

FLYING ODYSSEY BUSINESS AND FINANCIAL PLAN FOR TANZANIA INVESTMENT CENTRE

1. INTRODUCTION

Flying Odyssey has been founded by a group of pilots with an aim to make customers feel the magic of the Serengeti. Flying Odyssey Balloon Safaris is an environmentally conscious and socially committed company with its operations inside the Serengeti National Park. As a registered entity in Tanzania and a subsidiary of Darwin Adventures DMCC, UAE, Flying Odyssey combines adventure, fun, safety, and environmental stewardship.

Our vision is to serve as ambassadors for Tanzania's tourism and increase its traction in the global tourism industry. Our mission is to become a leading provider of hot air balloon safaris, enriching tourists' experiences while contributing positively to the local economy and conservation efforts. Flying Odyssey is committed to operate under stringent safety protocols aligned with both Tanzanian and international aviation standards to ensure the wellbeing of our guests, pilots, crew and staff.

The partnership with our holding company, Darwin Adventures, leverages its experience and global exposure in adventure tourism and operational management. This synergy ensures robust operational frameworks, innovative service offerings, and a solid financial base to support our modest and realistic growth plans in Tanzania. Darwin Adventures brings valuable insights and an established reputation in the global hospitality and tourism market, enhancing the operational capabilities and service quality of Flying Odyssey.

Flying Odyssey's operational plan includes the use of state-of-the-art hot air balloons procured by Cameron Balloons and Ultra Magic, two of the very best in the world, equipped with the latest safety technologies and flown by highly trained and experienced pilots with a multi-geographical and multi-cultural experience. We are committed to environmental conservation, operating with minimal ecological impact and supporting local wildlife preservation initiatives. Through community engagement and cooperation with local authorities, we aim to foster sustainable tourism practices that benefit both the environment and the local communities.

2. BUSINESS PLAN

2.1 Business Objectives

Our business objectives are tied closely to our mission of becoming a leading provider of hot air balloon safaris while contributing positively to the local economy and conservation efforts.

In the first few years of operation, we will focus on:

- Establishing our brand and building a market presence
- Expanding our network within the lodge and tour operators' ecosystem
- Employing unique strategies to increase sales
- Enlisting and implementing employee satisfaction metrics
- Enriching customer experience

We will also work towards a few concrete goals:

- Improve energy efficiency of our base by 20% by the end of 2026
- Implement ESG practices including carbon calculator
- Launch Tanzania's First Local Woman Pilot Programme within the first 3 years of operations

2.2 Services Offered

1. Balloon safaris

Offer passengers a safe and adventurous balloon safari experience over the Serengeti National Park. The overall balloon safari experience will include:

- **Briefing service:** Brief the passengers, the evening/night before the flight, about what to expect the following morning and inform them of the pick up time. A thorough flight briefing will be given by the Pilot in Command (PIC) at the launch site before take off
- **Pick up service from the lodge:** Pick up passengers from the lodge on the morning of the balloon flight and drive them to the launch site
- **Bush breakfast service after ballooning:** Offer passengers a sumptuous breakfast in a serene, calm, and authentic setting of the bush
- **Drop off service to the visitor centre:** Following breakfast, drop passengers to the visitor centre where they will meet their lodge / safari drivers
- **Photography and videography services:** Offer professional photography and videography services to capture memorable moments for passengers during their hot air balloon flights.

2. Customisable packages for corporate bookings / groups / families / VIPs

We will design packages that are personalised to suit the specific needs and preferences of corporate teams, other groups, families, and VIPs to create memorable experiences for our customers. These packages could be in the form of team-building activities, special occasions, or private events.

3. Lodge bookings

Recommend and pass on accommodation bookings to local lodges and resorts when we get direct group bookings. This will not only combine hot air balloon experiences with accommodations for customers but also act as an additional booking stream for lodges.

4. Merchandise/Souvenir sales

Sell branded merchandise such as t-shirts, caps, mugs, and keychains that feature the company's logo. Work with local artisans to create unique, locally made products that align with the Serengeti's culture and wildlife. These items can be sold to customers before or after their hot air balloon experience.

5. Educational Programs

Develop educational programs or workshops for young locals that provide insights into hot air ballooning, wildlife conservation, and the Serengeti ecosystem. This will target schools, universities, and educational institutions, providing them with a unique and educational experience.

2.3 Marketing Strategy

Flying Odyssey's marketing strategy will be multi-pronged aimed at different touchpoints. It will appeal to our target groups globally while strengthening local connections and use both online and offline channels to realise conversions.

Our strategy will include:

- Content Marketing: Creating meaningful and compelling stories on TZ tourism
- Digital Marketing: To create an online presence to build our own audience base
- Social Media Marketing: To run and optimise social media campaigns
- Influencer Marketing: To reach influencers' follower base
- Native Advertising: To leverage industry-focused communication
- Partnerships: To capitalise on the power of collaboration

- Event Participation: To improve visibility and build networks

2.4 Operational Plan

Our administrative and marketing office will be based in Arusha with ballooning operations being driven from Seronera.

2.4.1 Base location/s and plan

Seronera will be the mother base for Flying Odyssey's operations. This base will be planned responsibly and sustainably so that we operate with minimal ecological impact. The layout will be structured judiciously to make the best of the space allocated to us while providing a safe and comfortable living environment for all our crew and staff members.

As the company grows, we will also look at areas like Kogatende, Tarangire, Ndotu, and Kirawera to set up simple and functional mobile bases to keep in sync with the movement of the migration and tap into customer bookings.

2.4.2 Eco-friendly materials and design for bases

Flying Odyssey will work with local suppliers to source local (and environment-friendly) materials to build accommodation and other spaces at our bases, starting with the mother base. Our blueprint for the base will include the use of renewable sources of energy and a waste management plan with a clear focus on waste segregation, recycling, and hazardous waste disposal. Our plan will also include nature-based solutions (NbS) for sanitation.

2.4.3 Fleet

We will launch operations (in December 2024) with two balloons and will scale up to three or four balloons depending on the investors' investment and sector confidence in Tanzania.

Our fleet (balloons & vehicles) by December 2024 will include:

- 2 (16-pax) balloons
- 6 passenger vehicles
- 1 pilot vehicles
- 1 tow truck

2.4.4 Key Resources

Flying Odyssey will appoint key managers to be accountable for specific aspects of balloon operations. Some of the key personnel will be:

- **Director of Flight Operations & Chief Pilot** will be responsible for a smooth and seamless execution of flight operations to ensure top class passenger experience and passenger and crew safety at all times
- **Director of Maintenance** will be responsible for the upkeep and maintenance of all equipment to make sure all aircraft are ready to fly on designated days
- **Director of Base Operations** will be responsible for the smooth and efficient functioning of the base

Flying Odyssey is committed to having a diverse, inclusive, and talented team in the company. Our experienced pilots have flown across unique terrains and landscapes across countries in East Africa, the US, the UK, Asia, and the Middle East and are equipped to take responsibility for operating safely in the Serengeti. Our crew members are

Every Flying Odyssey team member will contribute towards creating a memorable ballooning experience for our customers while being mindful of our responsibility to the environment we operate in.

2.4.5 Reporting

Each of the appointed key managers (and other resources) will produce regular mandatory reports to make sure all the developments in our operations are officially documented and sent to the concerned authorities as per requirement and protocol.

In addition, we aim to periodically produce trend (and overview) reports to help us track any significant changes within the region in the travel and tourism industry. All the reports will be made accessible to the Flying Odyssey team via a common portal to make sure key insights and learnings are shared.

Some of the reports include:

Report Type / Frequency	Daily	Weekly	Monthly / Quarterly	Yearly
Flight Operations Report	✓		✓	
Maintenance Report	✓		✓	
Customer Experience Report	✓		✓	
Base Operations Report		✓	✓	
Industry Trend Report			✓	

Audit Report			✓	✓
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2.5 Safety and Security Policy

Flying Odyssey will operate with a Safety First approach. We will follow the highest standards of aviation safety and maintenance and ensure compliance with all regulatory requirements set forth by the TCAA, TANAPA, and other relevant bodies. We will also embed safety and security procedures in all the areas of operations and then document them as a policy and a manual.

In addition:

- We will put together a Safety Management Team comprising qualified individuals with knowledge of aviation safety, emergency response, and first aid to oversee Flying Odyssey’s safety protocols and emergency response procedures
- We will provide regular First Aid training and refresher sessions to all our pilots, crew, and staff members
- We will maintain a thorough and updated list of First Aid supplies at the base
- We will have a doctor stationed at the base to address any medical emergencies or health issues that may arise among passengers and/or staff

2.6 Customer Service Approach

Flying Odyssey will put customers at the heart of its operations and strive towards providing outstanding service and creating memorable experiences for them.

Our customer-centric approach will be based on three core values:

(i) Trust: We will deliver on the promise we make and aim to forge strong connections with our customers based on trust

(ii) Honesty: We will be open and transparent about our purpose (beyond business) and business practices/commitments to help our customers make an informed decision when choosing a hot air balloon operator

(iii) Respect: We will respect the privacy and preferences of our customers. This includes safeguarding their personal information and using it in accordance with the law and privacy policies

3. FINANCIAL PLAN

3.1 Financial Assumptions

The plan is to launch Flying Odyssey's operations by the end of this year (December 2024) or by early next year (January 2025). We are aware that this period (until June) is the slow season in the Serengeti when the traffic numbers are usually low and have factored this in when working on our financial projections. We will use this slow period to build momentum, work on our brand presence, and gear up for the peak season.

While we will start operations with two balloons, our plan is to scale up to three or four balloons depending on the numbers, investors confidence and sector confidence in Tanzania.

Our financial plan is based on the following assumptions:

- The Tanzanian economy will remain resilient and continue on an upward trajectory
- The inflationary pressure will remain moderate
- A flexible exchange rate regime will remain in place
- No major changes to corporate taxation in the next 3-4 years
- Operations will commence soon after required approvals by the TCAA and TANAPA
- We will maintain a capacity utilisation of over 80% during peak season and around 60% during low season

3.2 Investment, structure, and shareholding

The total investment into Flying Odyssey will be to the tune of USD 4M and it will be structured in the form of a debt-equity ratio of 60:40. We will start with an initial capital of USD 500,000.

Being a subsidiary of Darwin Adventures DMCC, UAE, Flying Odyssey's shareholding structure is as follows with Percy Fernandez, Asha Gopalkrishnan, and Aravindan Narayanan representing Darwin Adventures and Jones Temba, our local (Tanzanian) presence.

Shareholders	Nationality	% holding
Percy Fernandez	Indian	33
Asha Gopalkrishnan	Finnish	33
Aravindan Narayanan	Indian	33
Jones Mathias Temba	Tanzanian	1

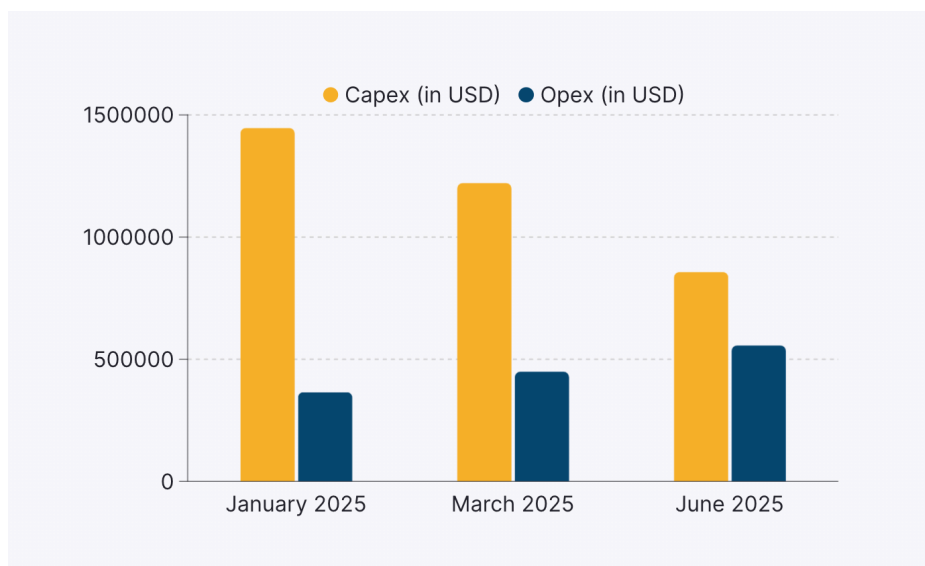
3.3 Start-up Capital and Expenditure

Our initial capital will be USD 500,000 and will include costs for the following assets:

- 2 (16-pax) balloons
- 6 passenger vehicles
- 1 pilot vehicle
- 1 tow truck
- Base accommodation
- Insurance

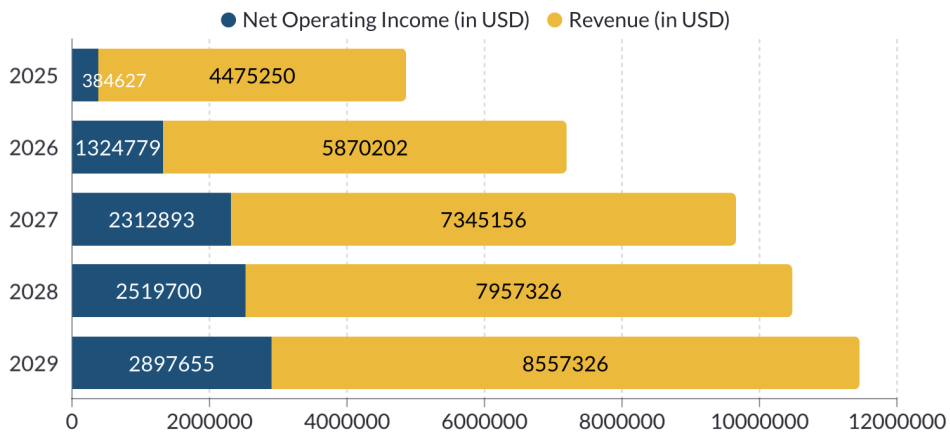
Our start-up expenditure will include costs for:

- Legal expenses
- Licencing
- Rent
- Staffing costs (for a small team)
- Petty cash



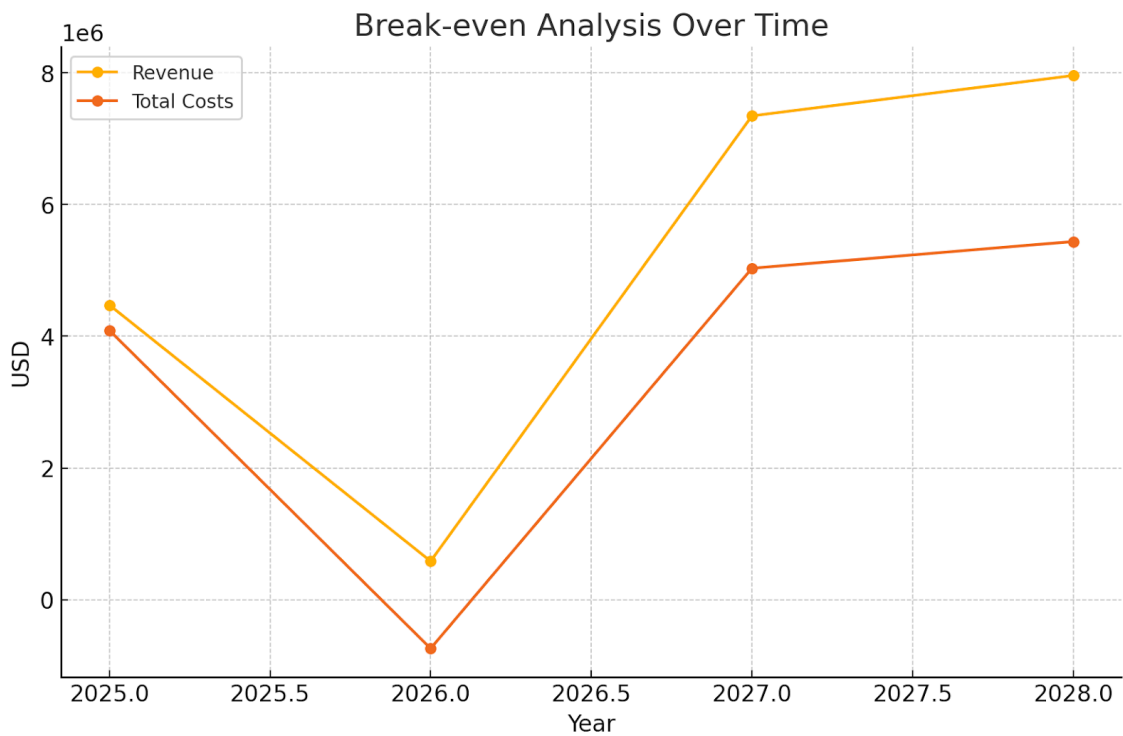
3.4 Revenue Projections

3.4.1. Our main source of revenue will be from the balloon safaris.



3.5 Break-Even Analysis

Based on the revenue projections, here is a break-even analysis.



This break-even analysis is drawn from our revenue projections, but will be adapted based on actual operational data and changing market dynamics. Regular financial reviews and updates to the assumptions will be done as the business progresses.

Recommendations

- Utilisation during Low Season: Consider innovative marketing strategies or service offerings to boost demand during the low season to ensure more consistent utilisation throughout the year
- Review Financial Strategy: Considering the large upfront and fixed costs, evaluate financing options or phased investments to mitigate the impact on cash flow

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