel efficiency, driver welfare, and community engagement. These activities collectively represent the continuation of the original project implementation strategy.

### **3.0 ACHIEVEMENTS MADE ON THE PROJECT IMPLEMENTATION TO DATE**

The achievements realized to date represent the successful implementation of Phase I of the broader USD 25 million investment programme. SAS Logistics has established a strong operational foundation through the acquisition of the initial fleet, including trucks, trailers, and specialized equipment tailored to mining and energy sector logistics. The Company has developed and upgraded key operational facilities, including workshops, parking yards, fuel storage systems, and driver welfare amenities. Recruitment and training of personnel have been undertaken with a strong focus on safety, compliance, and local content development.

Digital systems have been implemented to support fleet management, route optimization, and compliance monitoring, significantly improving operational efficiency. Notably, the Company has secured a license for IVMS technology from the South African company Geotab, which operates using Airtel Tanzania's network, while also positioning the Company to develop its own proprietary telematics system in the future.

The Company has expanded its infrastructure footprint with the construction of a new warehouse in Tanga at the Gofu area, offering a storage capacity of 45,000 sqm. SAS Logistics has engaged with multinational clients in Tanzania, including manufacturers of mining inputs such as Orica, as well as mining operators like North Mara and Buzwagi, demonstrating its capacity to serve high-value, technically demanding logistics requirements. In addition, the Company has conducted awareness seminars for local communities, reinforcing its commitment to social responsibility alongside business growth.

SAS Logistics has developed a strong Health, Safety, and Environmental (HSE) department, staffed with experienced personnel well-versed in the transport and logistics sector. These experts have transformed operational practices to align with international standards, resulting in ISO certification and achievement of the International Cyanide Management Code certification. These accomplishments reflect the Company's commitment to safety, compliance, and excellence in high-risk logistics environments.

These achievements collectively demonstrate clear progress from planning to execution and confirm the Company's capacity to implement the remaining phases of the project.

## 4.0 PROJECT STATUS SUMMARY

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Shareholders names, nationality and percentage of ownership	A. Salim Seif El-Busaidy, Tanzanian, Percentage of ownership: 80% B. Nasra Nassor Said, Tanzanian, Percentage of Ownership: 20%
2.	Company Communication Information	Email address:	info@sas-logistics.co.tz
		Mobile Number:	+255 784 356444
		Land Line Telephone Number:	-
		Physical Address (Plot No. Block No. Street, District and Region.	Dar es Salaam, Ubungo, Makuburi, Mandela Road, Plot No. 126
3.	Contact Person	Name:	Alex Lugendo
		Position:	
		Communication details (Email, Mobile and telephone	+255 754 265 288
4.	Incorporation	Certificate of Incorporation Number:	57181
5.	TIN information	TIN Certificate No:	104-868-924
6.	Project Objective	Project Core Activity	Transportation of Goods by Road, Warehousing and Customs Clearance
7.	Capacity	Project capacity per year	
8.	Direct Employment	Foreign Men	0
		Foreign Women	0
		Local Men	227
		Local Women	9
9.	Indirect employment	Local Men	105
		<b>Local Women</b>	<b>13</b>

## 5.0 PROJECT FINANCIAL EXPENDITURE TO DATE (USD)

The Company has invested a total of **USD 3,145,706.1**, fully financed through local equity. This expenditure represents **Phase I investment** under the broader USD 25 million project.

This phase has been strategically focused on establishing the foundational components of the business, including infrastructure, initial fleet acquisition, operational systems, and workforce development. The phased approach ensures financial discipline, reduces implementation risk, and provides a strong platform for subsequent expansion.

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	0	873,014	873,014
Plant and machinery	N/A	N/A	N/A
Vehicles/Aircrafts	0	413,619	413,619
Furniture	0	18,258	18,258
Office equipment	0	97,311	97,311
Insurance Cover	0	41,239.9	41,239.9
Pre-operational expenses	N/A	N/A	N/A
Working sub-total capital	0	1,702,264.2	1,702,264.2
<b>GRAND TOTAL</b>	<b>0</b>	<b>3,145,706.1</b>	<b>3,145,706.1</b>

## 6.0 PROJECT FINANCING

Phase I of the project has been financed entirely through local equity, demonstrating strong shareholder commitment and financial resilience.

In line with the original business plan, subsequent phases of the project are expected to incorporate structured financing, including credit facilities and additional capital injections, as the Company scales its operations toward the full investment value of USD 25,000,000.

	Amount (USD)	Source Country
Local Equity	3,145,706.1	Tanzania
Local Loans	N/A	N/A
Foreign Equity	N/A	N/A
Foreign Loans	N/A	N/A
<b>Total Investment</b>	<b>3,145,706.1</b>	<b>Tanzania</b>

## 7.0 PROBLEMS AND SOLUTIONS

During the course of project implementation and ongoing logistics operations, SAS Logistics Limited has identified several operational and regulatory challenges that can impact efficiency and timely cargo movement. The Company has proactively developed practical mitigation measures to address these issues and ensure continuity of operations.

### i. Fluid Leakages:

Transport units occasionally experience fluid leakages, which pose environmental and safety risks and can lead to delays during clearance.

**Mitigation:** SAS Logistics deploys standby mechanics at key border points to ensure rapid containment and repair of any leakages, maintaining compliance with environmental standards and minimizing disruptions.

### ii. Undeclared or Improper Documentation:

Occasional discrepancies in cargo documentation can cause compliance issues and potential legal implications.

**Mitigation:** The Company uses tamper-proof seals to secure all consignments and conducts supplier training on customs compliance, ensuring all goods are correctly declared and documented throughout transit.

### iii. Electronic System Interruptions:

Disruptions in electronic clearance systems may delay document submission and cargo release, creating bottlenecks.

**Mitigation:** SAS Logistics implements pre-clearance procedures, submits documentation in advance, and maintains hard-copy backups to ensure continued processing. Close coordination with customs officers ensures smooth recovery once systems are restored.

iv. **High Traffic Volumes and Limited Personnel:**

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Peak periods at border posts can cause long clearance queues and delays.

**Mitigation:** The Company strategically schedules shipments to avoid congestion, deploys experienced clearing personnel, and maintains continuous follow-up with authorities to ensure timely release of cargo.

v. **Multiple Regulatory Inspections:**

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Inspections by multiple authorities, including Customs, Standards, Road Traffic, and Environmental agencies, can result in duplication and delays.

**Mitigation:** SAS Logistics prepares consolidated compliance documentation, engages proactively with regulatory agencies prior to arrival, and designates a compliance liaison officer to coordinate inspections across all authorities, ensuring efficient clearance.

## 8.0 FUTURE PLANS




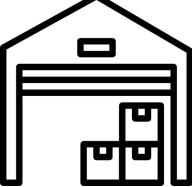


The project is being implemented through a structured phased expansion model aimed at achieving the full fleet capacity of approximately 500 units as originally outlined in the USD 25,000,000 business plan. The current phase focuses on the acquisition of approximately 250 additional trucks and supporting equipment, enabling the Company to respond to immediate market demand within the mining, oil, and gas sectors.



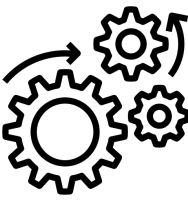

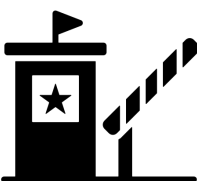

Subsequent phases of the project will involve the progressive acquisition of the remaining fleet units, estimated at an additional 250 to 300 trucks and specialized equipment, in line with operational requirements, secured contracts, and market growth. This phased approach ensures that expansion remains commercially viable, operationally efficient, and aligned with actual demand conditions.

Upon full implementation, the expanded fleet will enable SAS Logistics to handle significantly increased cargo volumes, support long-haul and cross-border operations, and provide specialized logistics solutions to multiple large-scale clients simultaneously. This will substantially improve turnaround times, strengthen national logistics capacity, and contribute meaningfully to Tanzania's industrial growth and regional trade competitiveness.

## 9.0 RECOMMENDATIONS AND ANY OTHER COMMENTS

SAS Logistics Limited respectfully submits the following recommendations to further enhance the investment climate within Tanzania’s transportation and logistics sector. These proposals are grounded in the Company’s operational experience and are intended to support regulatory efficiency, reduce procedural bottlenecks, and foster a more investor-friendly environment.

	<p>i. <b>Facilitate Fast-Track Clearance:</b> Introduce mechanisms for expedited clearance of investment units requiring minor repairs, allowing supervised movement to designated workshops. This would minimize operational delays while maintaining regulatory compliance</p>
	<p>ii. <b>Establish Certified Inspection Centres:</b> Support the development of certified heavy-vehicle inspection centers within investment zones. Such centers would streamline inspection processes, enhance compliance, and reduce congestion at border points.</p>
	<p>iii. <b>Duty Relief and VAT Deferment:</b> Consider offering duty relief or VAT deferment on critical safety components, such as tyres and essential vehicle parts for imported investment units. This would lower upfront operational costs and improve investment efficiency.</p>
	<p>iv. <b>Bonded Spare Parts Facilities:</b> Facilitate the creation of bonded spare parts storage near strategic border points. This initiative would ensure timely availability of essential components, reduce downtime, and maintain fleet reliability.</p>
	<p>v. <b>Pre-Arrival Mechanical Compliance Programs:</b> Support structured pre-arrival inspection and mechanical compliance programs for investment vehicles. Early verification would accelerate border clearance and minimize operational interruptions.</p>
	<p>vi. <b>Recognition of Certified Pre-Export Reports:</b> Endorse the use of certified pre-export inspection reports to minimize repetitive inspections at entry points, thereby speeding up cargo clearance and reducing administrative overheads.</p>

	<p>vii. <b>Investor Compliance Awareness Programs:</b> Develop targeted awareness programs in collaboration with customs and relevant authorities, ensuring investors understand regulatory obligations, thereby reducing inadvertent non-compliance.</p>
	<p>viii. <b>Streamlined Compliance Channels:</b> Introduce dedicated compliance channels for certified investors with proven track records. Such a system would reward reliability, increase efficiency, and enhance investor confidence.</p>
	<p>ix. <b>Pre-Arrival Processing Mechanisms:</b> Promote pre-arrival processing for certified investors to mitigate delays and congestion at border posts, ensuring smoother and faster clearance of shipments.</p>
	<p>x. <b>Priority Clearance Lanes:</b> Implement priority lanes for investors holding Certificates of Incentives, providing a tangible benefit for compliant investors and reducing operational bottlenecks.</p>
	<p>xi. <b>One-Stop Border Clearance Model:</b> Advocate for a coordinated, integrated clearance process that consolidates the functions of multiple regulatory agencies. This model would reduce duplication, accelerate procedures, and enhance investor satisfaction.</p>
	<p>xii. <b>Joint Inspection Mechanisms:</b> Encourage the adoption of joint inspections among all relevant authorities. This approach would eliminate redundant processes, shorten clearance times, and improve overall efficiency.</p>