




Introduction

Coastal Aviation offers both Charter and Scheduled Services across East Africa. We have been operating for almost 35 years and flying to more airstrips than any other operator. Across the Tanzanian National Parks, including Serengeti, Selous and Ruaha National Park, as well as the islands of Pemba, Mafia, Fanjove and Zanzibar. We also connect the main East African cities - e.g. Dar es Salaam, Arusha, Kilimanjaro, Nairobi, and Kigali- to each other.

Coastal Aviation started off as a business supporting the Safari Industry in Tanzania. That continues to be our core business, although we have also picked up some domestic and regional traffic.

Our current operating fleet consists of:

Aircraft Type		Pax Capacity	Role	No. in Fleet
Cessna Grand Caravan 208B		12	Ability to fly to almost any bush air strip, thereby opening-up routes and providing capacity	10
Pilatus PC-12 Commuter		9	Higher speed aircraft – able to fly higher, saving time on longer North-South routes	4
Pilatus PC-12 Executive		8	VIP Configuration, higher speed aircraft – able to fly higher, saving time on longer North-South routes	1

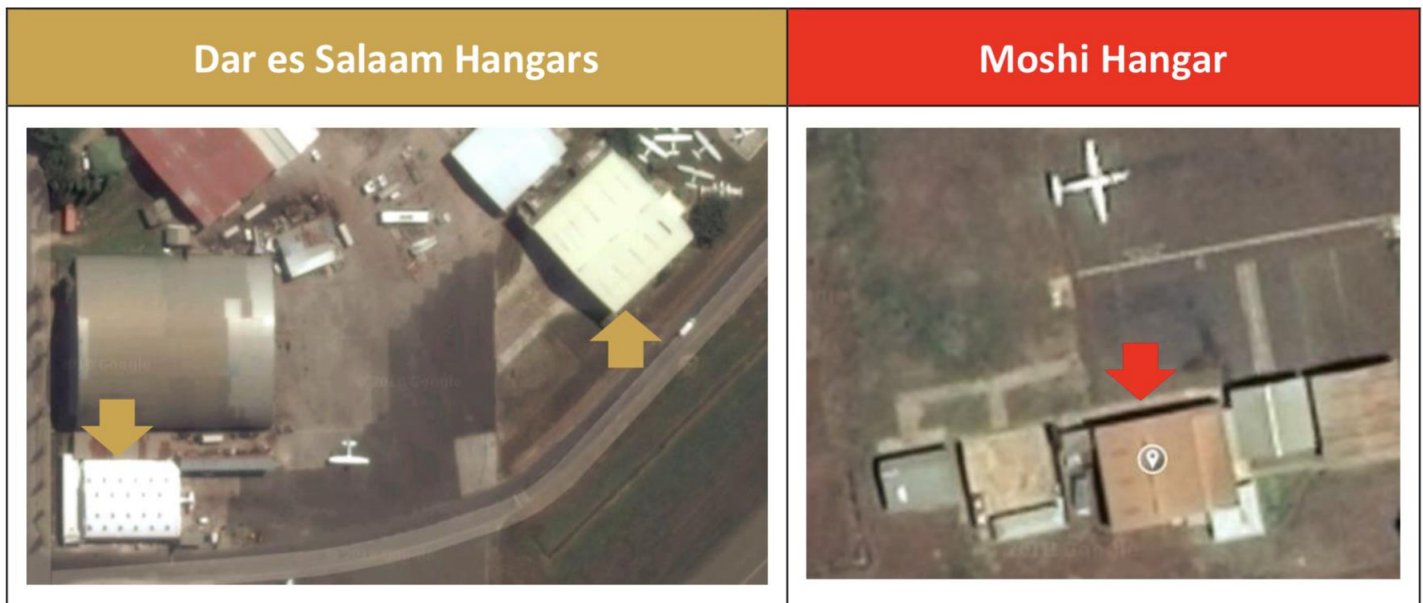
With this unique mix of aircraft, we are able to tailor our product/aircraft offering to match our customer's needs. In the calendar year, 2019, Coastal Aviation carried over 200,000 customers across our network.

Maintenance Set-up

All our aircraft are maintained as per the Approved Maintenance Program (AMP), which is provided by the manufacturer (Cessna/Textron Aviation or Pilatus) and approved by the local Tanzanian regulator – TCAA (Tanzanian Civil Aviation Authority). There are requirements for line maintenance checks (on daily, 2-days, 4-days and weekly frequencies) and heavier base maintenance checks (more in-depth inspections and checks every 200 flying hours for C208's and 300 hours for the PC-12, and even further in depth, every 1200 hours and beyond).

We recently completed our 5-phase re-certification process with the Tanzanian Civil Aviation Authority (TCAA) to ensure that we comply with the global standard stipulated by the International Civil Aviation Authority (ICAO). Furthermore, with safety engrained as our topmost priority, we have trained all our maintenance personnel and support staff on Safety Awareness and Hazard Identification as part of our organisation Safety Management Systems (SMS) implementation.

- Line maintenance is done primarily in our main engineering hub locations – Dar es Salaam, Arusha and Moshi. With this network, we are able to repair down-route snags and issues much more efficiently.
- Base Maintenance is carried out primarily in Dar es Salaam for the Cessna 208Bs and Moshi for the Pilatus PC-12.
- We have 2 large multi-modal hangars in Dar es Salaam (capable of housing 3 aircraft in one hangar and 5-6 in our newly acquired hangar). Moshi has a hangar capable of housing 1 aircraft.



- We are looking to procure more hangar space in Dar es Salaam, to consolidate all our heavier maintenance lines in a single location for our entire network. This facility will create more support functions and back-workshop capabilities, so we can resolve any issues in-house to a high standard.

Aside engine and rotable overhaul, Coastal can contain most of the maintenance in-house, with good capability. Engine overhauls are pre-planned and awarded as a volume deal on an annual basis.

Ground Handling

With an extended network, Coastal has a mixture of self-handling and contracted capabilities at each of the airstrips operated to.



- The primary hubs of Dar es Salaam, Zanzibar and Arusha are self-handled.
- Major bush airstrips such as Seronera and seasonally Kogatende & Nduvu provide external ground handlers.
- Kilimanjaro and our VIP charter operations are contracted out to external ground handlers.
- For other bush locations, pilots manage the ground operations, with occasional support from lodge operators and airstrip staff.

The reality of Coastal's operations is that it is a relatively simple aircraft turnaround, for General Aviation aircraft. Keeping costs down are the key drivers.

Ongoing Developments at Coastal

Through introspection and the commitment to make Coastal great and to achieve the highest international standards, the Board of Directors of Coastal Aviation have embarked on a program of development to ensure that the company is ready for the new era of aviation and safari flying.

1. Leadership Changes

Team of Global Aviation Experts

Captain Maynard Mkumbwa is the Accountable Manager, bringing together his 22 years' experience of flying, not only the Coastal fleet of aircraft (Cessna & Pilatus aircraft), but also different aircraft types for other operators within the region (including larger commuter turboprop and jet aircraft).

To bolster the standards of flight crew and manage commercial pressures Captain Emile Dellieu has been appointed as Director of Flight Operations. Emile has more than 35 years in the aviation industry, across many parts of the globe and many different scales of business.

Jonathan Sayer, with 11 years Safety experience in the oil and gas industry and 7 years of aviation experience, has joined Coastal Aviation as Director of Safety & Quality. He brings a strong background of compliance and quality oversight to the business, having worked on several high profile projects such as the Gateway and the UK atomic agency. London Olympics, Dubai Ports Thames.

Other key support roles have been upgraded in accordance with our succession plan. Together, the team have the task of upgrading the business to prepare for the future of safari flying in this region.

2. Pilot Resourcing

Best Trained Available

TCAA requires a pilot to have a Tanzanian Commercial Pilot License (CPL) with Instrument Rating (IR) and a Cessna Caravan/Pilatus (C208/PC12) rating endorsement.

The Coastal requirement is at the higher standard of a minimum of 1,000 flying hours, with a minimum of 250 hours on the particular aircraft they will be flying and to have flown dual crew to each of the airstrips to be operating to.

3. Multi-Crew Coordination

Two Pilots on All Flights

The Coastal fleet consists of the Cessna 208B Grand Caravans (12 seater + 2 crew) and Pilatus PC-12 (8 seater + 2 crew or 9 seater + 2 crew). Both aircraft types are certified to be flown as a single pilot operation, Coastal however, provide 2 pilots to optimize safety and minimise risk.

Many of our international guests are accustomed to seeing 2 pilots flying their aircraft – so we want to reassure them that travelling on Coastal is the same high standard. We have completed ongoing comprehensive training programs for all our pilots that incorporated 8 classroom sessions, rigorous practical training 4 phases of examination and a final assessment. This comprehensive syllabus imparts pilots with a harmonised approach to working together as a team to manage the workload and enhanced safety.

This was a safety enhancement introduced by Coastal and is neither stipulated by the aircraft manufacturer nor a regulatory requirement. This modus operandi was introduced to make sure the

highest safety standards are maintained for all our guests and crew alike in our ongoing endeavor to make Coastal the safest carrier in East Africa!

Summary

Coastal flies only under MCC procedures - Multi Crew Coordination. So, not just '2 pilots'. It is not simply that there is a 2nd crew member in the cockpit! There is a HUGE difference in an MCC operation, where both pilots are extensively trained and must be qualified in MCC (Multi Crew Coordination) before being allowed to fly for Coastal. Their actions in the cockpit are governed by an approved Standard Operating Procedure (SOP) which prescribes the roles of the two pilots precisely, with regards to procedures and checklists for every stage of the flight, from when they meet in the crew room before the flight, through all the phases of the flight until they leave the aircraft post flight. This is the backbone of international airline safety. Coastal has chosen to differentiate ourselves with that higher level of operational safety, through institutionalising MCC in our operations, to give all our customers the reassurance that we are following the same MCC standards as many have come to expect of the larger Boeing and Airbus jetliners.

4. Pilot Workload

Coastal has imposed additional limits on (a) the maximum duty time over 28 days (b) the number of sectors pilots can operate per day. These limits have been imposed above and beyond those required to remain compliant with TCAA regulations: -

	TCAA Regulations	Coastal Standard
Maximum Duty Hours per 28 Days	160	160
Maximum Sectors per Day	No Guideline	10

5. Flight Crew Training

Standardising Our Procedures

We have bolstered our flight operations department with the appointment of an industry veteran, Captain Emile Dellieu, who comes to us with more than 35 years of aviation experience, including operating extensively within the African continent.

Captain Emile, together with our Head of Training, Captain Mathew Mhaiki, have re-energised all our training program to ensure consistency and standardization of the way our pilots fly. The program goes beyond typical recurrent training, to focus in on human factors within the cockpit so that both people are working to enhance safe operations.

6. Fleet Upgrade

Modernising Aircraft

We are pleased to announce that we will be acquiring and introducing two new Cessna Caravans. Both aircraft will be equipped with the latest modern instrumentation and safety features. The remainder of the fleet has navigation and route planning equipment that complies with IATA Standard Safety Assessment recommended practices. This includes Garmin Aera 500 portable GPS units with a moveable map display to provide a terrain guidance and warning systems to supplement inbuilt flight instruments to ensure safety is never compromised and provide accurate navigation systems onboard all our aircraft. We also plan to modernise the avionics systems for all our older aircraft with installation of Garmin GTN 750 multifunction display systems for provisions of quality GPS, Navigation and Communication system (the system is equipped with features such as graphical flight planning, terrain mapping, air traffic viewing, detailed geo-referenced charting, and satellite weather reporting).

We have incorporated satellite-based flight tracking for all our Caravan and PC-12 aircraft, enabling our teams to continuously monitor our aircraft through all modes of flight. Furthermore, we have started a fleet renewal program to substantially reduce the average age of our fleet at the time of acquisition to no more than 10 years over a reasonable period.

7. Enhanced Safety Department

Greater Focus on Safety Management

Our Safety & Quality Team has been trained to the international standards by IATA specialists to ensure the highest level of safety is embedded through all functions and levels of the organisation.

We have appointed Brian Murunya as Flight Safety and Accident Prevention Manager. Brian is a TCAA approved training captain and has over 10 years aviation experience. Brian is rated on the PC12 and Cessna caravan, and his aviation prowess provides invaluable support to the Safety & Quality department. This dedicated team work closely with all departments to ensure oversight and compliance.

8. Safety Awareness and Training Company

Wide Focus on Safety

We are going through a process to reinvigorate our company with a Safety 1st culture. Through a process of revamping our SMS (Safety Management System), we will drive a step change in safety, aimed at attaining international standards and accreditation to ensure that we will be the safest carrier in the East African region. All employees will be encouraged to report and provide more feedback, to elicit a continuous improvement environment.

All employees will be incentivised – through performance measures and incentives – to focus on safety.

9. Serengeti Operators 'Safety Committee

Industry-wide Safety Leadership



Safety progress is not possible without others behaving safely as well. Coastal introduced the Serengeti Operators 'Safety Committee (SOsc), whereby in the spirit of promoting enhanced safety, all operators operating into the Serengeti share best practice and learning on a periodic basis.

10. Insurance

Peace of Mind

Our fleet insurance covers have been elevated to exceed this industry normal, with the Cessna 208B Grand Caravans (12-seater +2 crew), now having a combined single limit cover of USD 75 million per aircraft. The Pilatus PC-12 (9-seater +2 crew or 8-seater + 2 crew) aircraft now have a combined cover of USD 60 million per aircraft.

It is not just the limits, we can corroborate the cover with authentic confirmation from reputable insurance underwriters, including firms in London and Lloyds syndicates.

11. IATA ISSA Accreditation

International Acclaim for Our Safety

Coastal Travels Limited are immensely proud to announce the successful completion of the International Air Transport Association Standard Safety Assessment (ISSA). The prestigious IATA Standard Safety Assessment (ISSA) is an internationally recognized evaluation system which is synonymous with the highest standards of safety within the aviation industry and sets a new benchmark for operators in Africa.

This award confirms Coastal Travels Limited have been rigorously assessed in all departments using multiple international auditors. Furthermore, multiple key Coastal Travels Limited personnel have received specialist training by IATA to ensure exceptional safety standards are bestowed throughout the organization to deliver the best quality of service to our customers which is above and beyond expectations.

This achievement reflects Coastal Travels Limited's ethos that 'safety is our number 1 priority 'and affirms our dedication to continuous development and improvement

12. Financial projection

Investment and forecast Source of finance

Finance is sourced from local and foreign sources.

Balance Sheet

BALANCE SHEET

US \$

P10 - JUN 22



ASSETS

Tangible assets - Aircrafts	\$4,225,785
Tangible assets - Motor Vehicles	\$64,102
Tangible assets - Furniture & Fittings	\$104,197
Tangible assets - Airport Equipment	\$177,283
Tangible assets - IT Equipment	\$143,336
TOTAL ASSETS	\$4,714,704

CURRENT ASSETS

Trade Debtors	\$1,084,049
Inventory - Aircraft Parts	\$1,172,898
PC12 Inventory parts	\$414,793
Prepayments	\$88,132
Africair deposit	\$350,000
Fuel deposit	\$65,520
Bank account	\$250,819
Petty Cash Float - USD	\$4,750
Petty Cash Float - TZS	\$5,304
Arusha International Flights Float	\$4,918
CURRENT ASSETS	\$3,441,183

CURRENT LIABILITIES

Trade creditors	\$6,840,624
Advance receipts from Agents	\$685,880
Accruals & provisions	\$31,573
Statutory taxes	\$200,212
Corporation tax provision	(\$100,000)
TRA Audit assessment FY 2015 to 2017	\$248,147
Provision for Staff Terminal dues	\$83,881
Gilles MAC Shares	\$62,262
Taifa Aviation Limited	\$350,000
Taifa Aviation Limited	\$1,000,000
Shareholder loan a/c	\$3,411
CURRENT LIABILITIES	\$9,405,989

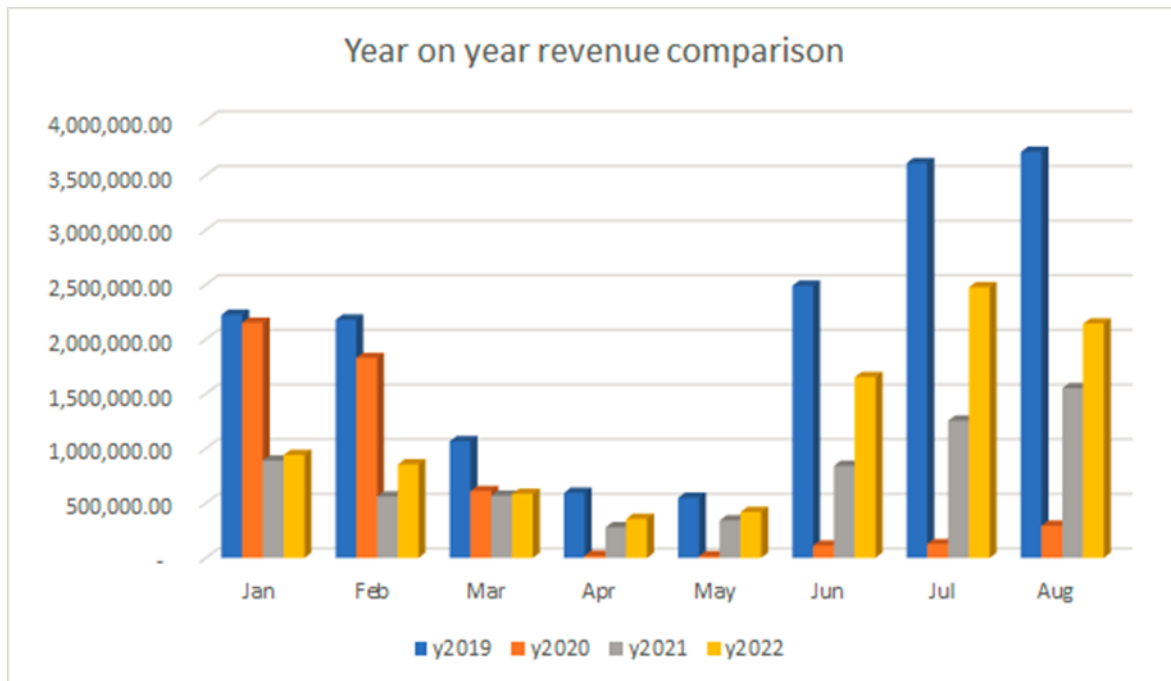
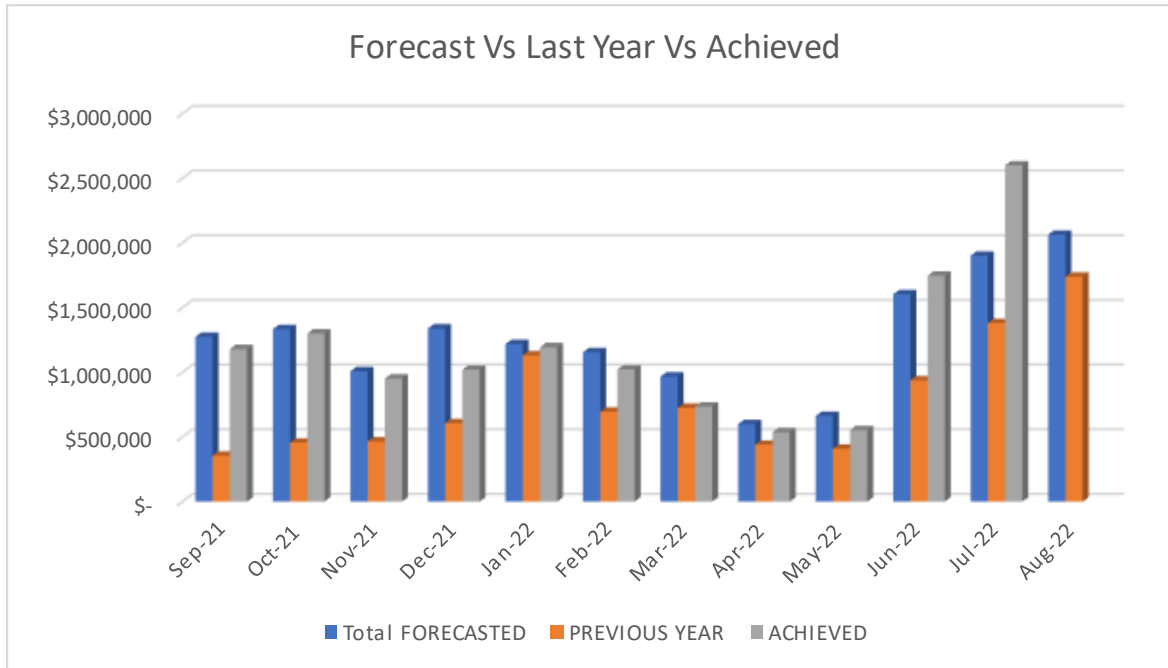
LONG TERM LIABILITIES

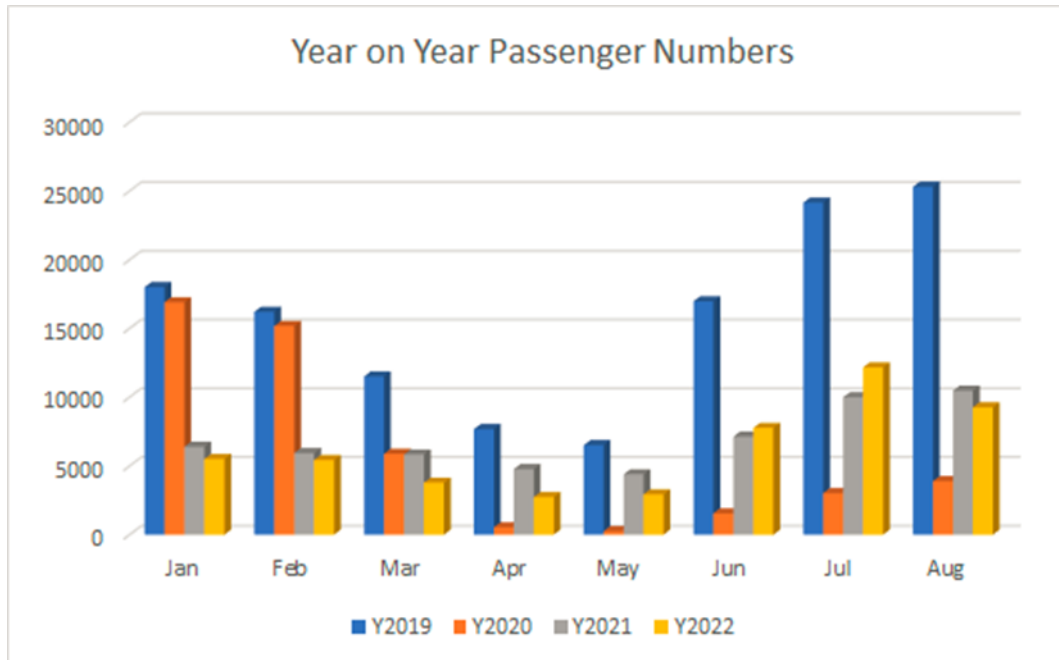
NMB Coastal Term Loan	\$1,326,708
Textron Financials - 5H OIL	\$1,540,571
LONG TERM LIABILITIES	\$2,867,278

NET ASSETS

(\$4,117,381)

Forecast and Projections





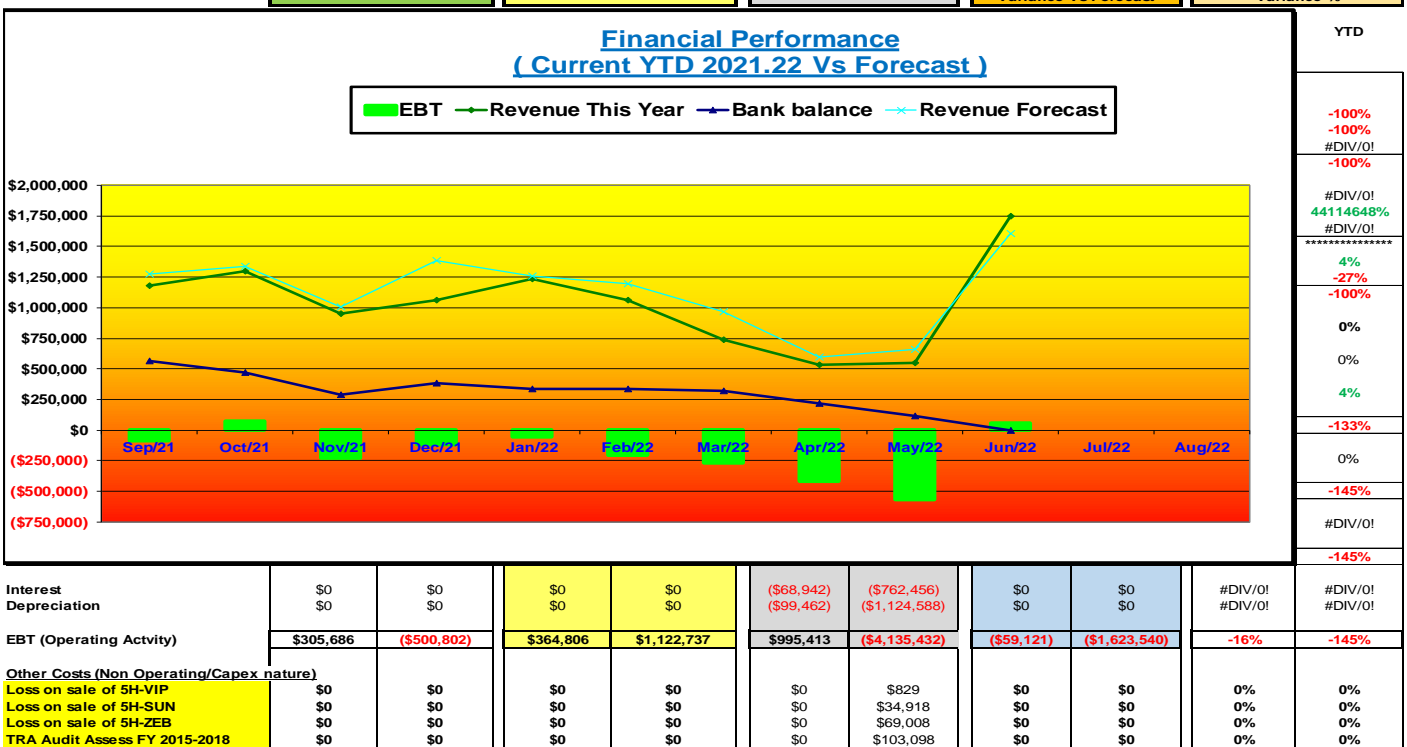
Income and Cash flow statement

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Key Financial Summary										
	CURRENT FY 2021-22		FORECAST FY 2021-22		LAST FY 2020-21		Variance Vs Forecast		Variance %	
	Actual Jun-22	Actual YTD	Forecast Jun-22	Forecast YTD	Last Year Jun-21	Last Year YTD	JUN	YTD	JUN	YTD
Flight Hours										
C208	987	5,958	879	5,843	787	5,031	107	115	12%	2%
Pilatus	147	907	184	1,085	91	667	(37)	(179)	-20%	-16%
GGM	80	640	80	802	60	600	0	(162)	0%	-20%
	1,214	7,505	1,144	7,731	938	6,299	70	(226)	6%	-3%
Revenue Per Hour										
C208	\$1,029	\$1,021	\$1,051	\$1,110	\$795	\$587	(\$22)	(89)	-2%	-8%
Pilatus	\$3,901	\$2,189	\$1,880	\$2,384	\$2,254	\$3,034	\$2,021	(195)	107%	-8%
GGM	\$1,980	\$2,486	\$1,980	\$1,975	\$1,800	\$2,065	\$0	511	0%	26%
Charter Flight Sales	\$731,451	\$4,155,875	\$600,314	\$4,013,130	\$312,461	\$3,263,880	\$131,137	\$142,744	22%	4%
Scheduled Flight Sales	\$1,015,318	\$6,082,263	\$1,002,685	\$6,484,793	\$625,756	\$2,955,731	\$12,633	(\$402,529)	1%	-6%
Flight Revenue	\$1,746,769	\$10,238,138	\$1,602,999	\$10,497,923	\$938,217	\$6,219,610	\$143,770	(\$259,785)	9%	-2%
Maintenance Revenue	\$0	\$1,789	\$0	\$0	\$0	\$0	0	1,789	#DIV/0!	#DIV/0!
Other Revenue	\$55,195	\$371,379	\$56,105	\$389,010	\$36,203	\$353,466	(\$910)	(17,631)	-2%	-5%
Fuel surcharge Revenue	\$36,021	\$48,629	\$28,764	\$78,041	\$0	\$0	\$7,257	(29,412)	25%	-38%
Total Revenue	\$1,837,985	\$10,659,934	\$1,687,868	\$10,964,974	\$974,420	\$6,573,076	\$150,117	(\$305,040)	9%	-3%
Direct Costs	(\$1,495,484)	(\$9,483,061)	(\$1,286,393)	(\$9,341,726)	(\$885,634)	(\$5,999,260)	(\$209,091)	(\$141,336)	16%	2%
Gross Margin	\$342,501	\$1,176,873	\$401,476	\$1,623,248	\$88,785	\$573,817	(\$58,974)	(\$446,375)	-15%	-27%
Indirect Overheads	(\$221,187)	(\$2,441,382)	(\$233,033)	(\$2,692,104)	(\$202,285)	(\$1,825,254)	\$11,846	\$250,722	-5%	-9%
EBITDA	\$121,314	(\$1,264,509)	\$168,443	(\$1,068,856)	(\$113,499)	(\$1,251,437)	(\$47,129)	(\$195,653)	-28%	18%
Interest Depreciation	(\$24,184)	(\$207,697)	(\$19,158)	(\$202,977)	(\$7,903)	(\$38,194)	(\$5,026)	(\$4,720)	26%	2%
EBT (Operating Activity)	\$55,784	(\$1,900,653)	\$107,987	(\$1,700,197)	(\$159,825)	(\$1,689,956)	(\$52,204)	(\$200,456)	-48%	12%
Other Costs (Non Operating/Capex nature)										
Loss on sale of 5H-VIP	\$0	\$0	\$0	\$0	\$0	(\$136,359)	\$0	\$0	0%	0%
Loss on sale of 5H-SUN	\$0	\$0	\$0	\$0	\$0	(\$66,522)	\$0	\$0	0%	0%
Loss on sale of 5H-ZEB	\$0	\$0	\$0	\$0	\$0	(\$134,702)	\$0	\$0	0%	0%
TRA Audit Assess FY 2015-2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%

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Key Financial Summary										
	CURRENT FY 2021-23		FORECAST FY 2021-23		LAST FY 2020-22		Variance Vs Forecast		Variance %	
	Actual Jun-22	Actual YTD	Forecast Jun-22	Forecast YTD	Last Year Jun-21	Last Year YTD	JUN	YTD	JUN	YTD



13. Conclusion

Coastal are committed to competing with World Class standards of safety and operations. The plans are being put in place and we will continue to communicate at the appropriate time of each of our developments.

We continue to pioneer initiatives in the Tanzanian marketplace and with all the above initiatives in place, we are once again resetting the benchmark.

Coastal Aviation is strongly committed to providing a safe, healthy, secure, and efficient workplace. The Company is also strongly committed to promoting high standards for individual performance to secure the reputation of the company and its personnel within the community and the industry. As part of this commitment, the company strives to maintain a work environment to help achieve its objective our priority is to ensure the safety of our staff and passengers. When we chose to join this industry, we made a tacit promise to keep all our future passengers safe. That always requires us to behave as professionals when we are operating and/or representing the business and to always follow the highest standards of safety