



PRECISION AIR SERVICES, PLC



**ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD AT
THE CONFERENCE HALL OF PSSSF
GOLDEN JUBILEE TOWERS, 6TH FLOOR,
OHIO STREET, DAR ES SALAAM FROM
0900 HRS**

Tuesday, 24th February, 2026



NOTICE AND AGENDA



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 6th Annual General Meeting (AGM) of Shareholders of Precision Air Services Plc will be held on Tuesday, 24th February, 2026 at the Conference Hall of PSSSF Golden Jubilee Towers, 6th floor, Ohio Street, Dar es salaam from 0900hrs.

The following agenda will be transacted at the meeting:

1. Opening of the meeting
2. Adoption of the Agenda
3. Confirmation of the Minutes of the 5th AGM and an Extra Ordinary General Meeting of Shareholders (EGM).
4. Matters arising from the EGM
5. To receive, consider and adopt the Directors' Report, Auditor's Report and the Audited Financial Statements for the year ended 31st of December, 2024.
6. To elect and confirm appointment of Directors and approve their remuneration for the year 2025
7. To appoint External Auditors and approve their remunerations for the year 2025.
8. Any other business for which due notice has been given.
9. Closure of the meeting.

Notes

1. The Register closing date for determining shareholders entitled to vote will be Friday, 20th February, 2026 at 1400hrs.
2. A Member wishing to attend the meeting will do so at his or her own cost and must come with a copy of his/ her depository receipt together with one of the following forms of identifications: Passport, National ID (NIDA), Driver's license, Voters Id.
3. A Member entitled to attend and vote at the meeting, if unable to attend for any reason, is entitled to appoint a proxy to attend and vote on his/ her behalf in accordance with the provisions of the Articles of the Company. A duly signed proxy form must be deposited at our Dar es Salaam offices (1st Floor, Diamond Plaza Building, Mirambo Street/ Samora Avenue) or by email to pwmanagement@precisionairtz.com on or before 1400hrs, Friday, 20th February, 2026.
4. Copies of the EGM pack and Proxy Forms shall be available at the following Precision Air's link (<https://www.precisionairtz.com/Investor>).
5. Any business to be discussed under agenda item No. 8 must be received by the Secretary in writing not later than 1400hrs on Tuesday, 10th February, 2026.

This Notice and Agenda is presented at Dar es Salaam this 03rd February, 2026

MIGIRE KEMBO MIGIRE

COMPANY SECRETARY

BY ORDER OF THE BOARD

TAARIFA YA MKUTANO MKUU WA WANAHISA

Taarifa inatolewa kwamba, Mkutano Mkuu wa Sita (6) wa Wanahisa wa Shirika la Ndege la Precision Air utafanyika siku ya Jumanne Tarehe 24 Mwezi Februari, 2026 katika Ukumbi wa Mkutano wa Jengo la PSSF Golden Jubilee Towers, Ghorofa ya 6, mtaa wa Ohio, Dar es Salaam kuanzia saa Tatu kamili Asubuhi.

Ajenda ya Mkutano itakua kama ifuatavyo:

1. Kufungua Mkutano
2. Kupitisha Ajenda za Mkutano
3. Kuthibitisha kumbukumbu za Mkutano Mkuu wa Tano (2019) na Mkutano Mkuu Maalum (2025).
4. Yatokanayo na Mkutano Mkuu wa Tano na Mkutano Mkuu Maalum wa Wanahisa
5. Kupokea, kujadili na Kupitisha Taarifa ya Bodi ya Wakurugenzi, Taarifa ya Hesabu za Fedha na Taarifa ya Mbaguzi wa Nje kwa mwaka ulioishia tarehe 31 Desemba, 2024.
6. Kupitisha uteuzi wa Wakurugenzi Pamoja na malipo yao
7. Kupitisha uteuzi wa Wakaguzi wa Nje na malipo yao kwa kipindi cha mwaka 2025
8. Mengineyo
9. Kufunga Mkutano.

Mambo ya Kuzingatia

1. Orodha (Register) ya Wanahisa watakaostahili kupiga kura itafungwa Ijumaa tarehe 20 Februari, 2026, saa Nane Mchana.
2. Mwanahisa atajigharamia gharama za kuhudhuria Mkutano na atatakiwa kufika kwenye Mkutano akiwa na nakala yake ya Risiti ya Uwekezaji wa Hisa (Depositary receipt), pamoja na kitambulisho chochote kati ya hizi:- Hati ya Kusafiria (Passport), Kitambulisho cha Taifa (NIDA), Leseni ya Udereva au Kitambulisho cha Mpiga Kura.
3. Iwapo Mwanahisa anayeruhusiwa kuhudhuria Mkutano na kupiga kura, atashindwa kwa sababu zozote zile kuhudhuria Mkutano, ataruhusiwa kuchagua Mwakilishi kuhudhuria na kupiga kura kwa niaba yake kwa kufuata na kuzingatia taratibu na Sheria za Kampuni. Nakala ya fomu ya uwakilishi iliyosainiwa na Mwanahisa ifikishwe katika ofisi za Kampuni zilizopo: Ghorofa ya Kwanza jengo la Diamond Plaza, Makutano ya Barabara za Mirambo na Samora, Dar es Salaam au itumwe kwa barua pepe Kwenda: pwmanagement@precisionairtz.com kabla ya saa Nane Mchana, Ijumaa tarehe 20 Februari, 2026.
4. Nakala za Makabrasha ya Mkutano Pamoja na Fomu ya Ukawakilishi zitapatikana katika tovuti ifuatayo ya Kampuni: (<https://www.precisionairtz.com/Investor>)
5. Taarifa yoyote itakayojadiliwa chini ya Ajenda Namba. 8 itatakiwa kupokelewa na katibu wa kampuni kwa njia ya maandishi kabla ya saa Nane Mchana, Jumanne tarehe 10 Februari, 2026.

Notisi hii na Ajenda ya Mkutano zimetolewa Dar es Salaam leo tarehe 03 Februari, 2026

MIGIRE KEMBO MIGIRE

KATIBU WA KAMPUNI

KWA AGIZO LA BODI YA WAKURUGENZI



AGM (2019) & EGM (2025) MINUTES

KUMBUKUMBU ZA KIKAO CHA TANO (5) CHA MWAKA CHA WANAHISA WA SHIRIKA LA NDEGE LA PRECISION AIR SERVICES PLC KILICHOFAANYIKA KATIKA UKUMBI WA MKUTANO WA JENGO LA PSSSF GOLDEN JUBILEE TOWERS, GHOROFA YA 6, MTAA WA OHIO, DAR ES SALAAM, SIKU IJUMAA TAREHE 08 NOVEMBA, 2019.

WALIOHUDHURIA

Majina ya Wanahisa waliohudhuria Kikao yameambatanishwa katika sehemu ya mwisho ya kumbukumbu hizi.

5/1 KUFUNGUA KIKAO

- i. Mwenyekiti alifungua Kikao saa Tatu (3) asubuhi
- ii. Mwenyekiti aliwatambulisha wanahisa, Bodi ya wakurugenzi, Mkurugenzi Mkuu, Katibu wa kampuni, Uongozi wa kampuni, Soko la Hisa (DSE), CMSA na Mkaguzi wa Nje wa Mahesabu ya Kampuni (PWC)

5/2 TAARIFA YA MKUTANO NA AKIDI

- i. Hiki ni Kikao cha Tano (5) cha mwaka cha Wanahisa wa Shirika la Ndege la Precision Air.
- ii. Taarifa ya Kikao cha Tano (5) cha Mwaka cha Wanahisa wa Shirika la Ndege la Precision Air ilitangazwa kwa mara ya Kwanza Alhamisi tarehe 17 Oktoba, 2019 kupitia Magazeti ya 'Mwanachi' na 'Daily News' na kurudiwa tena Alhamisi tarehe 24 Oktoba, 2019 katika magazeti hayo mawili.
- iii. Taarifa ya Kikao, Agenda, pamoja na Makabrasha ya kikao (Kumbukumbu za Kikao cha Nne (4), na taarifa ya fedha (*Financial Reports*) pia ziliwekwa katika tovuti ya Shirika la Ndege la Precision Air.
- iv. Taarifa pia ilitumwa kwa uongozi wa Soko la Hisa la Dar es Salaam ili kuwekwa katika tovuti ya soko la Hisa.
- v. Fomu za uwakilishi zilizopokelewa na Katibu wa Shirika hadi kufikia tarehe 26 Agosti, 2016 ni za wajumbe wafuatao:-

(a) KENYA AIRWAYS LIMITED	MWAKILISHI: HELLEN MUTHONI MATHUKA
(b) TUNU MOHAMED MKUNDI	MWAKILISHI: CHARLES M. KACHELE
(c) ROY RAPHAEL ELINEEMA	MWAKILISHI: PIUS SYLVESTER
(d) STANLEY MWANDELE ZAMBI	MWAKILISHI: SECILIA STANLEY ZAMBI
(e) EPIMARK MBOYA	MWAKILISHI: NICHOLAS ELIAS
(f) DELINEVER PHELIX KIWOLY	MWAKILISHI: JOEL MASALU CHONGELA
(g) LEOGRACE F. MSOMA	MWAKILISHI: DENNIS MARTIN MHAGAMA
- vi. Kikao kilianza kikiwa na wajumbe 70 na hivyo ikiwa imevuka akidi ya Wajumbe 25 inayotakiwa na 'Articles of Association' ya Shirika.

5/3 KUPITISHA AJENDA ZA MKUTANO

5/3/1 Kuwasilishwa:

- i. Katibu aliwasilisha Agenda za Kikao cha Tano (5) cha Mwaka cha Wanahisa wa Shirika la Ndege la Precision Air

5/3/2 Kuridhia:

- i. Kikao kilipitisha na kuridhia Agenda za Kikao kama zilivyotangazwa katika taarifa ya Kikao.
- ii. Kikao kiliridhia Agenda za Kikao cha Tano (5) cha Mwaka cha Wanahisa wa Shirika la Ndege la Precision Air kama ifuatavyo:
 1. Kufungua Mkutano
 2. Taarifa ya Mkutano na Akidi
 3. Kupitisha Ajenda za Mkutano.
 4. Kuthibitisha kumbukumbu za Mkutano mkuu wa Nne wa Wanahisa uliofanyika tarehe 29 Agosti, 2016.
 5. Yatokanayo na Mkutano Mkuu wa Nne wa Wanahisa
 6. Kupokea, kujadili na kupitisha Ripoti ya Wakurugenzi, Taarifa ya Mkaguzi wa Nje na Taarifa za Fedha zilizokaguliwa kwa mwaka ulioishia tarehe 31 Machi, 2018.
 7. Uteuzi wa Wakurugenzi
 8. Kupokea na kuidhinisha pendekezo la malipo ya Wakurugenzi.
 9. Kupokea na kuidhinisha uteuzi wa Wakaguzi wa Nje wa Mahesabu kwa mwaka 2018/2019.
 10. Mengineyo
 11. Kufunga Mkutano

5/4 KUTHIBITISHA KUMBUKUMBU ZA MKUTANO MKUU WA NNE WA WANAHISA ULIOFANYIKA TAREHE 29 AGOSTI, 2016

5/4/1 Kuwasilishwa

- i. Katibu aliwasilisha kumbukumbu za Mkutano mkuu wa Nne wa Wanahisa uliofanyika tarehe 29 Agosti, 2016

5/4/2 Kupitishwa:

- i. Kikao kilithibitisha na kupitisha kumbukumbu za Mkutano mkuu wa Nne wa Wanahisa uliofanyika tarehe 29 Agosti, 2016 kama zilivyowakilishwa na Katibu.

5/5 YATOKANAYO NA MKUTANO MKUU WA NNE WA WANAHISA

5/5/1 Kuwasilishwa:

- i. Mkurugenzi Mtendaji wa Shirika aliwasilisha taarifa juu ya yatokanayo na Mkutano wa nne wa Wanahisa.

5/5/2 Yaliyomo:

- i. **Namba. 4/5/2: Kumbukumbu za kikao kuandikwa na kuwasilishwa kwa lugha ya Kiswahili;** Bodi ilitimiza hii la kumbukumbu za kikao cha nne kiliandikwa kwa lugha ya Kiswahili na kuwasilishwa mbelke ya kikao kwa lugha hiyo hiyo ya Kiswahili kwa ajili ya kuthibitishwa.
- ii. **Namba 4/7/5: Mapendekezo ya kuanza safari za ndege za Dodoma:** Safari za ndege za Dar es Salaam – Dodoma zilianza rasmi tarehe 1/4/2019 kwa safari za mara mbili kwa siku kila siku. Pia kampuni ilianzisha safari zingine kati ya Dodoma-Mwanza na Dodoma-Kilimanjaro.
- iii. **Namba 4/7/5: Mapendekezo ya kupunguza gharama za uendeshaji:** Hili linafanywa kila siku na pia kampuni inafanya tathmini ya gharama kabla ya maamuzi yoyote kufanywa. Pia katika

kupunguza gharama, kampuni imepunguza kuajiri raia wa kigeni na kuajiri wazawa na kuendelea kufanya matengenezo ya ndege katika karakana yake yenyewe badala ya kufanya matengenezo nje ya nchi.

- iv. **Namba 4/7/5: Kuendelea kuboresha mahusiano ya kibiashara (partnership) na mashirika mengine ya ndege yakiwemo mashirika ya ndege ya K Tanzania:** Hili linaendelea kutekelezwa. Washirika wa kibiashara ni pamoja na Shirika la ndege la Kenya, KLM, Coastal Aviation, na Air Tanzania.
- v. **Namba 4/7/5: Kampuni kuendelea kupaza sauti kuhusu mchango wake katika uchumi wa nchi:** Shirika limefanya kampeni kubwa sana ili mchango wake kutambuliwa kiuchumi. Mwenyekiti wa Bodi na Mkurugenzi Mkuu waliweza kutembelea Bunge la Jamhuri ya Muungano wa Tanzania mwezi wa Nne (4) mwaka 2019 kukutana na wabunge.
- vi. **Namba 4/7/5: Mapendekezo ya kurejesha safari za Dar es Salaam – Mbeya:** Shirika linategemea kuweka pendekezo hili katika mpango mkakati wake wa miaka mitano itakayoanza mwezi mei mwaka 2020. Kwahiyo mwakani shirika litatathmini kurejesha safari hizi za ndege na linategemea kuunganisha jiji la Dar es Salaam – Dodoma na Mbeya.

5/5/3 Kuchangia Yatokanayo na Kikao cha Nne:

- i. Shirika lilishauriwa kuhakikisha linaanzisha safari za Mbeya sababu wateja wapo
- ii. Shirika lilishauriwa kuanzisha safari za ndege zenye uhusiano na sehemu za kitalii ambazo sio kaskazini mwa Tanzania tu ila hata kusini mwa nchi.
- iii. Shirika lilishauriwa kuendelea kuwajulisha wanahisa kuhusu maendeleo ya kampuni kwa njia ya simu za mkononi.
- iv. Shirika lilishauriwa kuendelea kuboresha huduma katika usafirishaji hasahasa kwa wahudumu wa ndege.
- v. Shirika lilishauriwa pia kuangalia upya safari za Kigoma kwani mkoa wa Kigoma una Mbuga mbili za wanyama (Gombe na Mahale) na linapakana na nchi Zaidi ya tatu, hivyo bado kuna matumaini makubwa.

5/6 KUPOKEA, KUJADILI NA KUPITISHA RIPOTI YA WAKURUGENZI, TAARIFA YA MKAGUZI WA NJE NA TAARIFA ZA FEDHA ZILIZOKAGULIWA KWA MWAKA ULIOISHIA TAREHE 31 MACHI, 2018.

5/6/1 Kuwasilishwa

- i. Mwenyekiti wa Bodi ya Wakurugenzi wa Shirika la Ndege la Precision Air aliwasilisha taarifa ya Mwenyekiti ya Mwaka ulioishia tarehe 31 Machi, 2018.

5/6/2 Yaliyomo:

Mwenyekiti alisema yafuatayo:

- i. Shirika limeweza kumudu kuwepo kwa Zaidi ya miaka 25 ukiweka miaka ya nyuma ya kumwagilia dawa kwa ndege ni Zaidi ya miaka 30.
- ii. Shirika linafanya vizuri kwa sababu linapata fedha za kujiendesha na kulipa mishahara ya wafanyakazi.
- iii. Biashara ya usafiri wa anga imepitia vipindi kadha wa kadha ambavyo vimepekekea kubadilika kwa ulekeo katika soko. Kuimarishwa kwa shirika la ndege la serikali hivi karibuni kumeongeza msisimko katika soko. Hata hivyo pamoja na Kuongezeka kwa ushindani, tumendelea kufanya vyema sokoni, tukishuhudia, kupungua kwa hasara mwaka hadi mwaka. Kwa kuzingatia mikakati tuliyojiweka pamoja na mpango wetu wa miaka mitano, naamini katika kipindi cha miaka miwili ya ijayo, kampuni itaanza kutengeneza faida.

- iv. Katika mwaka wa fedha 2017/2018 ulioisha Machi 31 2018, faida yetu kabla ya makato ilikuwa shilingi za kitanzania bilioni 1.4. Hii ni ishara kuwa tuko kwenye mwelekeo sahihi katika kuanza kutengeneza faida. Mapato yetu ya jumla yameongezeka kwa 43% kwa mwaka 2017/2018 ikilinganishwa na mwaka wa fedha 2016/17 ambayo pia yaliongezeka kwa asilimia 7 ikilinganishwa na mwaka wa fedha 2015/2016.
- v. Katika mwaka 2017/2018 biashara ilifanikiwa kuweka sokoni siti milioni 392 kwa kilometa, ikiwa ni ongezeko la 5% ikilinganishwa na siti milioni 375 kwa kilometa katika mwaka 2016/2017 na 21% zaidi ikilinganishwa na siti milioni 311 katika mwaka wa kifedha 2015/2016.
- vi. Katika mtandao mzima, jumla ya abiria waliosafirishwa ilikuwa 474,247 ikiwa ni ongezeko la 16% ikilinganishwa na abiria 408,807 waliosafirishwa katika mwaka wa fedha 2016/17.
- vii. Hata hivyo, kampuni imepata hasara kabla ya kodi ya takribani shilingi za kitanzania billion 21, hii ikiwa ni pungufu kwa 28% ikilinganishwa na hasara ya bilioni 27 ya mwaka 2016/2017 na pungufu kwa 69% ikilinganishwa na hasara ya shilingi za Kitanzania bilioni 96 mwaka wa fedha 2015/2016. Hasara hii imechangiwa na malimbikizo ya madeni ya gharama za umiliki wa Ndege na kuporomoka kwa thamani ya shilingi ya Kitanzania dhidi ya Dola ya Kimarekani.
- viii. Kama mtakumbuka mwaka 2013 kampuni ilijikuta katika kipindi kigumu kufuatia mabadiliko katika uongozi, hata hivyo tumekuwa tukiendelea kuimarika mwaka hadi mwaka kama inavyoainishwa katika ripoti zetu.
- ix. Tumefanikiwa kufanya majidiliano na wadai wetu ili kupunguza malimbikizo ya madeni na riba. Wadai wetu wandani wameonyesha ushirikiano mkubwa na karibia tunamaliza madeni yetu ya muda mrefu. Shukrani zetu za dhati ziifikie Serekali ya awamu ya tano chini ya uongozi wa Mh. Raisi John Pombe Joseph Magufuli.
- x. Halikadhalika, tunafanya mazungumzo na wafadhili wetu wa kigeni katika ununuzi wa Ndege, ambao deni lao ni kubwa zaidi, likiwa ni 71% ya jumla ya madeni yote. Matarajio ya mazungumzo hayo ni chanya kwani wafadhili hao wameonyesha ushirikiano mkubwa. Lengo la mazungumzo haya ni kupunguza deni la kampuni na kuimarisha akiba ya fedha ili kuweza kuvutia wawekezaji.
- xi. Endapo tutafanikiwa kuleta wawekezaji wapya ambao tunawafuatilia hivi sasa, basi kampuni itakuwa katika hali nzuri. Swala hili halijahainishwa katika mkakati wa miaka mitano wa sasa lakini litajumuishwa pindi tutakapopata mwekezaji mwenye nia ya kweli.
- xii. **Mipango ijayo:** Kampuni imeweka mikakati mbali mbali inayolenga kuboresha utendaji katika biashara kama ifuatavyo:
 - (a) **Mipango wa uboreshaji ufanisi:** Shirika litaendelea kuwekeza katika mipango ya kuboresha ufanisi katika maeneo mbali mbali kama vile kuimarisha uwezo wa kufanya maamuzi ya kifedha na shughuli za kiutendaji na kuwekeza katika teknolojia za kisasa kama programu za ukusanyaji wa taarifa za masoko ijulikanyo kama (MIDT).
 - (b) **Udhibiti gharama:** kampuni itaendelea kutilia mkazo udhibiti gharama na upotevu wa fedha kiholela, pia tutaendelea kuboresha njia za kuhakikisha mapatao yatatumika ipasavyo kwa gharama ya chini.
 - (c) **Utumiaji sahihi wa Ndege kwa tija:** Shirika la Precision Air litaendelea kuhakikisha kuwa ndege zake zinatatumika ipasavyo, ikiwemo kufanya safari zenye kuleta faida.

- (d) **Kuhimarisha ushirikiano wa kibiashara:** Precision Air itaendelea kuimarisha ushirikiano na wadau wake mbali mbali ikiwemo Kenya Airways, Etihad Airline hususan katika mikoa ya Kilimanjaro, Zanzibar, Nairobi, Mwanza and Dar es Salaam. Katika miaka mitano ijayo, shirika linaazamia kupanua wigo wa ushirikiano nje ya mipaka ya Afrika Mashariki. Hii itapelekea shirika kujulikana zaidi na hivyo kupelekea ongezeko la wateja na faida kwa kampuni.
 - (e) **Kutilia mkazo vyanzo vya ziada vya mapato:** Shirika liatendelea kutilia mkazo kwa vyanzo vya ziada vya mapato kama ukodishaji wa ndege, huduma za matengenezo ya Ndege kwa makampuni mengine, huduma za viwanja vya Ndege na Chuo cha mafunzo.
 - (f) **Huduma kwa Wateja:** Precision Air pia inalenga katika kutoa huduma bora na ya kipekee kwa wateja wake wakati wote ikiwa ni kabla, wakati na baada ya safari.
- xiii. Bodi ya wakurugenzi inawashukuru wanahisa kwa kuunga mkono jitihada za kampuni na kwa ustahimilivu wao wakati shirika likipambana kuhakikisha biashara inatengeneza faida na kuleta tija kati uwekezaji.
 - xiv. Ilitangazwa kuwa kutokana na ripoti iliyowasilishwa, kampuni haitakuwa na uwezo wa kulipa gawio.
 - xv. Shirika limedhamiria kufanya mapinduzi ya kibiashara ili kuzalisha faida katika shughuli zake kufikia mwaka 2021 kupitia mpango makakati wake na weledi wa nguvu kazi yake.
 - xvi. Pia shirika limepanga kushirikiana na Shirika la Ndege la Serikali (ATC) na mwingine yeyote Yule, ilimradi kwa pamoja liweze kuendeleza na kukuza wa uchumi wa nchi. Ushirikiano wa aina hii hauepukiki katika sekta hii japo bado tu washindani.

5/6/3 Kuchangia Taarifa ya Mweyekiti:

5/6/3/1 Kikao kilichangia Taarifa ya Mwenyekiti kama ifuatavyo:

- i. Kikao kiliendelea kuhoji hatua iliyofikiwa katika kesi dhidi ya Shirika na Mkurugenzi wa Zamani aliyeondolewa Mwaka 2013.
- ii. Kikao kilihoji kuhusu Shirika kutofanya Mikutano mikuu ya mwaka ya wanahisa kila mwaka kama sheria inavyoagizwa.
- iii. Kikao kiliendelea kutoa shukrani kwa shirika hasahasa kwa kuendelea kuhudumia mikoa ya pembeni mfano mji wa Bukoba
- iv. Kikao Kilishauri shirika kuendelea kutoa taarifa za kampuni kupitia mitandao ya jamii na pia kutumia lugha ya kiswahili.
- v. Kikao kiliunga mkono wakurugenzi wa Bodi kuendelea kulipwa posho kutokana na jitihada wanazofanya kuweka shirika mahali pazuri.
- vi. Kikao kilihoji utayari wa kampuni kukabiliana na changamoto zinazoendelea kutokea kama vile upinzani wa mashirika mengine na kujengwa kwa treni ya mwendo kasi.
- vii. Kikao kilishauri shirika kuendelea kuwekeza katika kujitangaza na kuboresha huduma

5/6/3/2 Uongozi ulitoa majibu yafuatayo:

- i. Kuhusu hatua iliyofikiwa katika kesi ya Shirika dhidi ya Mkurugenzi wake Mkuu aliyeondolewa kazini, Shirika lilieleza kuwa suala hili bado lipo shini ya TAKUKURU na hivyo shirika haliwezi kuliongelea suala hili kwa sababu liko katika mikono ya sheria.
- ii. Kuhusu kutofanywa kwa Mikutano mikuu ya Mwaka ya Wanahisa, shirika liliomba radhi kwa hilo. Ila Shirika lilieleza kuwa daima limeendelea kuipa kipaumbele uhai/ uwepo wa kampuni. Kwa vipindi kadhaa uongozi umekuwa unafuata kwenda ulaya kukutana na wadeni kuongelea misamaha ya madeni ya ndege; hili pia lilikuwa na umuhimu na lisingeachwa pembeni ili kufanya mikutano. Shirika litaendelea kutii na kufuata utaratibu wa ufanyaji mikutano kama inavyotakiwa kisheria.
- iii. Kuhusu kutumia lugha ya Kiswahili katika kuwasilisha taarifa ya Mwenyekiti, Uongozi uliahidi kuwa utalifanyia kazi na uongozi pia uliahidi kutoa taarifa za shirika kupitia mitandao ya jamii.
- iv. Kuhusu changamoto mbalimbali ambazo shirika linakumbana nayo, shirika liliahidi kuweka mipango mikakati mbalimbali kukabiliana nayo.

5/6/3/3 Kupokea Taarifa:

- i. Kikao kilipokea taarifa ya Mwenyekiti ya Mwaka ulioishia tarehe 31 Machi, 2018 kama ilivyowasilishwa na Mwenyekiti wa Bodi ya Wakurugenzi wa Shirika.

5/7 KUPOKEA, KUJADILI NA KUPITISHA RIPOTI YA WAKURUGENZI, TAARIFA YA MKAGUZI WA NJE NA TAARIFA ZA FEDHA ZILIZOKAGULIWA KWA MWAKA ULIOISHIA TAREHE 31 MACHI, 2018.

5/7/1 Kuwasilishwa

- i. Taarifa ya Mkaguzi wa Nje na Taarifa za Fedha zilizokaguliwa kwa mwaka ulioishia tarehe 31 Machi, 2018 iliwasilishwa na Mkaguzi wa Nje wa Hesabu za Shirika (PWC – PricewaterhouseCoopers).

5/7/2 Yaliyomo:

Mkaguzi wa Nje wa Hesabu za shirika aliwasilisha yafuatayo:

- i. Kwa ufupi Mkaguzi alitoa hati safi lakini yenye misisitizo uliotokana na uwezo wa shirika kulipa madeni yake na upungufu wa mtaji.
- ii. Hesabu za shirika (*financial statements*) kwenye taarifa ya mapato na matumizi, inaonekana mapato yaliongezeka kwa mwaka huu wa fedha ila matumizi pia yakawa juu hivyo faida ikawa ndogo. Riba ambayo shirika linalipa kwa ajili ya madeni yake pia imekuwa kubwa na inakula hiyo faida ndogo.
- iii. Sehemu kubwa ya rasilimali za shirika linajumuisha ndege.
- iv. Shirika lina madeni makubwa sana takribani Bilioni za kitanzania 324. Kwa madeni haya, hata shirika likiuzia rasilimali zake, chochote kitakachopatikana kitalipa kwanza haya madeni kabla ya wanahisa kulipwa.
- v. Mtaji wa shirika umepungua sana takribani kwa shilingi za kitanzania Bilioni 250, hii imetokana na hasara ambayo kampuni imekuwa inapata toka mwaka 2013.

5/7/3 Kuchangia Taarifa ya Ukaguzi wa Fedha:

5/7/3/1 Kikao kilichangia Taarifa ya Ukaguzi wa Fedha kama ifuatavyo:

- i. Kikao kilishauri umuhimu wa shirika kutafuta wawekezaji wengine kuwekeza kwenye shirika.
- ii. Kikao kilihoji ni kitu gani kampuni inaweza kufanya ili kujikwamua katika hali yake mbaya ya kifedha.

5/7/3/2 Mkaguzi wa Nje wa Hesabu za Shirika alitoa majibu yafuatayo:

- i. Shirika liliongeza mapato kwa mwaka huu wa fedha ukilinganisha na mwaka uliopita, hivyo kuna matumaini. Faida yote inamezwa kabisa na madeni na madeni makubwa ni katika ununuzi wa ndege.
- ii. Kazi kubwa ipo katika kubana matumizi bila kushusha huduma kwa wateja wake.

5/7/4 Kuridhia Taarifa ya Ukaguzi wa Fedha

- i. Kikao kiliridhia Taarifa ya Mkaguzi wa Nje na Taarifa za Fedha zilizokaguliwa kwa mwaka ulioishia tarehe 31 Machi, 2018 kama ilivyowasilishwa na Mkaguzi wa nje wa hesabu za Shirika.

5/8 UTEUZI WA WAKURUGENZI

5/8/1 Taarifa:

- i. Kikao kilitaarifiwa kuwa kutokana na *Articles of Association ya Shirika (kama zilivyofanyiwa marekebisho katika Azimio Maalum/ Special Resolution ya tarehe 11 Machi, 2011)*, watu wafuatao wamepewa mamlaka ya kuchagua Wakurugenzi wa Shirika:- Ndg. Michael Shirima (Wakurugenzi Watatu (3)), Shirika la Ndege la Kenya/ Kenya Airways Limited (Wakurugenzi Watatu (3)), na Mwanahisa/ Wanahisa yeyote anayemiliki kama mtu binafsi (au kama ni wengi, wanaomiliki kwa pamoja kwa ujumla wao) hisa zisizopungua asilimia kumi (10%) ya hisa zote zilizouzwa na shirika na malipo yake kukamilishwa na Mwanahisa/ Wanahisa hao; Mwanahisa/ Wanahisa hao wamepewa mamlaka ya kumchagua Mkurugezi mmoja (1) (*Minority Director*). Makundi hayo ya Wanahisa yatayayofikisha kiwango hicho cha hisa, kama yatakuwa zaidi ya moja, yamepewa mamlaka ya kuchagua Wakurugenzi wasiozidi watatu (3).
- ii. Mwanahisa au Makundi hayo ya Wanahisa yatayayofikisha kiwango hicho cha hisa, yatatakiwa kumjulisha Katibu wa Shirika kwa maandishi kuhusu nia yao ya kuchagua Mkurugenzi kabla ya tarehe ya Kikao.
- iii. Iwapo *Minority Director* hatachaguliwa kama ilivyoielezwa, *Articles of Association* ya Shirika linaipa mamlaka Bodi ya Wakurugenzi ya Shirika kumchagua Mkurugenzi (*Independent Director*) na kuwasilisha jina lake katika kikao cha Wanahisa kwa ajili ya kupitishwa. Baada ya kupitishwa, *Independent Director* ataendelea kuwa Mkurugenzi hadi Kikao kinachofuata cha Wanahisa ambapo anaweza kuchaguliwa tena na Bodi na kupitishwa na Kikao cha Wanahisa.

5/8/2 Uteuzi:

- i. Kwa Mamlaka aliyopewa na *Articles of Association*, Ndg. Michael Shirima aliwachagua, **Ndg. Michael Shirima, Ndg. Vincent Shirima, na Ndg. Abdulrahman Kinana** kuendelea kuwa Wakurugenzi katika Bodi ya Wakurugenzi ya Shirika.
- ii. Kwa Mamlaka iliyopewa na *Articles of Association*, Shirika la Ndege la Kenya/ Kenya Airways Limited limewachagua **Ndg. Sebastian Mikosz, Bi. Hellen Muthoni Mathuka na Ndg. Julius Thairu** kuendelea kuwa Wakurugenzi katika Bodi ya Wakurugenzi ya Shirika.

- iii. Kwa Kuwa Katibu hakupata taarifa yoyote ya maandishi inayoonyesha nia ya kumchagua Mkurugenzi kutoka kwa Wanahisa wenye vigezo vya kumchagua *Minority Director*, Bodi ya Wakurugenzi linaendelea kupendekeza jina la **Ndg. Avelyne Msaki** liweze kupitishwa na Kikao kama *Independent Director* wa Shirika.

5/8/3 Kuthibitisha na Kuridhia:

- i. Kikao kilithibitisha majina yaliyotajwa katika kipengele (a) – (f) na kuridhia Jina lililotajwa katika kipengele (g) kuwa Wakurugenzi wa Shirika na hivyo kuwa Wajumbe wa Bodi ya Wakurugenzi wa Shirika kwa Mwaka utakaoishia 31, December, 2019.
 - (a) Ndg. Michael Shirima
 - (b) Ndg. Vincent Shirima
 - (c) Ndg. Abdulrahman Kinana
 - (d) Ndg. Sebastian Mikosz
 - (e) Bi. Hellen Muthoni Mathuka
 - (f) Ndg. Julius Thairu
 - (g) Ndg. Avelyne Msaki

5/9 KUPOKEA NA KUIDHINISHA PENDEKEZO LA MALIPO YA WAKURUGENZI.

5/9/1 Kuwasilisha:

- i. Mwenyekiti wa Bodi ya Wakurugenzi ya Shirika aliwasilisha Malipo ya Wakurugenzi kwa mwaka unaoishia 31, Machi, 2018.
- ii. Mwenyekiti wa Bodi ya Wakurugenzi ya Shirika aliwasilisha kuwa kila Mkurugenzi amekuwa akilipwa posho za kujikimu (safari na malazi) za kiasi cha Dola za Marekani **(US \$) 800** (kabla ya kodi) kwa kila kikao cha Bodi.
- iii. Mwenyekiti wa Bodi ya Wakurugenzi ya Shirika aliendelea kuwasilisha kuwa posho hii haijawahi kupanda toka mwaka 2011 pamoja na gharama za maisha kupanda kwa kipindi hicho.
- iv. Mwenyekiti wa Bodi ya Wakurugenzi ya Shirika aliwasilisha kiwango hicho cha **US \$ 800** (kabla ya kodi) kama posho kwa Mkurugenzi wa Shirika kwa kila Kikao cha Bodi; kwa ajili ya kupitishwa na Kikao kama malipo ya Wakurugenzi kwa mwaka unaoishia 31, Machi, 2019, na kuomba Kikao kupitisha malipo hayo.

5/9/2 Kupitishwa:

- i. Kikao kiliridhia na kupitisha kiwango cha **US \$ 800** (kabla ya kodi) kama posho kwa Mkurugenzi wa Shirika kwa kila Kikao cha Bodi kwa mwaka unaoishia 31, Machi, 2019 kama ilivyowasilishwa na Mwenyekiti wa Bodi ya Wakurugenzi wa Shirika.

5/10 KUPOKEA NA KUIDHINISHA UTEUZI WA WAKAGUZI WA NJE WA MAHESABU KWA MWAKA 2018/2019

5/10/1 Kuwasilisha:

- i. Mwenyekiti wa Bodi ya Wakurugenzi ya Shirika aliwasilisha kuwa Kampuni ya **PricewaterhouseCoopers** ndiyo imekuwa Mkaguzi wa Nje wa Hesabu za Shirika kuanzia mwaka ulioishia 31 Machi, 2015 hadi mwaka ulioishia 31 Machi, 2018.

- ii. Mwenyekiti alieleza kuwa Kampuni hii imefanya kazi kwa ufanisi na ueledi wa hali ya juu na kwamba muda wao sasa umefikia mwisho.
- iii. Mwenyekiti alieleza kuwa shirika lilianza mchakato wa kumpata Mkaguzi mpya wa nje wa Hesabu za kampuni. Mchakato huu ulifanya na uongozi wa shirika ukishirikiana kwa karibu na Kamati ya UKaguzi ya Bodi (Board Audit Committee). Kamati hiyo iliwasilisha mapendekezo yake kwa Bodi ya Wakurugenzi na ikapendekeza kuchaguliwa kwa kampuni ya KPMG kuwa Mkaguzi wa nje wa Hesabu za kampuni kwa mwaka utakaoishia tarehe 31 Desemba, 2018. Bodi ya wakurugenzi iliridhia mapendekezo hayo.
- iv. Mwenyekiti kwa niaba ya Bodi ya wakurugenzi aliwalisilisha ombi lake kwa Kikao ili kuweza kuthibitisha Kampuni ya **KPMG** kuwa Mkaguzi wa Nje wa Hesabu za Kampuni kwa Mwaka utakaoishia tarehe 31, Desemba, 2018.

5/10/2 Kuthibitishwa:

- i. Kikao kilithibitisha Kampuni ya **KPMG** kuendelea kuwa Mkaguzi wa Nje wa Hesabu za Kampuni kwa Mwaka utakaoishia tarehe 31, Desemba, 2018 kama ilivyowakilishwa na Mwenyekiti wa Bodi ya Wakurugenzi ya Shirika.

5/11 KUJADILI MAMBO MENGINEYO AMBAYO TAARIFA ZAKE ZITAKUWA ZIMETOLEWA MAPEMA KWA KATIBU KABLA YA TAREHE YA KIKAO

- i. Hakuna Taarifa yoyote iliyotolewa mapema kwa Katibu kabla ya tarehe ya Kikao.

5/12 KUFUNGA KIKAO

5/12/1 Neno Kabla ya Kufunga

- i. Mwenyekiti wa Bodi ya Wakurugenzi ya Shirika aliwashukuru wanahisa kwa ushirikiano wao na kuwaomba kuendelea kuunga mkono jitihada za kampuni.

5/12/2 Kufunga:

Mwenyekiti alifunga Kikao saa 6:09 Mchana.

.....

Mwenyekiti

.....

Katibu

.....

Tarehe

WALIOHUDHURIA

BODI YA WAKURUGENZI

Waliokuwepo:

Ndg. Michael Shirima	Mwenyekiti
Bi. Hellen Muthoni Mathuka	Mkurugenzi
Ndg. Aveyline Msaki	Mkurugenzi

KATIBU

1. Ndg. MIGIRE MIGIRE Katibu

Walioomba udhuru:

Ndg Sebastian Mikosz	Mkurugenzi
Ndg. Vincent N. Shirima	Mkurugenzi
Ndg. Julius Thairu	Mkurugenzi
Ndg. Abdulrahman Kinana	Mkurugenzi

UONGOZI WA SHIRIKA/ MENEJIMENTI

1. Ndg. Patrick Mwanri Mkurugenzi Mtendaji
2. Bi. Anale John For. Ag. Head of Finance Dept.
3. Ndg. Peter Fiwa Head of Flight Operations Dept.
4. Bi. Reynada Sikira Head of Human Resources & Administration Dept.
5. Bi. Lilian Massawe Head of Commercial & Ground Handling Director Dept.
6. Ndg. Pablo Alves Head of Maintenance & Engineering Dept.
7. Bi. Wendy Mashimba Head of Internal Audit
8. Ndg. Gasper Ngido For. Ag. Head of Quality Safety & Security.
9. Ndg. Migire Migire Chief Legal Counsel.

WAGENI WAALIKWA

1. Capital Markets and Securities Authority Regulator
2. Dar es Salaam Stock Exchange Regulator
3. Orbit Securities Co. Ltd Broker
4. PricewaterhouseCoopers (Patrick Kiambi) Mkaguzi wa Nje wa Hesabu za Shirika

WANAHISA:

1. MICHAEL SHIRIMA
2. KENYA AIRWAYS LTD ikiwakilishwa na Bi. Hellen Muthoni Mathuka.
3. LAETARE FURAN EPHRAIM
4. DORACIAN SHAYO
5. ADHARI O. MKAMBA
6. FAUSTINA MGOMBA MAKANSHU
7. BRIGHT L. MSUYA
8. ADRIAN J. MAKELELE

9. STEVENE KIANGO
10. GERTRUDE NYAULAWA
11. HASHIM KIMBOI
12. MODESTER MANGALE
13. TIMOTHY P. MANYAGA
14. SECILIA STANLEY ZAMBI
15. ROGER BAMWENDA
16. SADICK ABDUL
17. JOEL MASALU CHONGELA
18. STANSLAUS KAGARUKI
19. ERNEST MASSAE
20. JOSEPHAT LUHAGA NYAMOLABA
21. THOMAS W. TURUKA
22. JOHN KIMUNE
23. DICKSON MDUGALA
24. GODWIN MPINGE
25. ALLY NKUWI
26. STEPHEN LOSAMAIA NGOWI
27. HARRISON SHIRIMA
28. JUSTINE CHAULA
29. ELLY MANGIA
30. WAKULE NTOBI
31. YUSUPH JUMA VARISANGA
32. CHARLES PATRICK
33. PHOCAS MBAGA
34. ABU CHANGAWA
35. SAID KASSIMU
36. VIVIAN JOHN RUBIBIRA
37. JOHN FESTO KAHAMBA
38. GODELIVER KAGASHE
39. MATHEWS HOZZI
40. YUSUPH K. MALINGUMU
41. DAVID B. SWILLA
42. HERMINA MICHAEL KAHUKA
43. ROSALIA KOMBA
44. ATHUMANI KAKIMA
45. NDAGANZA JOSEPH MZONYA
46. DAUDI P. CHENYA
47. JOSEPH SUITING KAWICHE
48. GASPER J. MAZIWA
49. HUSSEIN H. KALIMA
50. CHARLES MATHIAS
51. MKILINDI NKINDA
52. JOHN BOSCO NJAU
53. NOEL E. KOMBE
54. GASTO V. LEMUNGE
55. MARY E. NGOWI
56. DOMINICK B. MASSAWE

57. AMAN MWAMPASHE
58. HAMID KALIMA HAMID
59. DICKSON M. ANANIA
60. AUDIFACE C. MANGORHO
61. DEBORA B. LUKOSI
62. KHALFAN JUMA KHALFAN
63. SIYAYAKO KIWELU
64. ADOLPHINE KATEKA
65. ATHUMANI BAKARI MANYEKO
66. CONSTANTINE KWAY MSEMAKWELI
67. EMMANUEL S. MUSHI
68. MACHUMU MAGANGA SAIDI
69. FERDINAND J. LYARUU
70. HAWA JUMA SALEHE
71. ROSE KIWIA
72. BAKARI SALIM LEMBARITI
73. NURU SENGO MSENKWA
74. ISABELLAH HUSSEIN KAPER
75. TRIZA E. META
76. DISMAS NYAGUSA
77. ALOYSIUS GONZABA TOSUMSINDO NYENZA
78. GEORGE H. LUGENDO
79. HASHIM MWASHEMBE
80. SAMWEL MASALU
81. ISABELLA ASENKA
82. AUGUSTINE MOSHI
83. ADELAIDE MOSHI
84. CHRISTA MOSHI
85. ALMA MATARO
86. NICHOLAUS ELIAS MWAKAJWANGA
87. PETRONILA P. CHAGULILO
88. SIMON E. KACHE
89. FELISTER MARIWA MLAY
90. FRANCISCA A. MOSHI
91. ALLAN LUKA MWAIGAGA
92. LOSHI MGILYAZA
93. EDGAR FIDELIS MWASELELA
94. ANATORY IRUNGU TIBANYANWA
95. CHARLES MASUMBUKO
96. JAMES CHARLES
97. ANASTASIUS S. GUTERUKA
98. KALEBU E. MUNISHI
99. HONEST E. MUNISHI
100. ARBOGAST S. NJUU
101. ASHA JUMA
102. GEORGE STANLAUS
103. PETER MCHAU
104. CASMIR M. NGOWI

105. ELIASA MWALYAMBWILE
106. ALOYCCIA A. MOSHY
107. MAISARA MASUDI MVUMA
108. ROSE SIMON SAYORE
109. DORIS RICHARD MKILAMWENE
110. EDWARD MKINA
111. JESEL K. SEBELO
112. MPEMBA MPUTA MAGOGO
113. DHAHIRI MSHANA
114. KARIM HABIBU MUNISI
115. ZUBERI ISSA
116. EUPHRASIA G. FUNDI
117. GASPAR M. FUNDI
118. MICHAEL MAKATA
119. MANFRED MBELE
120. ANNAH MUSHALA
121. JULIUS CHILESHE
122. ADELINA URASA
123. PHILOMENA JAMES NDEKARISHO
124. COSTER P. MDEMU
125. HAPPINESS S. NKYA
126. YUSTO MUCHURUZA
127. FELISTA RAUYA
128. MAURICE SAMWILU MWAFFISI
129. STEPHEN S. NDOLEZI
130. FATMA A. JUMBE
131. FESAL HAMIS DHAMIN
132. OMARI H. YUSUPH
133. BICHI H. BRUNO
134. ANTEME MWIHAVA
135. MONICA MSEKWA
136. ADERICKSON H. NJUNWA
137. PETRO K. NDEGE
138. DEVOTHA L. MANGULA
139. HAKAI I. TINDO
140. BONIFACE WAMBURA MGOYO
141. PRAXEDY V. CHACKY
142. CLAUDIA A. MAKARANGA
143. RENATUS WILLIAM MWACHA
144. ZUHURA CHOMBA
145. MICHAEL ALFRED CHABAI
146. DEUSDEDIT KATO
147. PETER SANGALI
148. EXAUD KATAWA
149. MIRIAM U. NGELESHI
150. ISACK KAUMILE
151. HILDER P. MASSAM
152. ROSEMARY MWAKILUNGU

153. ELIZABETH M. PASCAL
154. PHILEMON A. MKONI
155. KATANGA BAKARI
156. ABDALLAH MAKOMO RAMADHAN
157. PETER ALOIS SARON
158. KANAUCHA J. MASAMO
159. HUSSEIN B. KINGUYU
160. CELESTINA OSWALD KASAIZI
161. ERICA E. ISHENGOMA
162. JOHN T. SAMBU
163. GENESIS S. TAIRO
164. JOSEPHAT PETER DAUDI
165. EUPHRASIA D. MAMBWE
166. BAHATI KASSONGO
167. CHARLES D. GONGOH
168. MARY KOKUGANYILA
169. MIZAH THOBIAS MWILENGA
170. ZAINABU HAMISI NGIMBWA
171. FATUMA RAJABU KIPONGWE
172. DIANA T. MALLYA
173. HABIBU M. MSAMMY
174. ROMAN PETER MALLYA
175. MUGANYIZI TIBESIGUNA
176. ANNA MBWAMBO
177. DANIEL KIMBE
178. MWANTUMU KISHEGWE
179. OMARY SELEMANI KABANGA
180. ZAINABU MNUBI
181. JOSEPH MICHAEL KAVISHE
182. FARIDA H. SHEMKANDE
183. AIDAN NDIKE KIBGA
184. YONAH ELIOTH KULANGA
185. JOYCE MARTIN KAYOMBO
186. KESSY SHABANI TWALIBU
187. FREDIEL CLEMENT KWAYU
188. ASHA MOHAMED BURA
189. PETER R. NGOWO
190. PAUL D. MWAKAJUMBA
191. THERECIA A. CHRISTOPHER MTUI
192. ISAYA C. MPONEJA
193. MAGDALENA LASEKO
194. AGNES K. RUBIBIRA
195. WILFRED T. KAHWA
196. SEMI JAFFER NGUNGURU
197. PASCAL H. NGUNGURU
198. ZEPHANIA DAREMA
199. MANZI ATHUMANI MATEWELE
200. ADOLFO & OPHELIA MASCARENHAS

201. MARY KADODA
202. SOMO H. MNUBI
203. FATUMA MAKUKA
204. CASSIAN MAPUNDA
205. KENNETH NGAULA
206. ALIDI CHIWANGA
207. BENSON S. TATALA
208. DONALD KAHAMBA
209. TABU KALUBETI
210. THADEO FUKUDA RWEYAMBA
211. CHRIACUS NYAULINGO
212. GORDIAN KIKARUGAA
213. DIDAS JOHN SHIRIMA
214. RASHIDA MOHAMEDAL
215. TAHERALI M. HASSANALI
216. SIFAELY E. MAKENGO
217. NEEMA SIMON
218. IDOWA ABDALLAH IDOWA
219. KEBRON MAHOO
220. VICTORIA JOHN
221. GODSON ANGOLILE MWAKUBOMBAKI
222. ISACK G. URIO
223. CHEZALI MHELELA
224. JOAN VIVIAN MBONEKO
225. LOUISE J. MUSHI
226. TUMAINI J. KOMBA
227. FRANCIS MATAGE
228. ZELDA ROCKY MONGI
229. MARCO ELIAS BUBELWA
230. AGATHA DAMAS MELEKI
231. ZAHARA R. FARAHANI
232. BONIFACE DEOGRATIUS MICHAEL
233. MARY PISSA
234. TATU ABDURAHAMAN MATATA
235. GEOFFREY MATEMBA
236. GRACE KASENENE
237. GLORIA GASPER TETY
238. MATILDA B. LYAMBA
239. SHABANI O. MSISI
240. JOHN COSMAS KIMARIO
241. MWINYI MTORO RAMADHANI
242. ATHUMANI RAMADHANI ATHUMANI
243. NANCY GEORGE LELENGAI
244. PIUS SYLVESTER
245. RONALD PETER SHIRIMA
246. JANE R. SALLU
247. RAPHAEL S. SALLU
248. AHAZI MLOGE

249. JOANE E. MBWIGA
250. LAUREN M. LAURIAN KYESHE
251. MORGAN G. MORGAN
252. FARAHANI R. FARAHAN
253. DIANA RAPHAEL KYARA
254. KARANGI B. BWIRE
255. FLORA ASAJILE MWASYEBA
256. ELIZABETH GEORGE NYAMICHWO
257. BLANDINA A. MHINA
258. MWANNE ALLY SAHALI
259. FRANK T. MPOSANJE
260. SIMBA RASHIB SIMBA
261. MARIA NYASWA CHAGULA
262. ABDULATIF B. SABA
263. CHARLES KACHELE MATHIAS
264. GEOFFREY NGATARA
265. JANE SIMON TATALA
266. ASNATH MBISE
267. KILUMBA WAKULICHOMBE SALUM
268. MARGRETH PATRICK SOSO
269. JUMANNE S. MTAMBO
270. ABDULRAHMAN ALBEITY
271. MUSTAPHA S. KAKUMBI
272. JULIA BYAKWAGA
273. MIHEER PARMAR
274. IMANI SELEMANI BAGUMA
275. SUBIRA ANTONY KASHILILIKA
276. MELKIORY ELIAS WISSO
277. EMMANUEL ELIHURUMA SHAO
278. ISACK F. NDODI
279. EVELINE N. SEMGALawe
280. ZENA JUMA MANGO
281. ANTHONY LENGAMA
282. GODLOVE KIWANGA
283. JOHN BOKUNGU LOLEKA
284. ROSE THOMA KANJE
285. DAMAS MAHUSHI NDALAHWA
286. MARCEL RAPHAEL MONGI
287. MARTIN XAVER MHAGAMA
288. RAMADHANI H. MDELELE
289. JOSEPH P. MGINAH
290. SHEIKH ATHUMANI MGANGA
291. STEVENS KOSI MADULU
292. JUMA MUSTAFA MWINDADI
293. MARTIN J. SAMEJI
294. SHEHANI M. JUMA
295. ALPHONCE K. MAZIKU
296. JUSTINE S. KILUNGA

- 297. ELIUTER ERNEST KISSOWO
- 298. JOSEPH FIDELIS MALLYA
- 299. NICHOLAUS MALANDO GREGORY
- 300. SAIDI B. ABDULRAAHMANI
- 301. LUCIA CHARLES ERIO
- 302. ALBERT PAUL BUTLER WALDEN
- 303. HABIBA R. KIHAPA NGESALA
- 304. FRANCIS K. MONDI
- 305. ALOIS THOMAS CHALAMILA
- 306. HELLEN MTAJUKA
- 307. EMMANUEL MATALUMA
- 308. MARIMA MWAKANGALE
- 309. REHEMA MIHANJI
- 310. ZUENA MSHAMA
- 311. SIMON ABEL MAKATA
- 312. DORIS CHAGULA
- 313. REHEMA S. MSENKWA
- 314. SALOME MAKANZA
- 315. RAHIMU OMARI
- 316. WINIFRIDA PATRICK KAMUGISHA
- 317. IMMACULATE J. MORRO
- 318. DEOGRATIAS JOHN SENYA
- 319. JOSEPH P. MJOKONDE
- 320. PETER GABRIEL BUGINGO

FOMU ZA UWAKILISHI ZILIZOMFIKIA KATIBU KWA MUDA

- | | |
|----------------------------|------------------------------------|
| 1. KENYA AIRWAYS LIMITED | MWAKILISHI: HELLEN MUTHONI MATHUKA |
| 2. TUNU MOHAMED MKUNDI | MWAKILISHI: CHARLES M. KACHELE |
| 3. ROY RAPHAEL ELINEEMA | MWAKILISHI: PIUS SYLVESTER |
| 4. STANLEY MWANDELE ZAMBI | MWAKILISHI: SECILIA STANLEY ZAMBI |
| 5. EPIMARK MBOYA | MWAKILISHI: NICHOLAS ELIAS |
| 6. DELINEVER PHELIX KIWOLY | MWAKILISHI: JOEL MASALU CHONGELA |
| 7. LEOGRACE F. MSOMA | MWAKILISHI: DENNIS MARTIN MHAGAMA |

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (EGM) OF SHAREHOLDERS OF PRECISION AIR SERVICES PLC HELD AT THE CONFERENCE HALL OF PSSSF GOLDEN JUBILEE TOWERS, 5TH FLOOR, OHIO STREET, DAR ES SALAAM ON FRIDAY, 21ST MARCH, 2025.

ATTENDANCE

No. Name	Title
1. Mr. Allan Kilavuka	Chairman
2. Mr. Vincent Shirima	Deputy-Chairman
3. Mr. Migire Migire	Secretary

BOARD OF DIRECTORS – PRECISION AIR SERVICES PLC

1. Ms. Hellen Mwariri	Board Member
2. Mr. Harry Kitilya	Board Member
3. Capt. Evans Ndorosey	Board Member
4. Mr. Dick Murianki	Board Member

MANAGEMENT – PRECISION AIR SERVICES PLC

1. Mr. Patrick Mwanri	Group MD & CEO
2. Mr. Deusdedit Mussa	Head – Finance Department
3. Ms. Lilian Massawe	Head – Commercial & Ground Handling Department
4. Mr. Bruno Daniel	Head – Human Resources & Administration Department
5. Ms. Wendy Mashimba	Chief Internal Auditor

INVITED GUESTS

1. Ms. Mariam Mtunguja	Capital Markets and Securities Authority (CMSA)
2. Ms. Jesca Jenge	Capital Markets and Securities Authority (CMSA)
3. Ms. Ester Mwamala	Dar es Salaam Stock Exchange (DSE)
4. Mr. Vincent Onjala	KPMG
5. Ms. Naomi Elibariki	KPMG
6. Mr. Haig Anyonyi	KPMG

SHAREHOLDERS

1. Abdulatif Bin Sabas	9. Alidi Chiwanga	17. Arbogast S. Njuu
2. Abu M. Changawa	10. Aliko D. Mwaikambo	18. Athumani Ramadhani Athumani
3. Adelaida R. Assey	11. Amil A. Bhaloo	19. Augustine Albert
4. Adelina R. Urassa	12. Amri Hassan Kyomile	20. Ayub M. Kheri
5. Adhari O. Mkamba	13. Anatory I. Tibanywana	21. Babu Shen. Talib
6. Adrian Joakim Makelele	14. Andrew John Shio	22. Bartholomew J. Kung'alo
7. Ahimidiwe Joseph Massawe	15. Anna Justo Lyatuu	23. Batula Ahmed Edha
8. Alexander Freddy Mchauru	16. Annah A. Mushala	24. Beatrice A. Kazinja

- | | | |
|---------------------------------|-------------------------------|---|
| 25. Bethuel E. Macha | 67. Frank C. Assenga | 109. Kenya Airways Plc |
| 26. Bichi H. Bruno | 68. Frank K. Laizer | 110. Khalfan Shaban Zittu |
| 27. Brenda Kavumo | 69. Frank T. Mposanje | 111. Kilela K. Chambo |
| 28. Bupe J. Mwambalasa | 70. Gabriel Kilian Ondara | 112. Kokuganyila Mary Kamugisha |
| 29. Caroline Augustine | 71. Gabriel Singeu Alois | 113. Laetare F. Ephraim |
| 30. Casmir M. Ngowi | 72. Gadiel Maiko Mbwambo | 114. Laurent J. Mwegerano |
| 31. Casto R. Ligallama | 73. Gamaniel H. Katani | 115. Laurent Muganyizi |
| 32. Cathbert Kajuna | 74. Gasto V. Lemunge | 116. Lea Jonathan Moshi |
| 33. Cecilia F. Kagoma | 75. Genesis S. Tairo | 117. Leograce F. Msoma |
| 34. Celestine C. Liundi | 76. Geofrey E. Matemba | 118. Lilian G. Machange |
| 35. Chacha Mwita Timas | 77. Geofrey K. Mabuba | 119. Macky J. Mnene |
| 36. Charles D. Nyangasa | 78. Gladys S. Chambo | 120. Madhuan Renatus Kyagara |
| 37. Charles J. Lubawa | 79. Goldow Jordan Samuel | 121. Maisara Masub Mvuma |
| 38. Charles P. Kangombe | 80. Halima R. Mushana | 122. Marcel Raphael Mongi |
| 39. Charles R. Mathias | 81. Hamis Babu Bally | 123. Mariam M. Selle |
| 40. Chipeta Fabian Komba | 82. Hashim R. Kimboi | 124. Martin N. Kayinga |
| 41. Christa Augustine | 83. Hindu Athumani Kakima | 125. Mary K. Mlenzi |
| 42. Citfee Adam Chai | 84. Hirimina Alois Masawe | 126. Mary P. Shayo |
| 43. Coleen Julius Mapunda | 85. Husni M. Seif | 127. Masoud O. Mbarike |
| 44. Coster P. Mdemu | 86. Hussein Bakari Kinguyu | 128. Mathew S. Hoza |
| 45. Danford Lupyuto Mwaiteleke | 87. Idowa Omari Abdallah | 129. Mathew S. Mgweno |
| 46. Daniel Kilonzo | 88. Ignace Maringa Peter Mowo | 130. Melkiory E. Wiso |
| 47. Daniel Kimbe | 89. Ipyana Jacob Mwambalasa | 131. Michael P. Fumbuka |
| 48. Deogratius P. Bijanda | 90. Isaack E. Lyimo | 132. Michael Shirima |
| 49. Devotha Mangula | 91. Isabellah H. Kapera | 133. Miza Thobias |
| 50. Dickson M. Anania | 92. Isihaka S. Myonga | 134. Mkilindi E.S. Nkinda |
| 51. Didas John Shirima | 93. Jackson T. Shelukindo | 135. Mohamed Y. Muhenga |
| 52. Doreen L. Monyo | 94. Jacob G. Mwenga | 136. Mohammed Hamis Kissengo |
| 53. Editha Charles Nyangasa | 95. Jasmet Amina Mahijibhai | 137. Moshy Said Issa |
| 54. Edward D. Mikina | 96. Jeremia Japhet Muna | 138. Mpemba Mputa Magogo |
| 55. Edward Z. Majula | 97. John Nyamsenda | 139. Mr. & Mrs Canute & Naomi
Peter Shengena |
| 56. Edwin Katararo Rutachururwa | 98. John T. Sambu | 140. Mustafa H. Malibiche |
| 57. Eliasa B. Mwalyambwile | 99. Joseph P. Mjokonde | 141. Mwariko Mhando Killo |
| 58. Elizabeth Gilbert Masasi | 100. Juanita Kilonzo | 142. Naster R. Nsasu |
| 59. Emmanuel K. Katondo | 101. Judith Rodrick Kiwelu | 143. Neema Ramadhani Mwinyimvua |
| 60. Emmanuel L. Lyaruu | 102. Julius Inyas | 144. Neema S. Tatala |
| 61. Ernest Joseph Massae | 103. Julius K. Kundawa | 145. Nelson S. Rwegoshora |
| 62. Faustina M. Makanshu | 104. Julius R. Detemba | 146. Ngailah Electrical Contractor |
| 63. Faustine M. Rutahoile | 105. Kanaucha J. Masamu | 147. Nuru S. Msengwa |
| 64. Felista C. Rauya | 106. Karangi Bernard Bwire | 148. Nyamtondo B. Makwasa |
| 65. Fraiska L. Rubibira | 107. Katoiso Hamis Kitowo | 149. Omary Mkama |
| 66. Francisca Andrew Moshi | 108. Kattowo Khamis Kittowo | |

150. Omary Tofiki Sadala
151. Osaka Amon Mbanga
152. Oscar Alex Hembe
153. Oswald Ndaki Ndosella
154. Pascal J. Mabula
155. Paul Farahani Malamsha
156. Paul S. Nsumbula
157. Peter B. Lihokolelo
158. Peter D. Sangali
159. Peter F. Marandu
160. Petro S. Msengi
161. Petronila P. Chagulilo
162. Philomena J. Ndekarisho
163. Praxeda Kahambo Machiwa
164. Primitiva P. kamugisha
165. Prisca G. Mwaiko
166. Rahma M. Mkundi
167. Rajabu A. Farahani
168. Ramadhani A. Mohamed
169. Ramadhani S. Mgallah
170. Raphael A. Ondego
171. Rehema S. Msengwa
172. Roman Peter Mallya
173. Ronald J. August
174. Rosalia A. Komba
175. Rose Dick Kiwia
176. Rose P. Marandu
177. Rose Sallema Mtui
178. Rosemary Kokunirwa Mutagaywa
179. Ruth D. Gonsalves
180. Sadick A. Makenge
181. Said B. Abdulrahamani
182. Saida M. Kunde
183. Sarah Novat Kayunze
184. Shumbana Athumani Kakima
185. Sigfrida S. Manasse
186. Silas George Oloo
187. Simon C. Linkunankuna
188. Sogoseye Evelyn Jonathan
189. Sophie B. Mshangama
190. Stella Joshua Katondo
191. Stephen K. Basimwaki
192. Stephen S. Urassa
193. Stevens Kosi Madulu
194. Sudi Athumani Kihamaya
195. Taabu Joshua Mdongo
196. Tabia Y. Makalabundi
197. Tatu Abdulrahmani Matata
198. Timothy A. Mwina
199. Tukae R. Mohamed
200. Ukurwa Limited
201. Valerian G. Kadeha
202. Valerian P. Chuwa
203. Varisanga Yusuph Juma
204. Vedasto G. Vitalis
205. Verdiana C. Masenge
206. Veronica R. Opanga
207. Vivian J. Kanoni
208. Walengwa Saccos
209. Winifrida P. Kamugisha
210. Yessa D. Berty Sanga
211. Yonah E. Kulanga
212. Yosepha G. Zulu
213. Yusufu M. Nyembo
214. Yusufu S. Jadi
215. Zahara R. Farahani

1/1 OPENING OF THE MEETING, READING THE NOTICE AND DETERMINING IF THE QUORUM IS PRESENT

- i. Chairman opened the meeting at 09:07am
- ii. The meeting stood on a minute's silence to commemorate and honour: -
 - (a) The Late Mr. Michael Shirima, Founder, one of the major Shareholders and Chairman of the Board of Precision Air;
 - (b) Fatalities and Survivors of the Precision Air Flight PW 414 accident that took place on 6 November 2022;
 - (c) Departed Shareholders and Staff of Precision Air.
- iii. The Secretary read out the notice
- iv. That Article 66 of the Articles of Association specifies the quorum to be 25 and above members present in person or by proxy. The Chairman confirmed that the registry of shareholders received a total of three (3) valid proxy forms for the EGM from valid shareholders. Thirty-Nine (39) shareholders had so far registered in the attendance register at the registration desk, putting the total number of attending shareholders to be Forty-Two (42).
- v. That the Chairman declared that the quorum for the EGM had been formed in accordance with Articles 66 of the Articles of Association, 2011; and the meeting was declared properly convened and duly constituted.

1/2 ADOPTION OF THE AGENDA

1/2/1 Tabled:

- i. Agenda for the EGM of shareholders tabled before the shareholders
- ii. The Company Secretary read out the agenda and provided an update in regards to Agenda item no 7 (any other business for which due notice had been given).
- iii. That, as outlined in the notice that was officially communicated to the Shareholders on the 28th February, 2025, for any matter to be considered and included in the agenda under agenda item no. 7, that matter would have to be received by the Company Secretary in writing not later than 1400hrs on Friday, 7th March, 2025.
- iv. That, it was confirmed that the office of the Company Secretary did not receive any other matter from a shareholder by that date.

1/2/2 Noted:

- i. That Shareholders requested for Agenda item no 7 (any other business for which due notice had been given) to be restored since it has been long since the last AGM and shareholders had lots of issues that they needed clarification on.

1/2/3 Resolved:

- i. That the agenda as presented was adopted and carried

1/3 ADOPTION OF THE AGENDA TO RECEIVE AND CONSIDER FOR NOTING THE DIRECTORS' REPORT, AUDITOR'S REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OF DECEMBER, 2018, 2019, 2020, 2021, 2022, AND 2023

1/4 ADOPTION TO NOTE THE ELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION FOR THE PERIOD BETWEEN 2019 - 2024

1/5 ADOPTION TO NOTE THE APPOINTMENT OF EXTERNAL AUDITORS AND THEIR REMUNERATIONS FOR THE PERIOD BETWEEN 2019 – 2024

A. Tabled:

- i. That due to the Chairman's statement providing a joint background for the agenda items Numbers 3, 4, and 5, both agenda items were tabled jointly.

B. Presented:

The MD & CEO, Mr. Patrick Mwanri on behalf of the Chairman of the Board, presented a brief background of the agenda items Numbers 3, 4, and 5 as follows:

- i. The Board acknowledged that there had been a delay in laying before the AGM the audited financial statements for the periods ending 31st December 2018, 2019, 2020, 2021, 2022, and 2023.
- ii. That the delay was not deliberate but rather it was a result of unforeseen and extenuating circumstances that significantly impacted PW operations and financial reporting processes. The key challenges that affected timely financial reporting were:
 - (a) *COVID-19 Pandemic Disruptions*
 - (b) *Restructuring Discussions with Aircraft Financiers*
 - (c) *Aircraft Accident (November, 2022):*
 - (d) *Passing of Our Esteemed Chairman, Mr. Michael Shirima*
- iii. The challenges, jointly and severally resulted in significant delays in finalizing the audit of the financial statements or posed a governance challenge, as the Board fell below the required minimum of seven members, rendering it unable to approve financial statements or convene an AGM.
- iv. The DSE, Capital Markets and Securities Authority (CMSA), and BRELA were officially notified of these developments on 27th November 2023 and were informed of the company's efforts to rectify the situation.
- v. That the governance structure was now restored and the necessary audits completed. Precision Air was now positioned to resume regular reporting cycles and uphold the highest standards of corporate governance and transparency.

C. Presented:

The Head of Finance Department of Precision Air, Mr. Deusdedit Mussa presented the Audited Financial Statements tabled covering the period ending 31st December, 2018-2023

D. Presented:

Ms. Naomi Elibariki from KPMG, Company's external Auditors for the period between 2018 to 2023 presented the Auditor's Report for the audited financials for the period between 2018 to 2023.

E. Received:

The EGM received the:

- (a) The Directors' Report, Auditor's Report and the Audited Financial Statements for the year ended 31st December, 2018, 2019, 2020, 2021, 2022, and 2023.
- (b) Report on appointed Directors and their remuneration for the period between 2019-2024.
- (c) Report of the appointment of external auditors and their remuneration for the period between 2019-2024.

F. Deliberated:

The EGM deliberated as follows:

- (a) **ADVISED** Management to prepare General Meeting packs in both English and Swahili languages for ease of follow ups by all shareholders. **EXPLAINED** that the point has been noted and will be acted upon.
- (b) **INQUIRED** the possibility of selling one of the aircraft to pay off shareholders if the company continues to suffer the losses presented. **EXPLAINED** the total Precision Air fleet is subject to a financing agreement and that currently the aircraft are owned by the Financiers and hence cannot be disposed anyhow without their express consent.
- (c) **ADVISED** that since no dividend is to be paid, then Management should at least cover the costs of transportation for shareholders attending the general meeting of shareholders. **EXPLAINED** that costs for attending the meeting are to be borne by the Shareholders themselves. The company could consider holding hybrid meetings for some shareholders to attend meeting from places of their convenience and that might address the costs issue to shareholders.
- (d) **INQUIRED** as to whether at least two Directors from minority shareholders could be added to the Board of Directors. **EXPLAINED** that the appointment of minority directors is subject to the provisions of the company's Articles of Association and those provisions have been adhered with.
- (e) **INQUIRED** as to the basis of "disclaimer of opinion" on the audited financials statements. **EXPLAINED** that the External Auditors had issued clean reports for the period ended 31st December, 2018, 2019, 2020. However, for the period between 31st December, 2021, 2022,

and 2023, the External Auditors issued a disclaimer of opinion which was mainly on the 'going concern matter' of the company due to lack of assurance that due to default on loan obligation from financiers, the financiers could enforce their right to repossess the fleet. The rest of the numbers audited did not have any issue.

- (f) **INQUIRED** that since according to the Consolidated and separate statements of cash flows for the year ended 31st December, 2023, the cash and cash equivalents at year/period end was TZS 8.5Bilion, the cash could be used to pay off minority shareholders. **EXPLAINED** that this being the financial statement for the year ended 31st Decemmbber, 2023, the same figure of TZS 8.5Billion was reflected in the opening balance of 1st January, 2024 and put back into operation.

G. Further Explained:

Mrs. Mariam Mtunguja, a representative from Capital Markets & Securities Authority stated as follows:

- (a) That CMSA is the authority that regulates capital markets and advises the government on capital markets and securities
- (b) That during delay of Precision Air in holding AGMs and laying the audited financials before its shareholders, the CMSA and DSE was involved in following up the matter to ensure that Precision Air become compliant.
- (c) The CMSA will continue to ensure that Precision Air honours its continuous listing obligations and enforce its strategic initiatives.

H. Resolved:

The EGM Note:

- (d) The Directors' Report, Auditor's Report and the Audited Financial Statements for the year ended 31st December, 2018, 2019, 2020, 2021, 2022, and 2023.
- (e) The Report on appointed Directors and their remuneration for the period between 2019-2024. The Directors whose appointments are confirmed for the period ended 31st December, 2024 shall be:
- (i) Mr. Avelyne John Msaki
 - (ii) Ms. Hellen Muthoni Mathuka
 - (iii) Mr. Evans Morrison Ndorosey
 - (iv) Mr. Allan Kilavuka Inuani
 - (v) Mr. Dickson Kimathi Murianki
 - (vi) Mr. Vincent Ngaleku Shirima
 - (vii) Mr. Harry Msamire Kitilya.

The remuneration of directors is noted.

- (f) Report of the appointment of external auditors and their remuneration for the period between 2019-2024. The External Auditors whose appointment is noted for the period up till the next General Meeting at which accounts are laid are PWC. The remuneration of the auditors is noted.

1/6 TO RECEIVE AND APPROVE AMENDMENT OF THE ARTICLES OF ASSOCIATION, TO INTRODUCE AN OPTION OF HOLDING GENERAL MEETINGS VIRTUALLY.

1/6/1 Tabled:

- i. Proposal to amend the Articles of Association to introduce an option of holding the General Meeting Virtually tabled before the shareholders

1/6/2 Noted:

- i. That the current provisions of the MEMARTS assumes that General Meetings have to be held physically. The MEMARTS have provided an option to hold a Board meeting physically or virtually. To have the same provision under the General Meetings, the MEMARTS needs to be amended.
- ii. That Section 13 (1) of the Companies Act No.12 of 2002 reserves the alteration of the Articles of Association to the General Meeting of shareholders.
- iii. The proposed motion together with the amendment suggested was shared with the Capital Markets and Securities Authority (CMSA) and the Dar es Salaam Stock Exchange (DSE) for their review and approval and the same has been approved.
- iv. With the proposed alteration of the Articles, a new Article 58A shall be added to the Precision Air Articles of Association and shall read as follows:

Article 58A of the MEMARTS

“Notwithstanding the provisions of Article 58, the Members, may if they think fit, or if the Directors notify them that such is the manner in which any particular meeting will be held, confer or hold an Annual General Meeting by way of radio telephone, close circuit television, video conferencing or other electronic, digital, or audio-visual communication, or in a combination of any of such means (“Virtual meeting”). Notwithstanding that the members are not present together in one place at the time of the virtual meeting, a resolution passed by the Members constituting a quorum at such a meeting shall be deemed to have been passed at a General Meeting held on the day on which and at the time at which the virtual meeting was held. The provisions relating to proceedings of General Meetings shall apply in so far as they are capable of application mutatis mutandis to such virtual meeting. Such a virtual meeting shall be deemed to have been held at the registered office of the Company.”

1/6/3 Received:

- i. THAT the EGM received the proposed amendment of the Articles of Association, to introduce an option of holding General Meetings virtually as presented.

1/6/4 Resolved:

- i. That the EGM approved the proposed amendment of the Articles of Association, to introduce an option of holding General Meetings virtually as presented.

1/7 ANY OTHER BUSINESS.

1/7/1 Noted:

- i. That, no matter was received by the office of the Company Secretary in writing not later than 1400hrs on Friday, 7th March, 2025 for the same to qualify to be included, considered, and deliberated under agenda item no. 7 (“any other business for which due notice has been given”).

1/8 CLOSURE OF THE MEETING.

- i. The Board Chairman thanked shareholders and stakeholders who attended the Meeting and pledged that all issues and views raised during the Meeting would be acted upon by Management.
- ii. He acknowledged and appreciated the presence of Capital Markets and Securities Authority (CMSA) and Dar es Salaam Stock Exchange (DSE) for supervisory and regulatory roles for development of the company and aviation sector.
- iii. He commended Precision Air’s Board, Management and staff for the achievements and urged for enhanced efforts to ensure more success in future.
- iv. The Chairman closed the Meeting at 01:30 p.m.

.....

Chairman

.....

Secretary

.....

Date



MATTERS ARISING FROM THE EGM

**MATTERS ARISING FROM THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF PRECISION AIR SERVICES PLC
HELD ON 21ST MARCH, 2025 AT THE CONFERENCE HALL OF PSSSF GOLDEN JUBILEE TOWERS.**

S/N	MINUTE ITEM REFERENCE	RESPONSIBLE	ACTION REQUIRED	ACTION TAKEN
1.	1/5/F/a	Board	i. Management to prepare General Meeting packs in both English and Swahili languages for ease of follow ups by all shareholders	Action has been taken starting with, AGM Notice, Matters Arising, Chairman's Statement, and Profit & Loss statement. The Rest of the pack to follow from the next AGM
2.	1/6/4/i	Board	i. That the EGM approved the proposed amendment of the Articles of Association, to introduce an option of holding General Meetings virtually as presented.	Registration process commenced at BRELA, awaiting approval.

**YATOKANAYO NA MKUTANO MKUU MAALUM WA WANAHISA WA SHIRIKA LA NDEGE LA PRECISION AIR ULIOFANYIKA SIKU YA IJUMAA
TAREHE 21 MWEZI MACHI 2025 KATIKA UKUMBI WA MKUTANO WA JENGO LA PSSSF GOLDEN JUBILEE TOWERS, GHOROFYA YA 6, MTAU WA
OHIO DAR ES SALAAM**

Na	Kifungu cha Kumbukumbu za Kikao	Mhusika	Hatua Iliyotakiwa kuchukuliwa	Hatua iliyotekelezwa
1.	1/5/F/a	Bodi	i. Menejimenti kuandaa nyaraka za Mkutano Mkuu kwa lugha ya Kiingereza na Kiswahili ili kurahisisha ufuatiliaji kwa wanahisa wote.	Kwa kuanzia Mkutano Mkuu wa Wanahisa wa Mwaka 2026, nyaraka kadhaa zimeandaliwa kwa Kiswahili ikiwemo: Notisi ya Mkutano, Yatokanayo, Taarifa ya Mwenyekiti, Taarifa ya Faida na Hasara, Uchaguzi wa Wakurugenzi, Uchaguzi wa Mkaguzi wa nje wa Hesabu. Sehemu iliyobaki ya kifurushi itaandaliwa kuanzia Mkutano utakaofuata.
2.	1/6/4/i	Bodi	i. Mkutano Mkuu Maalum wa Wanahisa uliidhinisha marekebisho yaliyopendekezwa ya Katiba ya Kampuni (Articles of Association), ili kuanzisha uwezekano wa kufanya Mkutano Mkuu kwa njia ya mtandao (virtually), kama ilivyowasilishwa.	Mchakato wa usajili umeanza katika ofisi za Wakala wa Usajili wa Biashara na Leseni (BRELA).



CHAIRMAN'S STATEMENT

TAARIFA YA MWENYEKITI

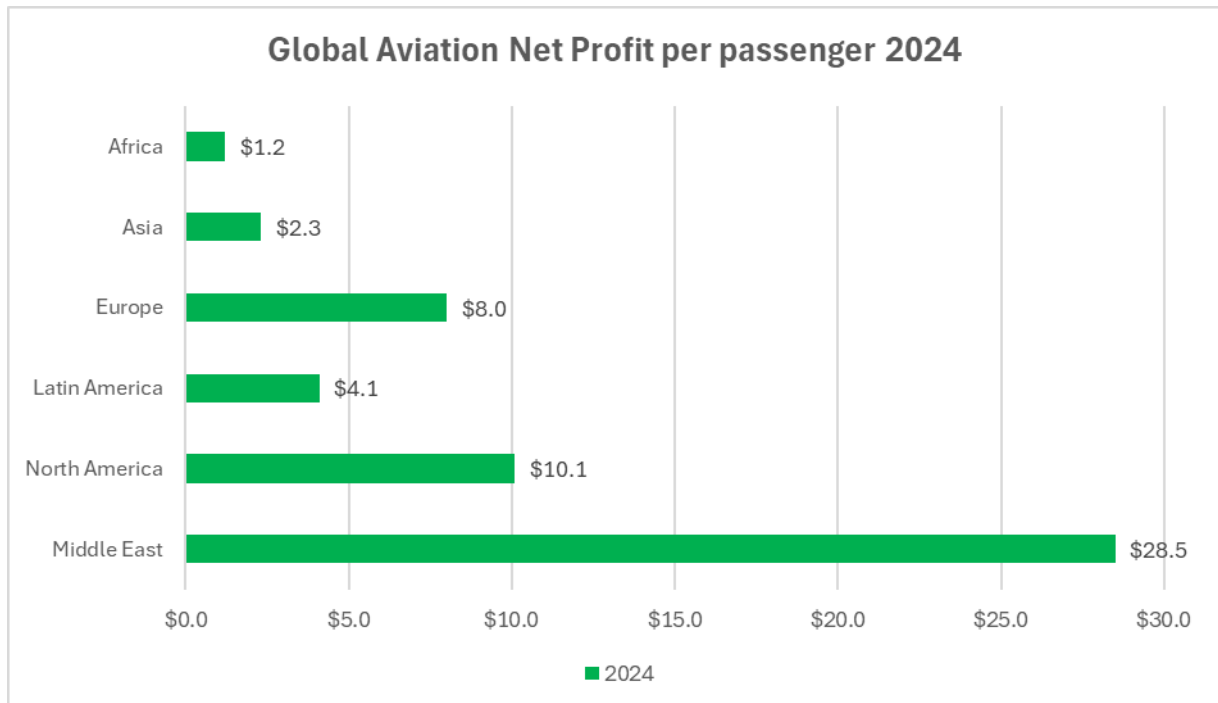


Ndugu Wanahisa, Wadau na Washirika wetu,

Kwa niaba ya Bodi ya Wakurugenzi ya Shirika la Ndege la Precision Air, ninayo heshima kubwa kuwakaribisha katika Mkutano huu Mkuu wa Mwaka wa Wanahisa (AGM). Ningependa kuchukua fursa hii kuwasilisha muhtasari wa uendeshaji wa Shirika kwa mwaka ulioishia tarehe 31 Desemba 2024, kuangazia maendeleo muhimu ya kimkakati kuelekea mwaka 2025, na kuangazia mipango yetu kwa siku zijazo..

1. Tathmini ya Mwaka 2024

Faida katika sekta ya anga Duniani



Ndugu Wanahisa, Wadau na Washirika wetu,

Sekta ya usafiri wa anga imeendelea kukumbwa na changamoto mbalimbali kwa kipindi cha mwaka 2024 ikiwemo changamoto za kimataifa na kikanda katika mfumo wa manunuzi kuliko pelekea athari katika upatikanaji wa vipuri, matengenezo ya ndege na upatikanaji wa injini za Ndege. Janga la UVIKO-19 (COVID-19) liliathiri kwa kiasi kikubwa mnyororo wa usambazaji, ambapo makampuni mengi ya matengenezo, ukarabati na uboreshaji wa Ndege (Maintenance, Repair and Overhaul – MRO) yalilazimika kusitisha shughuli zao na kupunguza wafanyakazi. Hali hii ilisababisha kushindwa kwa kiwango kikubwa kukidhi mahitaji yaliyoongezeka kwa kasi kutoka kwa mashirika ya ndege, kutokana na upungufu mkubwa wa vipuri, malighafi na wataalamu wenye ujuzi.

Kuongezeka kwa ghafla na kwa kasi kwa safari za anga kuliukuta mnyororo wa usambazaji ambao ulikuwa umepungua au kusimama, hivyo kushindwa kuongeza uzalishaji wa vipuri kwa wakati, jambo lililosababisha mrundikano mkubwa wa mahitaji yasiyotimizwa na kuacha idadi kubwa ya ndege zikiwa nje ya huduma.

Watengenezaji, hususan watengenezaji wa injini (GE Aerospace na Pratt & Whitney), walikumbwa na upungufu mkubwa wa malighafi muhimu kama titanium, alumini na madini adimu ya ardhini (rare earth minerals) yanayohitajika katika utengenezaji wa vipuri, pamoja na vipengele vya kielektroniki (semiconductors) vinavyotumika katika mifumo ya avioniki.

Precision Air haikuachwa nyumba katika changamoto hizi. Hata hivyo, Kampuni yenu imeonyesha ustahimilivu wa hali ya juu, ikiimarisha nidhamu ya uendeshaji, na kupiga hatua Madhubuti kuelekea kurejesha uthabiti wa shughuli zake.

Pamoja na mchanganyiko wa changamoto na fursa katika mwaka wa fedha 2024, Shirika la Ndege la Precision liliweza kupata matokea mazuri katika utendaji wake kifedha. Kwa mwaka 2024, Mapato ya jumla yalifikia shilingi bilioni 162 za Kitanzania, ikiwa ni ongezeko la asilimia 16 ikilinganishwa na mwaka 2023 na ikiwa ni kiwango cha juu zaidi cha mauzo kilichorekodiwa katika muongo mmoja uliopita. Kwa mwaka 2024, faida ghafi iliongezeka hadi shilingi bilioni 32, ikionyesha ongezeko la asilimia 73 ikilinganishwa na mwaka 2023.

Matokeo haya yanaonesha kwa uwazi utendaji thabiti wa uendeshaji wa Shirika la Ndege na yanatoa dalili za kutia moyo kuhusu kuendelea kwa mageuzi katika sekta ya usafiri wa anga. Aidha, yanathibitisha uimara wa mfumo wa kuendesha biashara wa Shirika na kuzidi kuonesha kuwa juhudi

za pamoja za Menejimenti na wafanyakazi za kurejesha Kampuni katika hali ya faida zinaendelea kuzaa matunda kwa vitendo.

Hata hivyo, matokeo ya kifedha kwa mwaka huo yaliathiriwa na kuongezeka kwamalimbikizo ya miaka mingi ya riba iliyotokana na kuchelewa kulipa (default interest) mikopo na madeni mengine. Kutokana na hali hiyo, Kampuni ilirekodi hasara baada ya kodi ya shilingi bilioni 31.7, ikiwa ni punguzo kubwa ikilinganishwa na hasara ya shilingi bilioni 77.3 iliyorekodiwa mwaka 2023.

2. Matokeo ya Kiuendeshaji

Idadi ya Abiria na matokeo ya mtandao wa Ndege (Network Performance)

Kwa mwaka 2024, Shirika la Ndege la Precision Air lilisafirisha jumla ya abiria 472,340, ikiwa ni punguzo dogo la asilimia 2 ikilinganishwa na mwaka 2023. Upungufu huu ulitokana hasa na kupungua kwa uwezo wa uendeshaji kulikosababishwa na kutopatikana kwa ndege. Hali hii ilisababisha marekebisho ya makusudi ya idadi ya safari za ndege na upangaji upya wa njia za safari, yaliyotekelezwa kama sehemu ya mpango wetu wa kuongeza ufanisi wa uendeshaji. Kampuni iliendesha safari katika masoko maalum ya kimkakati (niche destinations) ambayo hayakuwa na ushindani wa moja kwa moja na ambayo yalikuwa na mapato ya juu, ili kuongeza kipato.

Idadi ya Ndege na matumizi yake (Aircraft Utilisation)

Katika kipindi cha mwaka 2024, Shirika la Ndege la Precision Air lilirusha kwa wastani ndege nne (4) kati ya ndege nane (8) inazozimiliki. Shirika la Ndege la Precision Air ni miongoni mwa mashirika yenye ufanisi mkubwa katika urushaji wa aina zake za Ndege (yaani ATR 72/42). Ndege zilizobaki ziliendelea kuwa nje ya huduma kutokana na changamoto za injini na matengenezo.

Juhudi za kurejesha ndege zilizokuwa nje ya huduma ziliendelea kukabiliwa na upungufu wa mtaji na upatikanaji mdogo wa mikopo, hali iliyolazimu Kampuni kutegemea zaidi fedha inazozialisha kwa ajili ya kurejesha injini na kufanya matengenezo makubwa.

Mapato mbadala (Revenue Diversification)

Huduma za matengenezo kwa wateja wa nje kupitia kitengo cha Matengenezo cha kampuni chenye ithibati ya kufanya matengenezo kwa wateja wengine, kilipata mapato ya shilingi bilioni 1.5 kwa mwaka 2024, ikiwa ni ongezeko la asilimia 37 ikilinganishwa na mwaka 2023. Mikataba mipya ilipatikana kutoka kwa wateja kwenye ukanda wetu wa Afrika mashariki na kati na mapato yaliyotokana na huduma hizi yanatarajiwa kuongezeka kwa angalau asilimia 20 kwa mwaka, na kuendelea kuchangia vyema katika utendaji wa kifedha wa Kampuni.

Kitengo chetu cha mafunzo (Airline Training Organisation – ATO) pia kiliendelea kufanya vizuri, kikipata mapato ya zaidi ya shilingi milioni 199 kwa mwaka 2024, sawa na ongezeko la asilimia 13 ikilinganishwa na mwaka 2023.

Kufuatia mafanikio ya mafunzo ya Maafisa usalama ndani ya ndege (AB-Initiation Cabin Crew), Usimamizi wa Rasilimali za wafanyakazi wa ndege katika usalama wa Ndege (Crew Resource Management - CRM), Usalama wa Anga (AVSEC) Mafunzo ya usimamizi na Usafirishaji wa Bidhaa Hatari (Dangerous Goods - DGR), na Tiba ya Anga (AVMED), mipango ipo ya kuongeza mafunzo hayo ili kujumuisha kozi nyingine kama Mauzo ya Tiketi za Ndege na Usimamizi wa usalama katika maegesho ya ndege.

3. Mpango mkakati wa Shirika

Tukiangazia mbele, Bodi na Menejimenti zinaendelea kujizatiti kurejesha ustahimilivu wa kifedha na uendeshaji ulio na tija. Mkakati wa Kampuni umejikita katika nguzo kuu tano ambazo ni:

- i. Usalama na ubora wa viwango
 - a. Kuhakikisha Ndege na shughuli zetu zinakuwa katika ubora na viwango vinavyokubalika
 - b. Kufanya mapitio ya mara kwa mara ya usalama, ubora na uendeshaji ili kuendana na viwango vinayotakiwa ki-sekta;
 - c. Uendeshaji unaozingatia kanuni za mamlaka zetu pamoja, (IOSA) na viwango vya ki-sekta.
- ii. Uendeshaji dhabiti wa Shirika
 - a. Marekebisho ya mizania (balance sheet restructuring);

- b. Kurejesha ndege zilizokuwa nje ya huduma ili kuongeza idadi ya Ndege zinazoruka kutoka ndege 4 hadi 8.
- iii. Ongezeko la faida (Profitable Growth)
 - a. Kutathimini upya safari zetu za Ndege (route rationalization) Pamoja na uboreshaji wa huduma;
 - b. Usimamizi wa gharama za matumizi ya Shirika;
 - c. Uwekezaji katika teknolojia na bunifu.
- iv. Rasilimali watu:
 - a. Kujenga utamaduni wa ushindan na kuishi misingi ya maadili ya PW – PRECISE;
 - b. Mafunzo na uendelezaji wa ujuzi kwa wafanyakazi wetu katika viwango vinavyotakiwa;
 - c. Kuongeza tija ya wafanyakazi.
- v. Huduma kwa Wateja:
 - a. Kuboresha huduma zetu kwa wateja wetu wa mara kwa mara (Loyalty program) ili waweze kuwa mabalozi wema wa huduma zetu;
 - b. Kufanya tafiti za mara kwa mara za wateja ili kukusanya na kushughulikia mrejesho kuhusu uzoefu wao katika kutumia huduma zetu, kuwezesha biashara kubaini changamoto, kuzitatua kabla hazijasababisha kupotea kwa wateja, na kulinganisha bidhaa zetu na mahitaji halisi ya wateja ili kupunguza upotevu wa rasilimali;
 - c. Mawasiliano ya mara kwa mara na wateja ili kujenga mahusiano ya muda mrefu yenye uaminifu, yatakayochochea mapato endelevu.

Vipaumbele hivi vya kimkakati vitaendelea kuwa dira ya maamuzi yetu tunapoendelea kuimarisha uthabiti wa biashara na kuiweka Kampuni katika nafasi ya ukuaji endelevu.

4. Utawala wa Shirika na Masuala ya Bodi

Katika mwaka 2024, Bodi iliendelea kutekeleza majukumu yake ya usimamizi na uangalizi wa masuala ya kifedha, uendeshaji na uzingatiaji wa kanuni kwa weledi na umakini mkubwa. Bodi pia inatoa shukrani za dhati kwa Wakurugenzi waliojiuzulu nafasi zao katika kipindi husika kwa mchango wao muhimu.

Bodi inatambua kujiuzulu kwa Bw. Allan Kilavuka kuanzia tarehe 16 Desemba 2025. Bw. Kilavuka alijiunga na Bodi tarehe 27 Februari 2020 na alionyesha uongozi thabiti, maamuzi ya busara, na dhamira isiyoyumba katika kuimarisha utawala bora wa kampuni. Katika kipindi muhimu sana kwa Kampuni, aliteuliwa kuwa Mwenyekiti wa Mpito tarehe 17 Agosti 2023 kufuatia kifo cha ghafla cha Mwenyekiti Mwanzilishi wa Kampuni, marehemu Bw. Michael Shirima. Utayari wake wa kuchukua uongozi katika kipindi cha mpito wa kitaasisi uliwezesha uthabiti na mwendelezo muhimu.

Baadaye, Bw. Kilavuka aliteuliwa kuwa Mwenyekiti wa Bodi tarehe 19 Machi 2024, nafasi aliyohudumia kwa umahiri hadi tarehe 21 Machi 2025. Katika kipindi chake, aliiongoza Bodi katika masuala changamano ya kimkakati, kiutawala na kiuendeshaji, akisisitiza uimarishaji wa usimamizi, mwendelezo wa utawala bora, na uendelevu wa Precision Air. Bodi pia inatambua mchango wake katika Kamati ya Uteuzi na Rasilimali Watu (NHRC), ambapo mawazo yake yaliimarisha kwa kiasi kikubwa usimamizi wa watendaji na utawala wa rasilimali watu.

Bodi pia inatambua kujiuzulu kwa Bw. Avelyne Msaki kuanzia tarehe 24 Februari 2026. Bw. Msaki alijiunga na Bodi tarehe 25 Agosti 2016 na alihudumu kwa umahiri kama Mkurugenzi wa Bodi anayewakilisha Wanahisa Wachache. Aliteuliwa katika Kamati ya Ukaguzi (Board Audit Committee) tarehe 23 Agosti 2017, na baadaye kuhudumu kama Mwenyekiti wake. Katika nafasi hiyo, alichangia kwa kiasi kikubwa kuimarisha usimamizi wa kifedha na mifumo wa Kampuni.

Bodi inatoa shukrani za dhati kwa Wakurugenzi wote wawili kwa kujitolea kwao, weledi, na mchango wao muhimu katika utawala wa Shirika la Ndege la Precision Air.

5. Gawio

Kwa kuzingatia hali ya sasa ya kifedha ya Kampuni, Bodi haipendekezi ulipaji wa gawio kwa mwaka 2024.

6. Shukrani

Kwa niaba ya Bodi ya Wakurugenzi, ninatoa shukrani za dhati kwa kwa makundi yafuatayo:

- ✓ Wanahisa wetu, kwa uvumilivu, imani na ustahimilivu wao kwa kipindi chote;
- ✓ Wateja wetu, kwa uaminifu wao na imani waliyonayo kwa Shirika letu la Precision Air;
- ✓ Serikali ya Jamhuri ya Muungano wa Tanzania, kwa msaada wake unaoendelea na kwa kuweka mazingira rafiki ya uwekezaji;
- ✓ Wasimamizi na wadhibiti wetu, ikiwemo TCAA, CMSA na DSE, kwa ushirikiano na mwongozo wao wa mara kwa mara kwetu;
- ✓ Wadau wetu waliotukopesha Ndege hizi tunazozindesha (Aircraft Financiers) wakiwemo:- Export Development Canada (EDC) na washirika wa Mashirika ya Mikopo ya Mauzo ya Nje (ECA), kwa uvumilivu na ushirikiano wao wanaozidi kuuendeleza hasa wakati huu wa majadiliano ya marekebisho ya madeni;
- ✓ Wadau wetu, washirika wa kibiashara na watoa huduma, kwa ushirikiano na msaada wao;
- ✓ Wajumbe wa Bodi ya Wakurugenzi, wakiwemo waliomaliza muda wao hivi karibuni, kwa uongozi na dhamira yao ya utawala bora;
- ✓ Na mwisho kabisa, ila sio kwa umuhimu; Menejimenti na wafanyakazi, kwa kujitolea, weledi na ustahimilivu wao katika mazingira magumu ya uendeshaji.

Precision Air inaendelea kujizatiti kuimarisha uthabiti wa uendeshaji, kuimarisha mizania yake, na kurejea katika njia ya faida endelevu. Kwa ushirikiano mnaoendelea kuutoa, tuna imani kuwa Kampuni itaendelea kurejea katika hali nzuri ya kiutendaji, kukua, na kuleta thamani ya muda mrefu kwa wadau wake.

Asanteni Sana.

Bw. Harry Kitilya

Mwenyekiti – Bodi ya Wakurugenzi



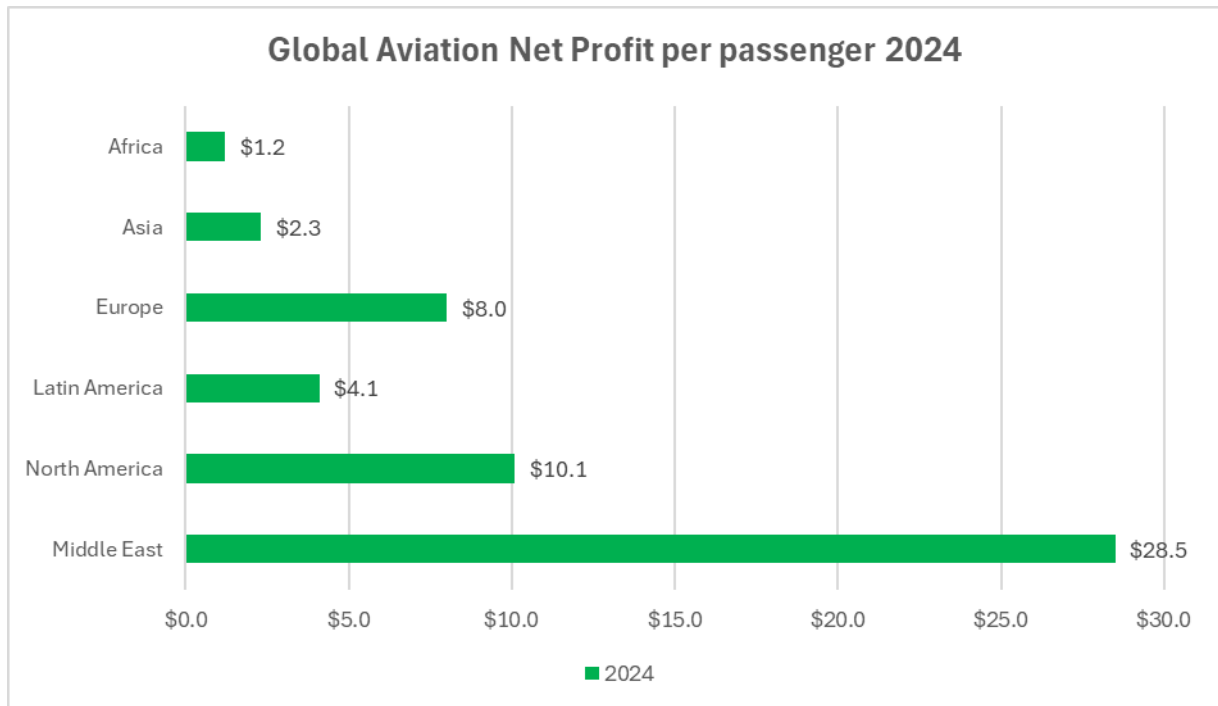
CHAIRMAN'S STATEMENT

Dear Shareholders, Partners, and Stakeholders,



On behalf of the Board of Directors of Precision Air Services Plc, it is my honour to welcome you to this Annual General Meeting. I am pleased to present an overview of the Company's operational and financial performance for the year ended 31 December 2024, highlight key strategic developments into 2025, and share our outlook as we continue to chart the path forward.

1. Reflections on the Year Under Review



The aviation industry continued to operate under persistent and well-documented headwinds during the year, most notably global and regional supply-chain constraints affecting aircraft maintenance, engine availability, and spare-parts procurement. The C-19 aftermath that affected the supply chain as many Maintenance, Repair and Overhaul companies had to shutdown and layoff their staff. This resulted to severe inability to meet the rapidly rebounding demand from airline due to critical shortages in components, materials and skilled labor. The sudden, sharp rebound of travel left the supply chain which had shrunk or stagnated, unable to ramp up production of spare parts, leading to massive backlogs and grounded fleet. Manufactures, particularly engine makers (GE Aerospace, Pratt & Whitney) faced acute shortage of raw materials like titanium, aluminium and rare earth minerals required to manufacture parts along with semiconductors for avionics. Precision Air was not immune to these challenges. Nevertheless, your Company demonstrated resilience, strengthened operational discipline, and made measurable progress toward restoring operational stability.

Despite the complex mix of challenges and opportunities that characterised the year, the Airline delivered a strong financial performance. Total revenue reached **TZS 162 billion**, representing a **16% increase** over the prior year and the **highest turnover recorded in the past decade**. Gross profit rose to **TZS 32 billion**, reflecting a **73% improvement** compared to the previous year.

These results underscore the Airline's solid operational performance and provide encouraging evidence of a sustained recovery within the air transportation sector. They further affirm the underlying viability of the Company's business model and demonstrate that the collective efforts of Management and staff to restore the Company to profitability are gaining tangible momentum.

Notwithstanding this progress, the financial outcome for the year was adversely impacted by significant historical accruals of default interest on loans and other liabilities. As a result, the Company recorded a **loss after tax of TZS 31.7 billion**, a substantial improvement from the **loss of TZS 77.3 billion** reported in 2023.

2. Operational Performance

Passenger and Network Performance

In 2024, Precision Air carried **472,340 passengers**, representing a modest **2% decrease** compared to the prior year. This decline was

primarily attributable by capacity reduction caused by aircraft unavailability. This resulted to deliberate adjustments in flight frequencies and route rationalisation undertaken as part of our operational efficiency programme. The company only operated to Niche destinations with good demand and where yields are high to generate more revenue.

Fleet and Aircraft Utilisation

During the year, the Airline operated an average of **four (4) aircraft** out of 8 aircraft owned. The company is among the most efficient in terms of usage of its equipment. The remainder of the fleet remained grounded due to engine and maintenance-related constraints. Efforts to restore grounded aircraft continued to be constrained by limited capital availability and restricted access to loan financing, necessitating reliance largely on internally generated funds to support engine restoration and heavy maintenance.

Revenue Diversification

Third-party maintenance services delivered through the Company's Approved Maintenance Organisation (AMO) generated **TZS 1.5 billion**, representing a **37% increase** over the prior year. New contracts were secured with regional operators, and revenue from third-party maintenance is projected to grow by at least **20% year-on-year**, continuing to contribute positively to the Company's financial performance.

The Airline Training Organisation (ATO) also continued to perform well, generating over **TZS 199 million**, a **13% increase** compared to the previous year. Building on the successful delivery of AB-Initio Cabin Crew Training, Aviation Security (AVSEC), Crew Resource Management (CRM), Aviation Medicine (AVMED), Dangerous Goods Regulations (DGR) training, Safety Management System (SMS) and other Aviation programmes, plans are underway to expand ATO offerings to include additional courses such as Airline Sales and Ticketing, Human Factors and Ramp safety following completion of the initial training phases.

3. Strategy and Future Outlook

Looking ahead, the Board and Management remain firmly committed to restoring financial sustainability and long-term value creation. The Company's strategy is anchored on five key pillars:

- i. Commitment to Safety and Quality Maintenance

- a. Maintaining PW aircraft & airline operations in line with industry standards.
 - b. Regularly reviewing safety, quality, and operations to align with industry best practices.
 - c. Compliance with regulations, IOSA, and industry standard
- ii. Stabilization of company operations
 - a. Balance sheet restructuring
 - b. Revamping grounded aircraft to expand the operational fleet from 4 to 8.
- iii. Profitable Growth
 - a. Route rationalization and product enhancement
 - b. Cost management
 - c. Invest in smart technology
- iv. People:
 - a. Building a winning culture and living PW values – PRECISE
 - b. Training and skills development to our staff to meet the required skills
 - c. Monitor and Increase staff productivity
- v. Customer service:
 - a. Revamp loyalty program to provide more customized service to our loyal & frequent fliers, turn our loyal customers into advocates for the company
 - b. Conduct periodic customer survey to capture and address feedback on their experiences, allowing business to identify pain points and fix issues before they lead to churn, align our product with actual customer needs, reducing resource waste.
 - c. Periodic engagement with customers to build long term, loyal relationships that drive sustained revenue and brand advocacy.

These strategic priorities will guide decision-making as we continue to stabilise the business and position the Airline for sustainable growth.

4. Corporate Governance and Board Matters

During the year under review, the Board continued to discharge its oversight responsibilities over the Company's financial, operational, and compliance matters with diligence and professionalism. The Board also records its sincere appreciation for the valuable service rendered by Directors who resigned during the period.

The Board acknowledges the resignation of **Mr. Allan Kilavuka**, effective **16 December 2025**. Mr. Kilavuka joined the Board on **27 February 2020** and consistently demonstrated strong leadership, sound judgment, and an unwavering commitment to good corporate governance. During a particularly pivotal period for the Company, he assumed the role of Interim Chairman on **17 August 2023**, following the untimely passing of the Company's founding Chairman, the late **Mr. Michael Shirima**. His willingness to assume leadership at a moment of institutional transition provided critical stability and continuity.

Mr. Kilavuka was subsequently appointed Chairman of the Board on **19 March 2024**, a role he served with distinction until **21 March 2025**. During his tenure, he guided the Board through complex strategic, governance, and operational matters, with a strong focus on strengthening oversight, restoring governance continuity, and safeguarding the long-term sustainability of Precision Air. The Board further acknowledges his continued service on the Nomination and Human Resources Committee (NHRC), where his insights materially strengthened executive oversight and human capital governance.

The Board also acknowledges the resignation of **Mr. Avelyne Msaki**, effective **23 February 2026**. Mr. Msaki joined the Board on **25 August 2016** and served with distinction as a Minority Director. He was appointed to the Board Audit, Risk and Compliance Committee (BARC) on **23 August 2017**, subsequently serving as its Chairman. In this role, he played a pivotal part in strengthening the Company's financial oversight, risk management, and compliance framework.

The Board expresses its sincere gratitude to both Directors for their dedication, professionalism, and valuable contributions to the governance of Precision Air Services Plc.

5. Dividend

In view of the Company's current financial position, the Board does not recommend the payment of a dividend for the year under review.

6. Appreciation

On behalf of the Board, I extend our sincere appreciation to:

- Our shareholders, for their continued patience, trust, and resilience
- Our customers, for their loyalty and confidence in Precision Air
- The Government of the United Republic of Tanzania, for its continued support and for fostering a conducive investment environment
- Our regulators, including TCAA, CMSA, and the DSE, for their constructive engagement and regulatory guidance
- Our aircraft lenders, including Export Development Canada (EDC) and Export Credit Agency (ECA) partners, for their patience and continued engagement during ongoing restructuring discussions
- Our stakeholders, business partners, and service providers, for their cooperation and support
- Members of the Board of Directors, including those who have recently resigned, for their stewardship and commitment to good governance
- Management and employees, for their dedication, professionalism, and resilience in a demanding operating environment

Precision Air remains firmly committed to stabilising operations, strengthening its balance sheet, and returning to a path of sustained profitability. With your continued support, we are confident in the Company's ability to recover, grow, and deliver long-term value.

Thank you all.

Mr. Harry Kitilya

Chairman – Board of Directors



**DIRECTORS' REPORT, AUDITOR'S REPORT &
AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2024**

PRECISION AIR SERVICES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

PRECISION AIR SERVICES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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PRECISION AIR SERVICES PLC

CORPORATE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2024

PRINCIPAL PLACE OF BUSINESS:	DIAMOND PLAZA MIRAMBO STREET, 1 ST FLOOR P.O. BOX 70770 DAR ES SALAAM
REGISTERED OFFICE:	NEW SAFARI HOTEL BOMA ROAD P.O BOX 1636 ARUSHA
BANKERS:	CRDB BANK PLC P.O. BOX 3150 ARUSHA STANBIC BANK P.O. BOX 3062 ARUSHA KCB BANK TANZANIA P.O. BOX 804 DAR ES SALAAM NATIONAL BANK OF COMMERCE LIMITED P.O BOX 157 ZANZIBAR STANDARD CHARTERED BANK P.O. BOX 30003 NAIROBI, KENYA I&M BANK P.O BOX 30238 NAIROBI, KENYA CITI BANK TANZANIA LIMITED P.O. BOX 71625 DAR ES SALAAM
COMPANY SECRETARY:	MIGIRE MIGIRE P.O. BOX 70770 DAR ES SALAAM
COMPANY AUDITOR:	PRICEWATERHOUSECOOPERS CERTIFIED PUBLIC ACCOUNTANTS 369 TOURE DRIVE, OYSTER BAY P.O. BOX 45 DAR ES SALAAM TANZANIA

PRECISION AIR SERVICES PLC

HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2024

<u>FINANCIAL HIGHLIGHTS</u>	2024	2023
	TZS '000	Restated Note 39 TZS '000
<u>Revenue</u>		
Passenger	159,404,281	137,621,108
Freight and mail	1,058,079	904,434
Third-party Maintenance	1,530,364	1,114,503
Training services	<u>199,872</u>	<u>176,618</u>
Total	162,192,596	139,816,663
Cost of sales	<u>(129,554,999)</u>	<u>(120,953,148)</u>
Gross profit	32,637,597	18,863,515
Gross profit margin %	18%	11%
Operating profit/(loss)	(29,248,647)	(22,919,747)
Net finance costs	(2,506,853)	<u>(54,474,254)</u>
Profit/(loss) before income tax	(31,755,500)	(77,394,001)
Income tax expense	<u>-</u>	<u>-</u>
Profit/(Loss) for the year	(31,755,500)	(77,394,001)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive profit/(loss) for the year	(31,755,500)	<u>(77,394,001)</u>
Earnings per share (TZS)	(197.89)	(482.29)
<u>OPERATING STATISTICS</u>		
Passengers	472,340	481,981
Revenue passenger kilometre (RPK's) ('000)	198,109	209,596
Available seats kilometre (ASK's) ('000)	300,128	320,723
Passenger load factor	66%	65%
Yield per RPK (USc)	27.41	21.83
Employees	413	401
ASK's per employee - '000	725	800
Revenue per employee – US\$	163,179	138,416
Profit/(loss) per employee – US\$	(31,944)	(76,619)
Block hours	14,307	14,417
Fleet size at year-end		
ATR 72 – 500	5	5
ATR 42 - 600	2	2
ATR 42 – 500	<u>1</u>	<u>1</u>
Total number of aircraft	8	8
<i>Grounded aircraft (out of the above total fleet size)</i>		
ATR 42 – 600	<u>2</u>	<u>2</u>
Total	2	2

PRECISION AIR SERVICES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024

1 INTRODUCTION

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2024 which disclose the state of affairs of Precision Air Services Plc (the "Company").

The financial statements for the year ended 31 December 2024 were approved and authorized for issue by Directors as indicated on the statement of financial position.

2 INCORPORATION

The Company is incorporated in Tanzania under the Companies Act No. 12 of 2002 as public companies limited by shares.

3 COMPANY'S VISION

To be the airline of choice and catalyst for change.

4 COMPANY'S MISSION

To provide superior airline services that are customer-focused, reliable, safe, and competitive.

5 PRINCIPAL ACTIVITIES

The principal activities of the Company are regional and domestic air carriage of passengers and cargo.

The Company flew to fourteen (14) destinations (2023: 14) within (domestic destinations) and outside Tanzania (regional destinations). Domestic destinations include Arusha, Kilimanjaro, Mwanza, Bukoba, Mtwara, Dodoma, Tabora, Seronera - Serengeti, Kahama, Mbeya and Zanzibar. Regional destinations include Nairobi, Hahaya and Anjouan (Comoros).

The Company has two (2) subsidiaries, Precision Handling Limited and Precise Systems Limited. Precision Handling Limited used to provide ground handling services in Dar es Salaam, Kilimanjaro, and Mwanza while Precise Systems Limited used to distribute the Galileo Reservation system to airlines and travel agents in Tanzania. All subsidiaries are dormant and financially immaterial. Consequently, consolidated financial statements are not prepared.

6 PERFORMANCE FOR THE YEAR

Capacity offered to the market

The Available Seats Kilometre (ASK) offered to the market amounted to 300 million (2023: 321 million) which is a decrease of approximately 6% from prior year.

Capacity utilized

For the year ended 31 December 2024, total passengers carried across the network amounted 472,340, representing a 2% decrease compared to 481,981 passengers in the previous year. This decline was primarily driven by a moderate reduction in flight frequencies and route offerings, reflecting strategic adjustments in network operations during the reporting period.

The Revenue Passenger Kilometre (RPK) achieved from the market was 198 million (2023: 210 million) which is a decrease of 5% compared to the prior year.

Yields

Yield per RPK achieved during the year was 27.41 US Cents (USc) (2023: USc 21.83).

Profitability

During the year, the Company recorded a loss of TZS 32 billion (2023: loss of TZS 77 billion). Detailed financial results of the Company for the year are set out on page 17.

PRECISION AIR SERVICES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

7 FUTURE DEVELOPMENTS AND PLANS

The Company remains committed to improving profitability and liquidity to enhance competitiveness in the market. Strategic initiatives for the year ahead will focus on revenue growth, cost control, operational efficiency, and long-term sustainability. Key development priorities include:

- i) **Fleet Recovery:** Revamping grounded aircraft (AOG) and complete engine overhauls to maintain a minimum of five operational aircraft, improving service reliability.
- ii) **Operational Efficiency:** Strengthen cost management practices, enhance schedule integrity, and improve on-time performance metrics.
- iii) **Network Optimization:** Rationalize routes, conduct a comprehensive network review, and implement a mini hub strategy to improve connectivity and traffic feed.
- iv) **Customer Experience:** Enhance service delivery and expand digital sales channels to increase accessibility and reduce distribution costs.
- v) **Technology and Innovation:** Invest in smart technologies to streamline operations and improve service standards.
- vi) **Revenue Diversification:** Grow third-party maintenance, repair and overhaul (MRO) services, and Airline Training Organization (ATO) to develop local aviation talent and create new revenue streams.
- vii) **Financial Restructuring:** Continue restructuring of aircraft loan facilities and strengthen the balance sheet.
- viii) **Stakeholder Engagement:** Maintain active engagement with creditors to align payment plans with the Company's cash flow projections.

8 STOCK EXCHANGE INFORMATION

During the year, there was no fluctuation in the Company's share price. At the close of the financial year the Company's share was trading at the Dar es Salaam Stock exchange at TZS 400 per share (31 Dec 2023: TZS 400 per share).

9 DIVIDENDS

The Directors do not recommend payment of dividend (31 December 2023: Nil).

10 SOLVENCY AND GOING CONCERN EVALUATION

The Company's state of affairs is set out on pages 17 of the financial statements.

During the year ended 31 December 2024, the Company reported a loss of TZS 32 billion (2023: loss of TZS 77 billion) and as at that date, the Company's current liabilities exceeded its current assets by TZS 606 billion (2023: TZS 565 billion). The Company was also in a shareholders' deficit position of TZS 550 billion as at that date (2023: TZS 519 billion).

The company continues to face working capital challenges to support its working capital requirements and to honour, in time, repayment of maturing loan obligations. The Company also has delayed remittance of statutory deductions and taxes to the relevant authorities.

PRECISION AIR SERVICES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 SOLVENCY AND GOING CONCERN EVALUATION (CONTINUED)

These conditions give rise to material uncertainty that may cast doubt about the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Directors have reviewed these considerations, and the results of this assessment have been documented and presented in the financial statements as set forth in Note 3 (b) of the financial statements.

Subject to the comments and the conclusions made in Note 3 (b) of these financial statements the Directors believe that the company will remain a going concern for at least twelve months from the date of this report.

11 RELATED PARTY TRANSACTIONS

Details of transactions with related parties are disclosed in Note 29 of the financial statements.

12 CAPITAL STRUCTURE AND DEBT FINANCING

The capital structure for the year under review is shown below:

Authorised share capital

242,000,000 ordinary shares of TZS 20 each (31 December 2023: 242,000,000 ordinary shares of TZS 20 each).

Issued called up and fully paid share capital

160,472,720 ordinary shares of TZS 20 each (31 December 2023: 160,472,720 ordinary shares of TZS 20 each).

Share premium

The Company realized from the 2012 Initial Public Offering (IPO), a share premium of TZS 10.491 million. There were no changes in the share premium during the year under review.

Loans

The Company is financed by loans amounting to TZS 430 billion as of year-end (2023: TZS 435 billion).

These loans have been classified as current in these financial statements due to a breach of terms and covenants in the loan agreements. For more details, refer to Note 26 of the financial statements.

13 SHAREHOLDING

The shareholding of the Company as at year-end is as stated below:

Name	2024			2023		
	No. of shares	% Shareholding	Amount TZS'000	No. of shares	% Shareholding	Amount TZS'000
The Estate of the late Mr. Michael N. Shirima	68,857,650	42.91	1,377,153	68,857,650	42.91	1,377,153
Kenya Airways Plc	66,157,350	41.23	1,323,147	66,157,350	41.23	1,323,147
Public	25,457,720	15.86	509,154	25,457,720	15.86	509,154
	160,472,720	100	3,209,454	160,472,720	100	3,209,454

PRECISION AIR SERVICES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 SHAREHOLDING (CONTINUED)

The distribution of shareholders as of 31 December 2024 were as follows:

<u>Name of shareholder</u>	<u>No. of shares</u>	<u>% Shares</u>	<u>Type</u>	<u>Nationality</u>
The Estate of the late Mr. Michael N. Shirima*	68,857,650	42.91%	Individual	Tanzanian
Kenya Airways Ltd	66,157,350	41.23%	Corporate	Kenyan
Precision Air Employee Share Ownership Scheme	1,765,300	1.10%	Corporate	Tanzanian
Damas Dismas Kamani	475,700	0.30%	Individual	Tanzanian
Fahad Saleh Nahdi	421,000	0.26%	Individual	Tanzanian
Shinyanga Emporium (1978) Ltd	400,000	0.25%	Corporate	Tanzanian
Tanzania Standard (NewsPapers) Ltd	300,000	0.19%	Corporate	Tanzanian
Quality Company Ltd	210,500	0.13%	Corporate	Tanzanian
Raj Chintan Kakkad	200,000	0.12%	Minor	Tanzanian
Shilpa Pratish Kakkad	200,000	0.12%	Individual	Tanzanian
Chintan Maganlal Kakkad	200,000	0.12%	Individual	Tanzanian
Dhiraj Chintan Kakkad	200,000	0.12%	Individual	Tanzanian
Pratish Maganlal Kakkad	200,000	0.12%	Individual	Tanzanian
Than Investments Ltd	200,000	0.12%	Corporate	Tanzanian
National Insurance Corporation of Tanzania Ltd	200,000	0.12%	Corporate	Tanzanian
Others individually holding less than 0.12%	20,485,220	12.79%		
	160,472,720	100.00%		

*Mr Michael Shirima passed away on the 9th of June 2023. The shares are under transmission, following his passing.

14 COMPOSITION OF THE BOARD OF DIRECTORS

The Directors of the Company who served during the year and to the date of this report were:

<u>Name</u>	<u>Nationality</u>	<u>Position</u>	<u>Age</u>	<u>Appointment</u>	<u>Resignation/Deceased</u>
Mr. Allan Kilavuka Inuani	Kenyan	Chairman	52	27 February 2020	N/A
Mr. Avelyne Msaki	Tanzanian	Director	49	29 August 2016	N/A
Ms. Hellen Muthoni Mathuka	Kenyan	Director	50	20 March 2018	N/A
Mr. Evans Ndorosey	Tanzanian	Director	74	19 December 2019	N/A
Mr. Dickson Murianki	Kenyan	Director	55	26 August 2021	N/A
Mr. Vincent N. Shirima	Tanzanian	Director	49	25 January 2024	N/A
Mr. Harry M. Kitilya	Tanzanian	Director	74	25 January 2024	N/A

The company secretary during the year was Mr. Migire Migire.

15 DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

As shown in item 13 above, the late Mr. Michael N. Shirima held 42.91% of the Company's issued ordinary share capital which are under transmission. None of the other Directors holds an interest in the Company.

16 DIRECTORS' REMUNERATION

The Directors are entitled to sitting allowance for every meeting of the Board or its committees as follows:

	2024	2023
	TZS '000'	TZS '000'
Chairman of the board	6,917	3,424
Other Directors	57,304	33,555

Other fees paid during the year to the Directors':

Remuneration paid to the executive director	160,000	165,290
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PRECISION AIR SERVICES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 ORGANISATION STRUCTURE

The Management of the Company is under the Company Managing Director & CEO and is organised in the following functions:

- Managing Director's Office;
 - Legal; and
 - Internal Audit.
- Finance and Information Systems;
- Commercial and Ground Handling;
- Human Resources and Administration;
- Flight Operations;
- Maintenance and Engineering; and
- Quality, Safety and Security.

18 KEY MANAGEMENT PERSONNEL

The key management personnel who served the Company during the year up to the date of this report were:

Mr. Patrick Mwanri	Company Managing Director & CEO
Mr. Deusdedit Mussa	Head of Finance and Information Systems
Ms. Lilian Massawe	Head of Commercial and Ground Handling
Mr. Bruno Daniel Mndeme	Head of Human Resource and Administration
Capt. Specioza Rweyemamu	Head of Flight Operations
Mr. Pablo Alves	Head of Maintenance and Engineering (End of contract: December 2024)
Mr. Christian Shirima	Ag. Head of Maintenance and Engineering (Appointed: December 2024)
Mr. Khalid Kaude	Head Quality, Safety and Security
Ms. Wendy Benedict	Chief Internal Auditor
Mr. Migire Migire	Chief Legal Counsel and Company Secretary

None of the mentioned key management personnel are members of the Company's Board of Directors.

19 ACCOUNTING POLICIES

The annual financial statements are prepared on the underlying assumption of going concern.

The Company's material accounting policies, which are laid out under Note 4 of the financial statements are subject to an annual review to ensure continuing compliance with IFRS Accounting Standards.

20 INVESTMENTS

The Company has invested in two (2) subsidiaries, Precision Handling Limited and Precise Systems Limited.

Precision Handling Limited was incorporated in Tanzania in 2010 and 99.99% of its share capital is held by Precision Air Services Limited. The subsidiary was established to provide ground handling services to Precision Air Services and is yet to obtain a license to serve other third-party airlines.

Precise Systems Limited was incorporated in Tanzania in 2011 and 99% of its share capital is held by Precision Air Services Limited. The subsidiary used to distribute the Galileo Reservation system to Airlines and Travel Agents in Tanzania. The Subsidiary commenced operations on 1 July 2012 and stopped operations in 2015.

All subsidiaries are dormant.

21 ACQUISITIONS AND DISPOSALS

There was no disposal or acquisition of business during the year ended 31 December 2024 (2023: Nil). Acquisitions and disposals of properties and equipment are disclosed on Note 15 of the financial statements.

22 POLITICAL AND CHARITABLE DONATIONS

There was no contribution to community projects and other charitable organizations during the year (2023: Nil). No political donations were made during the year (2023: Nil).

PRECISION AIR SERVICES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

23 EMPLOYEES' WELFARE

Management and Employees' Relationship

A healthy relationship continues to exist between management and employees. There were no unresolved complaints received by Management from the employees during the year.

The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position, free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, or disability.

The Company's employment terms are regularly reviewed to ensure they continue to meet statutory compliance and market conditions. The Company communicates with its employees through regular management and staff meetings and through circulars. The Company has continued to maintain a conducive working environment in terms of providing suitable workplaces, offices, and washrooms.

The Company provides Personal Protective Equipment (PPEs) as per required working environment.

The number of employees in the Company at the end of the year totalled 413 (2023: 401 employees).

Training Facilities

The Company sponsors its employees for both short-term and long-term courses within and outside the country in various disciplines depending on the corporate needs and financial resources available.

Medical Assistance

The Company provides medical care to all employees under its medical scheme. Benevolence expenses are also covered in the employee welfare program. The Company has taken an insurance policy for workman's compensation and life insurance for all staff on permanent and contract terms.

Financial Assistance to Staff

Financial assistance is available to all employees depending on the assessment of and the discretion of management as to the need and circumstances. Financial assistance and salary advances are provided on a case-by-case basis.

Retirement Benefits

Company employees are members of the National Social Security Fund ("NSSF"), a publicly administered pension plan on a mandatory basis. The Company contributes 10% of the employees' gross salaries to the pension schemes.

24 GENDER PARITY

The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, and disability which do not impair the ability to discharge duties. As at 31 December 2024, the Company had 248 male and 165 female employees (31 December 2023: 248 male and 153 female employees).

25 DISABLED PERSONS

It remains the Company's policy to accept disabled persons for employment for those vacancies that they can fill. Opportunities for advancement are provided to each disabled person when a suitable vacancy arises within the organization and all necessary assistance is given with initial training. Where an employee becomes disabled during his or her employment, the Company will seek suitable alternate employment and necessary training thereof. The Company's policy is not discriminatory against people with regard to race, gender, religion, or disabilities.

PRECISION AIR SERVICES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

26 CORPORATE GOVERNANCE

Code of Corporate Practice and Conduct

The Board of Directors of Precision Air Services Plc is responsible for the governance of the Company and is accountable to the Shareholders for ensuring that the Company complies with the law and the highest standards of corporate governance and business ethics. The Directors attach great importance to the need to conduct the business and operations of the Company with integrity and in accordance with generally accepted corporate governance practice and endorse the internationally developed principles of good corporate governance.

Board of Directors

The full Board meets at least four (4) times a year. The Directors are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational, and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for the conduct of day-to-day business to the Managing Director who is also the Chief Executive Officer (CEO). The Board nonetheless retains responsibility for establishing and maintaining the airline's overall internal control of financial, operational, and compliance issues.

All seven (7) members of the Board are non-executive including the chairman of the Board.

Committees of the Board

The Board has one standing committee, namely the Audit Committee of the Board, which meets regularly under the terms of reference set by the Board. The committee meets four times a year or more as necessary. Its members comprise Mr. Avelyne Msaki (Chairman), Mr. Dickson Murianki, and Ms. Hellen Muthoni Mathuka. Its responsibilities include a review of the financial statements, compliance with Accounting Standards, liaison with the external auditors, remuneration of the external auditors, and maintaining oversight on internal control systems. The Chief Internal Auditor, Head of Finance and Information Systems, and Managing Director/Chief Executive Officer attend all meetings of the committee. The external auditors attend the meetings on invitations.

The Board met five (5) times and the audit committee also met five (5) times during the year ended 31 December 2024

Name	102 nd BOD	103 rd BOD	104 th BOD	Extra ordin ary BOD	105 th BOD	63 rd BAC	64 th BAC	65 th BAC	66 th BAC	Extra ordin ary BAC
1 Mr Vincent Ngaleku Shirima	√	√	√	√	√	*	*	*	*	*
2 Mr Allan Kilavuka Inuani	√	√	√	X	√	*	*	*	*	*
3 Mr. Avelyne John Msaki	√	√	√	√	√	√	√	√	√	√
4 Ms. Hellen Muthoni Mathuka	√	√	√	√	X	√	√	√	√	√
5 Mr. Harry Msamire Kitilya	√	√	√	√	√	*	*	*	*	*
6 Mr. Evans Morrison Ndorosey	√	√	√	√	√	*	*	*	*	*
7 Mr. Dickson Kimathi Murianki	√	√	√	√	√	√	√	√	√	√

Key: √ - attended the meeting; X - absent with apology, BOD - board of directors, BAC - board audit committee

Internal controls

The Company has defined procedures and financial controls to ensure the reporting of complete and accurate financial information. These cover systems for obtaining authority for major transactions and for ensuring compliance with laws and regulations that have significant financial implications. Procedures are also in place to ensure that assets are subject to proper physical controls and that the Company remains structured to ensure appropriate segregation of duties.

In reviewing the effectiveness of the systems of internal control, the Board considers the results of all the work carried out to audit and review the activities of the Company. A comprehensive management accounting system is in place providing financial and operational performance measurement indicators. Weekly and monthly meetings are held by management to monitor performance and to agree on measures for improvement.

PRECISION AIR SERVICES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

26 CORPORATE GOVERNANCE (CONTINUED)

Code of ethics

The Company is committed to the highest standards of integrity, behaviour, and ethics in dealing with all its stakeholders. All employees of the Company are expected to avoid activities and financial interests that could clash with their responsibilities to the airline.

Directors' emoluments and loans

The emoluments paid to Directors for services rendered during the year ended 31 December 2024 are disclosed in Note 29 (b) of the financial statements. Neither at the end of the financial year nor at any time during the year was there any arrangement to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of the Company's shares. There were no Directors' loans at any time during the year (2023: None).

27 SUSTAINABILITY

The Company remains committed to operating responsibly and sustainably, with Environmental, Social, and Governance (ESG) considerations embedded in its strategic and operational decision-making processes. In accordance with the IFRS Sustainability Disclosure Standards (S1 and S2), the Company has evaluated its exposure to climate-related risks and opportunities, with a focus on enhancing operational efficiency and minimizing environmental impact.

During the year under review, the Company's emissions remained below the minimum regulatory thresholds, largely supported by the effective implementation of fuel-saving procedures by flight crew. On the social front, the Company continued its community outreach efforts, notably through ongoing support to the Ngaleku Children Centre, reflecting our commitment to inclusive and meaningful corporate social responsibility.

The Board provides oversight on ESG-related matters and ensures that the Company's sustainability practices remain aligned with stakeholder expectations and evolving regulatory standards.

28 SECRETARY TO THE BOARD

The Secretary to the Board is responsible for advising the Board on legal and corporate governance matters and, in conjunction with the Chairman, for ensuring the efficient flow of information between the Board, its committees, and Management. All members of the Board and Management have access to his legal advice and services.

29 AUDITOR

The auditor, PricewaterhouseCoopers, have expressed their willingness to continue in office and is eligible for reappointment.

A resolution proposing the reappointment of PricewaterhouseCoopers as auditor of the Company for the year ending 31 December 2025 will be put to the Annual General Meeting.

BY THE ORDER OF THE BOARD

Name: Harry Kitilya

Name: Avelyne Msaki

Title: Chairperson

Title: Director


Date: 28 November 2025

Date: 28 November 2025

Signature: _____



Signature: _____



PRECISION AIR SERVICES PLC

**STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Company's Directors are responsible for the preparation of the financial statements that give a true and fair view of Precision Air Services Plc comprising the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and in the manner required by the Companies Act, No. 12 of 2002.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Company to continue as a going concern and as disclosed in Note 3(b) to the financial statements, are aware of a material uncertainty related to events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. As disclosed in Note 3(b), the directors have put in place measures and plans to ensure that the Company will continue as a going concern at least 12 months from approval of these financial statements.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of the financial statements

The financial statements of Precision Air Services Plc, as identified in the first paragraph, were approved by the board of directors' on 28 November 2025.

Name: Harry Kitilya

Name: Avelyne Msaki

Title: Chairperson

Title: Director

Signature: 

Signature: 

PRECISION AIR SERVICES PLC

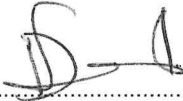
**DECLARATION OF THE HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2024**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Director of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view position of the entity and performance in accordance with applicable international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the Board of Directors as under the Statement of Responsibility by those charged with governance on page 11.

I, **Deusdedit Mussa**, being the Head of Finance and Information Systems of Precision Air Services Plc hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2024 have been prepared in compliance with the IFRS Accounting Standards and statutory requirements.

I thus confirm that the financial statements comply with applicable accounting standards and statutory requirement as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Surname: Mussa

First name Deusdedit

Middle names: Aron

Position: Head of Finance and Information Systems

Present address: 13042, Dar es Salaam

NBAA Membership No.: ACPA(T) 2132

Date: 28 November 2025

Independent auditor's report

To the Shareholders of Precision Air Services Plc

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Precision Air Services Plc (the Company) as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002.

What we have audited

The financial statements of Precision Air Services Plc as set out on pages 17 to 58 comprise:

- the statement of financial position as of 31 December 2024;
 - the statement of profit or loss and other comprehensive income for the year then ended;
 - the statement of changes in equity for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, comprising material accounting policy information and other explanatory information.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

Material Uncertainty Related to Going Concern

We draw attention to Note 3(b) of the financial statements which shows that during the year ended 31 December 2024, the Company reported a loss of TZS 32 billion (2023: loss of TZS 77 billion) and as at that date, the Company's current liabilities exceeded its current assets by TZS 606 billion (2023: TZS 565 billion) and that the Company was in a shareholders' deficit position of TZS 550 billion (2023: TZS 519 billion). In addition, the Company has defaulted on its debt obligations as stipulated in the debt agreements resulting in debts amounting to TZS 430 billion being due on demand. These events or conditions, along with other matters as set forth in Note 3(b), indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that may be necessary as a result of these uncertainties.

Our audit opinion is not modified in this regard.

Independent auditor's report (continued)

To the Shareholders of Precision Air Services Plc

Report on the audit of the financial statements (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>As explained in Note 4 (a) of the financial statements, the Company's streams of revenue are subject to different recognition considerations depending on the nature of the underlying contractual arrangements.</p> <p>Passenger flights account for the largest revenue share of the Company's business operations. Passenger tickets sales, net of discounts and taxes pre-sold in advance of the air travel taking place, are initially recorded as current liabilities in the "Sales in advance of carriage" account and recognized as revenue when the ticket is flown or expires.</p> <p>The timing of revenue recognition for expired unused tickets/documents requires judgement due to the timeframe over which revenue documents can be utilized. In determining the revenue to recognize, management considers when the likelihood becomes remote, that customers who have not travelled on their scheduled flight dates, will exercise their right, which is normally on expiry of the ticket.</p> <p>Furthermore, the determination of the amount of revenue to be recognized for each flight requires complex information technology (IT) systems and involves the exchange of information with third party information systems and other airlines for a high volume of transactions.</p> <p>The accounting for revenue is, therefore, susceptible to management override of controls through the processing of inappropriate journals in the accounting records, the override of IT systems to accelerate revenue recognition, or manipulation of inputs used to calculate revenue recorded in respect of unused revenue documents. These factors, together with the value of revenue (TZS 162 billion), make this a key audit matter.</p>	<p>We obtained an understanding of the accounting policies for revenue recognition and reviewed them for consistency with IFRS 15 requirements.</p> <p>We obtained an understanding of, and tested the passenger revenue recognition controls and processes, including reconciliation of flown tickets for which revenue is recognized to passenger flight manifests and reconciliation of tickets sold to amounts recognised in revenue and sales in advance of carriage (unutilised tickets).</p> <p>We tested the design and operating effectiveness of the IT general and application controls relating to revenue recognition.</p> <p>With regard to revenue related services outsourced to third parties, including related IT systems and processes, we tested the design and operating effectiveness of the IT general and application controls, and related processes, using an International Standards on Assurance Engagements (ISAE) 3402 Type 2 assurance report, with supplemental audit procedures as appropriate.</p> <p>We challenged the basis for recognizing revenue from unused tickets and also tested the age profile of the unutilized tickets to confirm compliance with the revenue recognition policy.</p> <p>We assessed the adequacy of disclosures in the financial statements.</p>

Independent auditor's report (continued)

To the Shareholders of Precision Air Services Plc

Report on the audit of the financial statements (continued)

Other information

The Directors are responsible for the other information. The other information comprises of Corporate information, Highlights, Report by those charged with Governance, Statement of responsibility by those charged with governance and Declaration of the head of finance (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the rest of the information in the Annual Report, which is expected to be made available to us after that date

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the rest of the information in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
-

Independent auditor's report (continued)

To the Shareholders of Precision Air Services Plc

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act, No. 12 of 2002, we are also required to report to you if, in our opinion, the report by those charged with governance is not consistent with the financial statements, if the Company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed. In respect of the foregoing requirements, we have no matter to report.



Patrick Kiambi – TACPA - PP 2576

For and on behalf of PricewaterhouseCoopers

Certified Public Accountants

Dar Es Salaam

Date 04-12-2025 | 16:08 EAT

PRECISION AIR SERVICES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 TZS '000	Restated (Note 39) 2023 TZS '000
Revenue	7	162,192,596	139,816,663
Cost of sales	8	(129,554,999)	(120,953,148)
Gross profit		32,637,597	18,863,515
Marketing expenses	9	(2,209,030)	(1,768,059)
Administrative expenses	10	(53,010,821)	(39,230,166)
Expected credit losses charge on trade receivables	21	(105,367)	(177,123)
Write down of assets	15	(6,561,026)	(607,914)
Operating loss		(29,248,647)	(22,919,747)
Finance income	12	84,230	-
Finance costs	13	(23,108,716)	(18,882,996)
Net foreign exchange gain/(loss)	14	20,517,633	(35,591,258)
Loss before income tax		(31,755,500)	(77,394,001)
Income tax expense	24(c)	-	-
Loss for the year		(31,755,500)	(77,394,001)
Other comprehensive income		-	-
Total comprehensive income		(31,755,500)	(77,394,001)
Earnings Per Share (TZS)	34	(197.89)	(482.29)

The notes on pages 21 to 58 form part of these financial statements.

Report of the Auditor – pages 13 to 16

PRECISION AIR SERVICES PLC

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		2024	Restated (Note 39) 2023	Restated (Note 39) 2022
	Notes	TZS '000	TZS '000	TZS '000
ASSETS				
Non-current assets				
Property and equipment	15	54,646,890	45,753,337	54,439,610
Intangible assets	16	842,410	256,219	262,049
Right-of-use-assets	17	852,299	2,583,372	-
		56,341,599	48,592,928	54,701,659
Current assets				
Inventory	20	9,134,243	12,359,091	10,307,520
Trade and other receivables	21	7,791,854	7,723,664	18,570,043
Prepayments	22	3,497,898	1,765,917	970,570
Other deposits	19	3,434,864	2,828,664	1,442,577
Cash and cash equivalents	23	4,833,208	8,566,625	8,695,082
		28,692,067	33,243,961	39,985,792
TOTAL ASSETS		85,033,666	81,836,889	94,687,451
EQUITY AND LIABILITIES				
Equity				
Share capital	25(a)	3,209,454	3,209,454	3,209,454
Share premium	25(b)	10,490,987	10,490,987	10,490,987
Accumulated losses		(563,962,536)	(532,207,035)	(454,813,035)
		(550,262,095)	(518,506,594)	(441,112,594)
Non-current liabilities				
Lease Liability	28(b)(ii)	693,664	2,341,268	2,566,947
Current liabilities				
Borrowings	26	429,995,854	435,307,593	398,893,223
Trade and other payables	27	178,394,143	139,248,363	115,607,289
Lease Liability	28(b)(ii)	271,102	966,332	835,897
Sales in advance of carriage	7(b)	22,706,898	19,269,598	14,977,262
Corporate tax payable	24(a)	1,112,019	1,112,019	1,112,019
Other tax payables	24(b)	2,122,081	2,098,310	1,807,408
		634,602,097	598,002,215	533,233,098
TOTAL LIABILITIES		635,295,761	600,343,483	535,800,045
TOTAL EQUITY AND LIABILITIES		85,033,666	81,836,889	94,687,451

The financial statements on page 17 to 58 were approved by the Board of Directors and authorised for issue on 28 November 2025 and were signed by:

Name: Harry Kitillya

Title: Chairperson

Signature: 

Name: Avelyne Msaki

Title: Director

Signature: 

The notes on pages 21 to 58 form part of these financial statements.
Report of the Auditor – pages 13 to 16

PRECISION AIR SERVICES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Issued capital TZS '000	Share premium TZS '000	Accumulated losses TZS '000	Total equity TZS '000
Year ended 31 December 2022					
At start of year:					
As previously stated		3,209,454	10,490,987	(453,661,474)	(439,961,033)
Prior year adjustments	39	-	-	7,155,408	7,155,408
As restated		3,209,454	10,490,987	(446,506,066)	(432,805,625)
Loss and other comprehensive loss:					
As previously stated		-	-	6,096,003	6,096,003
Prior year adjustments	39	-	-	(14,402,972)	(14,402,972)
As restated		-	-	(8,306,969)	(8,306,969)
At 31 December 2022		3,209,454	10,490,987	(454,813,035)	(441,112,594)
Year ended 31 December 2023					
At start of year:					
As previously stated		3,209,454	10,490,987	(447,565,472)	(433,865,031)
Prior year adjustments	39	-	-	(7,247,563)	(7,247,563)
As restated		3,209,454	10,490,987	(454,813,035)	(441,112,594)
Loss and other comprehensive loss:					
As previously stated		-	-	(57,381,180)	(57,381,180)
Prior year adjustments	39	-	-	(20,012,820)	(20,012,820)
As restated		-	-	(77,394,000)	(77,394,000)
At 31 December 2022		3,209,454	10,490,987	(532,207,035)	(518,506,594)
Year ended 31 December 2024					
At start of year:					
As previously stated		3,209,454	10,490,987	(504,946,653)	(491,246,212)
Prior year adjustments	39	-	-	(27,260,383)	(27,260,383)
As restated		3,209,454	10,490,987	(532,207,036)	(518,506,595)
Loss and other comprehensive loss		-	-	(31,755,500)	(31,755,500)
At 31 December 2024		3,209,454	10,490,987	(563,962,536)	(550,262,095)

The notes on pages 21 to 58 form part of these financial statements

Report of the Auditor – page 13 to 16

PRECISION AIR SERVICES PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	Restated (Note 39) 2023
	Notes	TZS '000	TZS '000
Operating activities			
Loss before income tax		(31,755,500)	(77,394,001)
<i>Adjustments for:</i>			
Disposal and Write-off of Assets	15	6,561,026	607,914
Net unrealised foreign exchange (gain)/loss	14	(20,249,635)	34,006,889
Depreciation of property and equipment	15	17,228,046	18,304,621
Depreciation of right of use assets (RoU)	17	729,563	559,992
Amortisation of intangible assets	16	54,626	21,669
Provision for expected credit loss on trade receivables	21	105,367	177,123
Interest on borrowings	26	23,014,124	18,584,053
Interest expense on lease	28	94,592	244,355
Remeasurement of lease liability		-	218,691
Net cash before working capital changes		(4,217,791)	(4,668,694)
<i>Changes in Working Capital:</i>			
· Inventories		3,224,848	(2,051,571)
· Trade and other receivables *		(398,663)	(451,488)
· Prepayments		(1,731,981)	(795,346)
· Other deposits*		(1,003,550)	(1,298,157)
· Sales in advance of carriage		3,437,300	4,292,337
· Trade and other payables*		40,301,832	23,871,807
Cash generated from operations		39,611,995	18,898,888
Income tax paid	24(b)	-	-
Net cash from operating activities		39,611,995	18,898,888
Investing activities			
Purchase of property and equipment	15	(32,682,625)	(13,274,328)
Acquisition of computer software	16	(640,817)	(15,839)
Net cash used in investing activities		(33,323,442)	(13,290,167)
Financing activities			
Repayment relating to borrowings:			
· Principal and interest	26	(8,143,529)	(4,433,571)
Repayment of lease liabilities	28(ii)	(802,762)	(901,068)
Net cash used in financing activities		(8,946,291)	(5,334,639)
Net (decrease) / increase in cash and cash equivalents		(2,657,738)	274,082
Cash and cash equivalents at the start of the year		8,566,625	7,815,539
Effects of movements in exchange rates on cash held		(1,075,679)	477,004
Cash and cash equivalents at end of year	23	4,833,208	8,566,625

*Changes in working capital for these instruments include unrealised exchange differences which have been adjusted under Net unrealised foreign exchange (gain)/loss.

The notes on pages 21 to 58 form part of these financial statements.

Report of the Auditor – page 13 to 16

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 CORPORATE INFORMATION

The Company is incorporated in Tanzania under the Companies Act, No. 12 of 2002, as a public limited company and it is domiciled in Tanzania. The Company's shares are publicly traded on the Dar es Salaam Stock Exchange. The principal activities of the Company are regional and domestic air carriage of passengers and cargo.

The registered office is New Safari Hotel, Boma Road, P. O. Box 1636, Arusha Tanzania. The principal place of business is Diamond Plaza, Mirambo Street, P.O. Box 70770, Dar es Salaam Tanzania.

Precision Handling Limited was incorporated in Tanzania in 2010 and 99.99.% of its share capital is held by Precision Air Services Limited and the minority shareholder is Elias Mwashuuya. The subsidiary provides ground handling services to Precision Air Services Limited and is yet to obtain a license to serve other third-party airlines.

Precise Systems Limited was incorporated in Tanzania in 2011 and 99% of its share capital is held by Precision Air Services Limited, and the minority shareholder is Vincent Ngaleku Shirima. The subsidiary used to distribute the Galileo Reservation system to Airlines and Travel Agents in Tanzania. The Subsidiary commenced operations on 1 July 2012 and stopped operations in 2015.

Where reference is made in the accounting policies to Company it should be interpreted as applying to the financial statements as the context requires. The financial statements are hereinafter referred to as "the financial statements".

2 COMPARATIVE INFORMATION

These financial statements have been prepared for 12 months from 1 January 2024 to 31 December 2024 and comparative information is for 12 months from 1 January 2023 to 31 December 2023 and the amounts presented in the financial statements are entirely comparable.

3 BASIS OF ACCOUNTING

a) Statement of compliance and basis of measurements

The Company's financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act, No 12 of 2002.

The financial statements have been prepared on a historical cost basis, except where fair value measurements have been applied and specified as such in the accounting policies.

The financial statements are presented in Tanzanian Shillings (TZS) which is the Company's functional currency and presentation currency. Unless otherwise indicated, the financial statements are rounded to the nearest Tanzanian thousands of shillings ('TZS 000').

b) Going concern

During the year ended 31 December 2024, the Company reported a loss of TZS 32 billion (2023: loss of TZS 77 billion).

The Company had its current liabilities exceed its current assets at 31 December 2024 by TZS 606 billion (31 December 2023: TZS 565 billion) and it was also in a shareholders' deficit position at 31 December 2024 of TZS 550 billion (31 December 2023: TZS 519 billion).

Despite reporting operating profits for the current year, the Directors acknowledge that the Company continues to face a net current liability position, a shareholders' deficit, maturing debt obligations (including significant arrears), default on debt obligations (including loan covenants) resulting in the classification of such debt as current liabilities, incomplete debt restructuring discussions with lenders (including waiver of significant portions of the outstanding principal, penalties and interest), securing of required additional funding from lenders having not been achieved, conditions required to complete the debt restructuring and secure additional funding not having been met and the lenders' continuing reservation of their rights to take any and all actions available to them under the loan contracts (including taking steps to recall amounts owing and/or enforce security granted in their favour). These events and conditions, combined with ongoing cash flow constraints, present a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and hence on its ability to realise assets and discharge liabilities in the normal course of business.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 BASIS OF ACCOUNTING (CONTINUED)

b) Going concern (Continued)

Notwithstanding these uncertainties, the Directors remain confident that the Company will continue to operate as a going concern for at least the next twelve months from the date of approval of the financial statements. In forming this view, the Directors have carefully considered the following mitigating factors and recovery initiatives:

i) Loan Repayment and Restructuring Efforts

The Company continues to honour payment as per the revised plan agreed with its financiers for the overdue aircraft loans. In parallel, a loan restructuring proposal is currently under discussion, with encouraging prospects of a partial loan waiver contingent upon the settlement of a negotiated lump sum payment. The most recent engagement with the lenders occurred in March 2025, and a subsequent correspondence in August 2025 has confirmed the specific lump sum amount (settlement price) required as a condition for waiver consideration, subject to (a) negotiation of settlement terms for the settlement price, and (b) approval of the settlement price and settlement terms by the credit committees of the respective lenders. The Board and Management are actively exploring feasible options to mobilise the necessary funds to pay the settlement price. In June 2025, the Company received an indicative financing offer valid for 6 months and with a tenor of 84 months inclusive of a 6 month grace period, for the refinancing of the settlement price. Management believes that the successful execution of this plan will materially improve the Company's financial position and ease its debt burden, thereby reinforcing the going concern assumption.

ii) Fleet Recovery and Operational Capacity

The Company is fast-tracking the maintenance and return to service of its grounded aircraft. Aircraft PWH is expected to resume operations by November 2025, following the successful acquisition of a new engine at a favourable price in June 2025. Additionally, aircraft PWA is scheduled to return to service by December 2025, as the Company progresses with instalment payments to the Maintenance, Repair and Overhaul (MRO) for four overhauled engines. These overhauls were completed in December 2024 and are ready for delivery upon completion of the agreed payments. The return of these aircraft is expected to improve operational capacity and contribute to increased revenue generation. In November 2025, the Company received an indicative financing offer with a tenor of 12 months for the purchase of 2 flight engines, approval and disbursement being subject to the Company providing specified information to the potential lender.

iii) Revised Business Plan and Network Optimisation

The Company continues to implement a revised business plan, which includes a detailed review of its route network and aircraft rotations. The plan aims to enhance customer satisfaction, increase seat availability, and improve competitiveness within the local market. Ongoing actions include increasing flight frequency and optimising aircraft utilisation. These operational strategies are expected to support revenue growth and long-term sustainability.

iv) Expansion of the Airline Training Organisation (ATO)

The Company is expanding its Airline Training Organisation (ATO), which has successfully graduated nine (12) Cabin Crew courses to date. The planned ground school training, including Crew Resource Management (CRM) and Dangerous Goods Regulations (DGR) courses took off during the year. Airline Sales and Ticketing classes are scheduled to follow upon completion of the initial programmes. The ATO charges TZS 3 million per student for a three-month course, providing a supplementary revenue stream and supporting skills development in the aviation sector.

v) Growth of Third-Party Maintenance Services

The Company's Approved Maintenance Organisation (AMO) is being empowered to expand its third-party maintenance services. In 2024, this business line generated over TZS 800Million. (TZS 1.5Billion in 2023). New contracts have been secured with regional operators, and revenue from third-party maintenance is projected to grow by at least 10% year-on-year, contributing positively to the Company's bottom line.

vi) Strengthening Strategic Supplier Relationships

The Company continues to enhance working relationships with key suppliers to ensure consistent access to critical operational inputs, including fuel and technical spares. These partnerships often involve structured instalment payment arrangements, which improve cash flow management while maintaining uninterrupted operational support.

vii) Strategic Partnerships and Network Expansion

The Company is actively pursuing additional strategic partnerships and alliances within the general aviation sector as well as with regional and international carriers through Interline Electronic Ticketing (IET) and Special Prorate Agreements (SPAs). These efforts are expected to increase the current interline partner portfolio from 28 to 40 by the year 2028, enhancing connectivity and passenger feed across broader markets. In parallel, the Company is placing increased focus on offline markets by maximising the reach and efficiency of Personal Sales Agents (PSAs) and General Sales Agents (GSAs).

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 BASIS OF ACCOUNTING (CONTINUED)

b) Going concern (Continued)

viii) Post elections impact

Following the national elections on 29 October 2025, temporary civil unrest led to curfew measures, an internet shutdown and a short-term lockdown, resulting in suspension of flights on 30 and 31 October 2025 and limited rescue operations on 1 and 2 November 2025. Although restrictions were lifted on 3 November 2025, passenger volumes fell significantly during the affected period, declining by 74%, 72% and 63% against the budget for the weeks ended 2, 9 and 16 November 2025, with similar reductions in revenue.

Operations have since stabilised, and management continues to monitor demand, cash flows and liquidity closely. Management remains confident that the situation will continue to normalise and that operational performance will progressively recover as market conditions improve.

4 MATERIAL ACCOUNTING POLICIES INFORMATION

(a) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

Performance obligations and revenue recognition policies

The following table provides information about the nature and timing of the satisfaction of performance obligations in the contracts with customers, including significant payment terms and related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Passenger	Tickets are pre-sold up in advance of the air transport-taking place. The Company receives payment at or shortly after time of sale. Between time of sale and time of air transport the amounts collected from the customers are presented as sales in advance of carriage liabilities. The value of the resulting sales in advance of carriage liabilities represents the aggregate transaction price of performance obligations not yet satisfied.	Precision air recognises revenue when air transport is delivered to its customer(s) on a flight date promised in the ticket or airway bill (contract).
Interline commissions	A ticket with connecting flights operated by multiple carriers represents a separate performance obligation(s) for each carrier. Interline commission does not have separate performance obligations but are associated with the performance obligation of the air transport.	Interline commission is recognized over time and reflect progress based on segments provided by each operating carrier.
Freight and mail	Performance obligation attached to cargo and mail service is delivering consignment received from the independent contractor to a specified destination.	Freight revenue will be recognised once air transport is completed for the consignment.
No show fees and other charges	Ancillary revenue comprises sales of ticket related products and services, like no show fees and other charges. Most of the products and services do not have separate performance obligations but are associated with the performance obligation of the air transport and are hence recognized as revenue at the time of the transport. No show fees represent a modification of the original travel contract where the passenger failed to travel on the scheduled flight time.	Revenue related to ancillary services that are not considered distinct from the contract for a flight should be recognized at the time of the flight. Certain ancillary services which may be distinct services, and which are not specifically associated with a ticket for transportation, may be recognized on a systematic basis that reflects the fulfilment of the related performance obligation.

PRECISION AIR SERVICES PLC

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(a) Revenue from contracts with customers (Continued)

Performance obligations and revenue recognition policies (Continued)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Cancellation income	Each fare type that an airline issues will have its own conditions attached, which may include it being restricted, non-upgradeable or non-refundable. This means that if passengers need to make a change to their booking, cancel flights or buy replacement tickets then a change fee (or service fee) may apply. Change fees are not refundable and have no separate value to the customer once paid.	Recognized when performance obligation fulfilled on cancellation.
Passenger tickets writeback (Unused tickets)	Air ticket breakage/writeback constitute of income from sale of tickets, which are eventually not used for travel and cannot be exchanged or refunded.	Breakage/Writeback is recognised only when the likelihood becomes remote that customers not taking the flight on the scheduled flight date will exercise their right which is normally on expiry of the ticket. Currently, the Company's policy is to write back the unused tickets after two years from the date of travel.
Customer loyalty program	The Company has a program to reward its passengers which is designed to award the frequent flying passengers with free or discounted services. The level of bonus points earned by passengers under the reward program determine the reward their entitled to. Members earns and accumulate points on every flight they make basing on the route travelled. The point accrual base rule is that 2% of face value is collected as Award and as Tier points into member(s) account. Higher Class tickets will bring much more, up to 5-6 times more points to member(s) account. Member points gained are identified as separate performance obligation and are recognized as a Frequent flyer accrual in these statement of financial position. Points are valid throughout the year they were earned, plus one year.	The member point(s) liability is derecognized from the statement of financial position and recognized as revenue when the points are redeemed or expire. Currently, yearly redemption of member's points is considered low and based on materiality consideration the Company does not perform analysis for estimating redemption rate of loyalty points at each reporting rate.

(b) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i. Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(b) Financial instruments (Continued)

i. Financial Assets (Continued)

(i) Classification of financial assets

The Company classifies financial instruments into three categories as described below.

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets at amortised cost include trade receivables, other deposits (security deposits) and cash and bank balances.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other deposits are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(ii) De-recognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(iii) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(b) Financial Instruments (Continued)

ii. Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Company's financial liabilities include trade and other payables, loans and borrowings, including loans and mandatory convertible note.

(ii) Subsequent recognition and measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Floating rate financial liabilities are initially recognised at an amount equal to the principal. Re-estimating the future interest payments does not significantly affect the carrying amount of the liability.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Accounts payables and accruals are recognized for amounts to be paid in the future for goods or services received, whether or not billed by the supplier.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(b) Financial Instruments (Continued)

iii. Impairment

(i) Financial assets

The Company recognises an allowance for expected credit losses (ECLs) for its trade receivables, aircraft deposits and bank balances. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, and other deposits, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical loss rates, which are derived from settlement of invoices over an average period of 5 years and adjusted with macroeconomic factor overlay calculations to incorporate current and forward-looking information.

Other assets include bank balances and other deposits which the Company uses banks which are not independently rated (except CRDB B2-credit rated by Moody), as all other banks in Tanzania are not rated. However, the Company banks with reputable multinational and local banks, whose risk of non-performance by the counterparties is not significant. There is no independent credit rating for banks in Tanzania. However, the Company banks with reputable multinational and local banks. In the view of the directors, risk of non-performance by the counterparties is not significant.

The Company considers a financial asset in default when contractual payments are over 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Indicators that there is no reasonable expectation of recovery include, the debtor being in severe financial difficulty and has failed to engage in repayment plan with the Company.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which each of the Company entities operate ('the functional currency'). The financial statements are presented in Tanzanian Shillings ("TZS") which is the functional currency of each of the Company's entities and Company's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities at the statement of financial position date, which are expressed in foreign currencies, are translated into Tanzanian Shillings at the rates ruling at that date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the income statement within 'Finance costs'.

(d) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in its normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a First in First Out (FIFO) basis and includes transport and handling charges. Provision is made for obsolete, slow moving and defective stocks. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. An allowance is made for obsolete, slow moving and defective inventories.

(f) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment. Work in progress is stated at cost less accumulated impairment and is transferred to the respective category of property and equipment when it is available for use. Work in progress is not depreciated. The cost of work in progress includes the borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Aircraft are componentised into airframe, engines and landing gears. Major maintenance of aircraft components, including replacement of spare and parts and labour costs, are capitalized and depreciated over the average expected life between major maintenance events. Routine maintenance costs including annual airframe checks are written off to profit or loss in the accounting period in which they are incurred.

Depreciation is calculated on a straight-line basis, at annual rates estimated to write off carrying values of the assets over their expected useful lives. The annual depreciation rates in use are:

	<u>%</u>
Aircraft and related equipment	6.75 – 20.00
Motor vehicles	20.00 – 25.00
Computers	25.00 – 33.33
Furniture, equipment, and structures	12.50 – 25.00
Structures	4.00 – 25.00

The assets' residual values, useful lives and methods are reviewed and adjusted prospectively if appropriate at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

(g) Intangible assets – Computer software

Intangible assets are measured on initial recognition at cost. Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortisation which has been consistently applied is 20%.

The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(h) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets.

For impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less and subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and cash equivalent as defined above, net of outstanding bank overdrafts.

(j) Employee benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Company.

The Company has a statutory requirement to contribute to publicly administered pension schemes (defined contribution schemes). The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefits expense when they are due.

The estimated monetary liability for employees' accrued entitlements at the reporting date is recognized as accrued expenses.

(k) Finance income and expenses

Finance income comprises of interest income on Company's bank accounts. Interest income is recognized as it accrues in profit or loss. Finance costs comprise of interest expense on borrowings. Interest accrued but not yet paid is accounted for under current liabilities.

Foreign currency gains and losses are reported on a net basis.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(l) Dividends

Dividend distribution to the shareholders is charged to equity and recognized as a liability in the Company's financial statements in the period in which they are declared, and after being approved by the shareholders at the Annual General Meeting.

(m) Provisions

A provision is recognized if, as a result of past events, the Company's has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(n) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

(o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior management that makes strategic decisions.

(p) Taxation

Income tax represents the sum of the current and deferred tax.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date. The current rate of corporation tax is 30% (December 2023: 30%).

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(p) Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss is also recognised outside profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Revenues, expenses and assets are recognised at amounts net of value added tax except where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority in which case the value added tax is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable.

Receivables and payables are stated with the amount of Value added Tax (VAT) included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the statement of financial position.

Tax exposure

In determining the amount of current and deferred tax, the Company considers the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(q) Basic and diluted earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company (after deducting interest on the convertible non-cumulative redeemable preferences shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(r) Relevant new standards, amendments and interpretations

(i) Standards that became effective during the year

The following amended standards and interpretations became effective during the year and had no material impact on the disclosure of the Company's financial statement:

	Standard/Interpretation	Effective date
Amendments to IAS 1 Presentation of Financial Statements	Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7	Financial Instruments: Disclosures Supplier Finance Arrangements	1 January 2024
Amendment to IFRS 16 'Leases' - sale and leaseback	Disclosure on the accounting for a sale and leaseback after the date of the transaction	1 January 2024

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(r) Relevant new standards, amendments and interpretations (continued)

(ii) Standards that are not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2024 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory. The following amended standards and interpretations are not expected to have a significant impact on the Company's finance statements except for IFRS 18.

Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendment to IFRS 9, "Financial Instruments" and IFRS 7	Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: <ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows. 	1 January 2026
IFRS 19, 'Subsidiaries without Public Accountability'	Reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements.	1 January 2027
IFRS 18 — Presentation and Disclosure in Financial Statements	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	1 January 2027

IFRS 18 — Presentation and Disclosure in Financial Statements

On 9 April 2024 the IASB issued IFRS 18 Presentation and disclosure in financial statements and is effective for periods beginning on or after 1 January 2027.

IFRS 18 aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. Certain "non-GAAP" measures, also referred to as management performance measures (MPMs), will form part of the audited financial statements. IFRS 18 introduces a newly defined "operating profit" requirement for all income and expenses to be classified into three new distinct categories based on the Company's main business activities: operating, investing, and financing categories. Investing and financing results are excluded from operating profit.

IFRS 18 requires the Company to analyse its expenses directly on the face of the statement of profit or loss and other comprehensive income, either by nature, function or on a mixed basis. IFRS 18 also requires certain MPMs to be presented. It defines MPMs as a subtotal of income and expenses that: - is used in public communications outside the financial statements; and - communicates management's view of financial performance. For each MPM presented, the Company will need to explain in a note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under IFRS Accounting Standards.

The new standard also includes enhanced guidance on how companies Company information in the financial statements. This includes guidance on whether material information is included in the primary financial statements or is further disaggregated in the notes.

The Company is still assessing the potential impact on the amounts and disclosures in the Company's financial statements.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(s) Leases

At inception of a contract, the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

Leases in which the Company is a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right of use asset and lease liability at the lease commencement date. The right of use of asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of the property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest implicit in the lease or, if that rate cannot be readily determined, the Company's uses its incremental borrowing rate, which is the rate the company will have to pay over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period of the Company are reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable, under a residual guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Company presents right of use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right of use assets and lease liabilities for leases of low value assets and short-term leases, including computers and printers. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

The Company regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practice.

The notes below provide detailed information on each of the above risks and the Company's objectives, policies, and processes for measuring and managing risk.

a. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet obligations associated with financial instruments. The Company manages its liquidity risk to ensure it is able to meet estimated expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents.

The Company's liquidity is managed by forecasting the cash and currency requirements. The table below presents an analysis of the Company's financial liabilities, grouped according to their remaining contractual maturities at the reporting date. It also includes the financial assets held to manage these liquidity requirements. The analysis is based on expected settlement on a net basis.

The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Un-discounted Contractual cash flows TZS' 000	On Demand TZS'000	Within 1 year TZS' 000	1 to 5 years TZS' 000
As at 31 December 2024				
Non-derivative financial liabilities				
Borrowings	452,729,155	429,995,855	22,733,300	-
Trade and other payables*	30,679,717	-	30,679,717	-
Lease liability	1,041,947	-	271,102	770,845
	484,450,819	429,995,855	53,684,119	770,845
Non-derivative financial assets				
Trade and other receivables	7,635,686	-	7,635,686	-
Cash and cash equivalents	4,833,208	-	4,833,208	-
	12,468,894	-	12,468,894	-
Liquidity Gap	471,981,925	429,995,854	41,215,225	770,845
As at 31 December 2023				
Non-derivative financial liabilities				
Borrowings	458,307,593	435,307,593	23,000,000	-
Trade and other payables*	18,274,904	-	18,274,904	-
Lease liability	3,600,598	-	966,332	2,634,266
	480,183,095	435,307,593	42,241,236	2,634,266
Non-derivative financial assets				
Trade and other receivables	7,594,146	-	7,594,146	-
Cash and cash equivalents	8,566,625	-	8,566,625	-
	16,160,771	-	16,160,771	-
Liquidity Gap	464,022,324	435,307,593	26,080,465	2,634,266

*Does not include statutory liabilities, advances from customers, and accruals for loyalty points.

** Excludes staff imprests and advances as they are not financial assets.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Liquidity risk (Continued)

The Company has defaulted on its debt obligations as stipulated in the debt agreements resulting in debts amounting to TZS 430 billion (2023: TZS 435 billion) being due on demand (See Note 26). Because of this default, the inability of the Company to generate cash that would be sufficient to settle arrears and instalment payments as per the debt agreements (refer to “Key sources of uncertainties in the plans to mitigate the going concern risk” on Note 3 (b)) and the on-going discussions with the lenders on possible rescheduling of the borrowings, there is no reliable basis for developing a reliable liquidity risk profile for borrowings.

As at the date of approval of these financial statements, the loan defaults were not cured.

b. Market risk

I. Foreign currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company can experience adverse or beneficial effects arising from foreign exchange rate movements. The Company seeks to reduce foreign exchange exposures arising from transactions in various currencies through a policy of matching, as far as possible, receipts and payments in each individual currency. Surpluses of convertible currencies are sold, either at spot rates, for US dollars or Tanzanian Shillings.

The Company is significantly exposed to sensitivities in US dollar exchange rates primarily arising from financial liabilities denominates in USD. The following table demonstrates the sensitivity of financial instruments to a reasonably possible change in the US dollar exchange rates and other currencies as this is the major currency that the Company transactions are held, with all other variables held constant, on profit before tax and equity.

	Increase/ decrease in the value	Effect on profit or loss TZS'000	Effect On equity, net of tax TZS'000
Net effect resulting from borrowings, receivables, cash and cash equivalents, and payables on the statement of financial position as at 31 December 2024	5%	22,186,675	15,530,672
Net effect resulting from borrowings, receivables, cash and cash equivalents, and payables on the statement of financial position as at 31 December 2023	5%	21,861,259	15,302,881

II. Interest rate risk

The Company has adopted a non- speculative approach to the management of interest rate risk. For the past twelve months, there have been no changes in interest rates obtained by the Company from its Bankers for its borrowings. Furthermore, the Company did not receive any new facility in last 12 months and the interest rate is not expected to change for the existing loans.

The following table demonstrates the sensitivity to possible changes in interest for Finnfund loan portion, with all other variables held constant, on the Company's profit before tax and equity:

Other loans and overdraft facilities have fixed interest rate and thus no interest sensitivity is required.

	Increase/ decrease in interest rate	Effect on profit or loss TZS' 000	Effect on equity TZS' 000
Net effect based on statement of financial position as at 31 December 2024	1%	255,401	178,781
Net effect based on statement of financial position as at 31 December 2023	1%	267,269	187,088

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Market risk (Continued)

III. Fuel price risk (business not financial risk)

The Company's fuel risk management strategy aims to provide the airline with protection against sudden and significant increases in oil prices.

To meet this objective, the Company negotiates jet fuel prices with suppliers at the beginning of every month and the price will remain fixed throughout the specified month which completely offsets the fuel price risk. However, to cover for a continuous fuel price increase the Company adjusts the fuel surcharge rate upwards to cover for the increases. The fuel surcharges included on tickets change from time to time and differ from route to route depending on the market conditions.

As fuel price is a business and not financial risk, no further quantitative disclosures are provided.

c. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or a counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers, cash and bank balances and aircraft deposits.

The carrying amount of the financial assets represents the maximum credit exposure.

The Company largely conducts its sale through International Air Transport Association (IATA) approved sales agents. All IATA agents have to meet a minimum financial criterion applicable to their country of operation to remain accredited. Adherence to the financial criteria is monitored on an on-going basis by IATA through the association's Agency Programme. The credit risk associated with such sales agents is relatively low owing to the programme's broad diversification. The Company accounts receivable are generated largely from the sale of passenger airline tickets. Majority of these sales are in accounts receivable which are generally short term in duration. The credit risk associated with these receivables is minimal and the expected credit loss that the Company has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses are based on the historical loss rates, which are derived from settlement of invoices over an average period of 5 years and adjusted with macroeconomic factor overlay calculations to incorporate current and forward-looking information. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The carrying amount of financial assets represents the maximum exposure to credit risk:

	2024 TZS'000	2023 TZS'000
Cash and cash equivalents	4,833,208	8,566,625
Trade and other receivables*	7,635,686	7,594,146
	<u>12,468,894</u>	<u>16,160,771</u>

*Staff imprests and advances are excluded from trade and other receivables. Staff advances are non-interest-bearing and are typically settled within a maximum of 90 days. Imprests represent amounts issued to staff to cover small-value operational expenses, such as travel costs, which cannot be precisely determined in advance, and are required to be retired within 7 days of the staff member's return from travel. Given their short-term nature, immaterial aggregate balances, and a historical record of no defaults, the Company considers the risk of impairment for these items to be negligible.

In order to minimize credit risk, the Company has tasked its Risk Management Committee to develop and maintain the Company's credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Risk Management Committee uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Credit risk (Continued)

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising credit losses
Performing (Stage 1)	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful (Stage 2)	Amount is >30 days past due, or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default (Stage 3)	Amount is >90 days past due, or there is evidence indicating the asset is credit impaired	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial distress and has failed to engage in a repayment plan with the Company.	Amount is written off

The company considers factors such as changes in the payment cycle i.e, there is reduced frequency in payment remittances from what had been agreed with the consumer. For example, if a debtor defaults in the IATA clearing house, this is flagged as an indication of a significant increase in credit risk.

The table below details the credit quality of the company's financial assets as well as the company's maximum exposure to credit risk by credit risk rating grades.

	External credit rating	Internal Credit rating	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
			TZS'000	TZS'000	TZS'000
31 December 2024					
Cash and cash equivalents	N/A	Performing	4,833,208	-	4,833,208
Trade and other receivables*	N/A	Significantly performing	10,052,330	(2,416,644)	7,635,686
			<u>14,885,538</u>	<u>(2,416,644)</u>	<u>12,468,894</u>

	External credit rating	Internal Credit rating	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
			TZS'000	TZS'000	TZS'000
31 December 2023					
Cash and cash equivalents	N/A	Performing	8,566,625	-	8,566,625
Trade and other receivables*	N/A	Significantly performing	10,136,067	(2,541,921)	7,594,146
			<u>18,702,692</u>	<u>(2,541,921)</u>	<u>16,160,771</u>

*Trade receivables are internally rated as doubtful, notwithstanding that the balance includes performing, doubtful, and defaulted exposures

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Credit risk (Continued)

Credit risk profile based on provision matrix (Amount in TZS thousands).

	Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 180 Days	> 180 Days	Total
31 December 2024							
Expected credit loss rate	0.00%	0.00%	0.00%	100%	100%	100%	
Gross carrying amount - Trade Airlines	3,871,632	-	-	-	-	127,726	3,999,358
Gross carrying amount - Trade Agents	2,215,646	993,980	342,055	67,396	42,740	1,524,521	5,186,338
Gross carrying amount - Others	122,260	32,123	57,989	-	107,262	547,000	866,634
	6,209,538	1,026,103	400,044	67,396	150,002	2,199,247	10,052,330
Expected credit loss	-	-	-	67,396	150,002	2,199,246	2,416,644

	Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 180 Days	> 180 Days	Total
31 December 2023							
Expected credit loss rate	0.00%	0.00%	0.00%	100%	100%	100%	
Gross carrying amount - Trade Airlines	3,844,206	-	-	-	-	173,735	4,017,941
Gross carrying amount - Trade Agents	1,429,482	890,271	468,732	258,964	96,104	1,452,889	4,596,442
Gross carrying amount - Others	159,995	790,269	11,190	148,890	43,419	367,921	1,521,684
	5,433,683	1,680,540	479,922	407,854	139,523	1,994,545	10,136,067
Expected credit loss	-	-	-	407,854	139,523	1,994,544	2,541,921

Incorporation of forward-looking information

The Company incorporates forward-looking information into both the assessment of significant increase in credit risk and the measurement of expected credit losses (ECL). This involves the use of three macroeconomic scenarios—base case, upside, and downside—developed using internal forecasts and external data from credible sources such as the central bank. The analysis considers the impact of macroeconomic drivers such as inflation, exchange rates, and GDP growth on credit risk exposures.

However, for receivable portfolios where the Company considers a financial asset to be in default once contractual payments are more than 90 days past due, a 100% impairment is recognized. Given this conservative provisioning approach, the influence of forward-looking macroeconomic information becomes less pronounced, as the full lifetime loss is already absorbed once the asset reaches the default threshold. Forward-looking macroeconomic information has not been incorporated into the ECL assessment for balances less than 90 days past due. This is due to the short-term nature of these exposures and the low likelihood that macroeconomic changes would materially affect credit risk within such a limited period.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to estimates are recognised prospectively.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i. Impairment of aircraft

A decline in the value of aircraft could have a significant effect on the amount recognised in the financial statements. Management assesses the impairment of aircraft whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important, which could make an impairment review necessary include the following:

- a) Significant decline in the market value beyond that which would be expected from the passage of time and normal use;
- b) Significant changes in technology and regulatory environment; and
- c) Evidence from internal reporting which indicates that the performance of the asset is, or will be, worse than expected.

In the determination of the recoverable amounts, management uses an independent external platform for aircraft valuation namely Flight Ascend.

Management uses '*half-life soft market value*' scenario which assumes the world's principal traffic generating regions are in the middle of a recession or a period of economic stagnation, which historically have a negative impact on aircraft values. This is when airlines experience low growth or even traffic reductions, make losses, cut their fleets and staff or reduce fleet growth plans. The market becomes imbalanced, with supply outstripping demand, resulting in more parked aircraft and lower utilisation rates, which in turn, increase aircraft availability. Half-life prices indicate the recoverable amount assuming that the airframe, engines, landing gear and all major components are half-way between major overhauls and that any life-limited component (for example a cycle limited engine disk) has used up half of its life.

The specific assumptions considered during the year are;

- a) Commercial airliners are valued in typical airline configurations (e.g. passenger or freighter aircraft, Combi, Quick Change);
- b) Purpose-built business jets and specific corporate/VIP versions of airliners (e.g. Airbus A318 ACJ, Boeing BBJ1) are valued assuming they are typically equipped in terms of their interior and specification;
- c) It should also be noted that any damage history on a business jet will usually impact its value – Flight Ascend Online Values cannot take this into account; and
- d) The aircraft is free of any onerous restrictions in respect of its ownership and title documentation. The values are therefore not intended to reflect any sale encumbered with a lease or in a distress/forced sale scenario.

The principal variables used are, the age of the aircraft, and the economic and market conditions. Age of the aircraft is indicated by year of build and utilization data such as cumulative hours of flight and cumulative number of cycles.

Included in property and equipment are two (2) aircraft (ATR 42-600 5H-PWH and ATR 42-600 5H-PWI) with a carrying value before impairment of TZS 9.8 billion (2023: 15.3 billion) that are currently unutilized as a result of defective engines. Impairment assessment on these aircraft has been conducted with reference to their soft market half-life prices as at 31 December 2024. Together with these two aircraft, other aircraft were also subjected to impairment assessment and no additional impairment was recognised during the year (2023: Nil).

The recoverable amounts are categorised as Level 3 in the fair value hierarchy as defined in Note 36.

ii. Unused ticket revenue

Unused ticket revenue i.e., passenger ticket writeback revenue is recognised as revenue using estimates regarding the timing of recognition based on terms and conditions of the ticket and historical claiming trends. Tickets that remain unused for a period exceeding 24 months are recognised in the statement of profit or loss. The determination of the period over which the passengers will not claim back for their tickets or refunds is considered to be a critical estimate by management. The income statement impact of the unused tickets writeback is disclosed under Note 7 of the financial statements.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

iii. Useful lives of property and equipment, and intangible assets

Critical estimates are made by the Directors in determining the useful lives and residual values of property and equipment, and intangible assets based on the intended use of the asset and the economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilization of the assets concerned could result in the actual useful lives or residual values differing from initial estimates. The useful lives of assets are disclosed in Note 4 (f).

iv. Income taxes

Significant judgement is required in determining the overall income tax provision. There are many transactions and calculations, for which the ultimate tax determination is uncertain. The Company recognise liabilities for anticipated tax audit issues, based on estimates of whether additional taxes will be due. Where the final outcome of tax matters is different from the amounts that were initially recorded, such differences will have an impact on the income tax and any deferred tax provisions in the period in which the determination is made.

The Directors have exercised significant judgement in concluding that sufficient taxable profits will not be available in the foreseeable future to utilise the net deferred tax asset (Note 24) that has not been recognised.

v. Going concern

Significant judgements are made by management in the determination of whether there are material uncertainties that may cast significant doubt on entity's ability to continue as a going concern as disclosed in Note 3(b) of these financial statements.

7 REVENUE

A. Revenue streams

	2024 TZS '000	Restated (Note 39) 2023 TZS '000
Recognised at a point in time:		
Passengers	159,404,281	137,621,108
Freight and mail	1,058,079	904,434
	160,462,360	138,525,542
Recognised over time:		
Third-party maintenance	1,530,364	1,114,503
Training services	199,872	176,618
	1,730,236	1,291,121
Total Revenue	162,192,596	139,816,663
Revenue by location:		
Domestic	91,657,567	96,470,255
Regional	70,535,029	43,346,408
Total Revenue	162,192,596	139,816,663

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

7 REVENUE (CONTINUED)

B. Contract balances

	2024	2023
	TZS '000	TZS '000
Contract Assets:		
Trade and other receivables	7,791,854	7,723,664
Contract liabilities*		
Sales in advance of carriage	22,706,898	19,269,598
Trade and other payables	18,016	1,937
	<u>22,724,914</u>	<u>19,271,535</u>
Movement of sales in advance of carriage:		
At start of year:	19,269,598	14,977,262
Revenue recognized during the year	(15,931,532)	(12,162,186)
Sales in advance of carriage received	19,368,832	16,454,522
At end of the year	<u>22,706,898</u>	<u>19,269,598</u>

The Company has no contract assets. Trade receivables have been disclosed in Note 21.

*The contract liabilities primarily relate to the advance consideration received from customers for air transportation or freight carriage for which revenue has not been recognised yet i.e., Unused tickets and to the unredeemed customer loyalty points. The amount of unredeemed customer loyalty points is included in 'Trade and other payables' line item and will be recognised as revenue when the points are redeemed by customers as per IFRS 15, which is expected to occur over the next two years. Similar to customer loyalty, sale in advance of carriage is also expected to be recognised over the next two years.

8 COST OF SALES

	2024	2023
	TZS '000	TZS '000
Fuel and oil	27,378,938	27,182,557
Short term leases of aircraft engines	14,695,909	11,902,314
Aircraft landing, handling, and navigation	11,975,005	10,357,673
Aircraft maintenance	14,999,543	12,451,689
Depreciation of aircraft and aircraft components	15,931,229	17,379,961
Passenger services	3,634,032	6,376,658
Commission on sales	3,303,220	2,408,890
Aircraft, passengers, and cargo insurance	3,526,432	2,904,581
Crew route expenses	1,145,700	159,365
Centralised reservation systems	14,458,611	12,034,161
Aircraft cleaning and certification	322,144	347,713
Salaries and other employment costs	18,184,236	17,447,586
	<u>129,554,999</u>	<u>120,953,148</u>

PRECISION AIR SERVICES PLC

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

9	MARKETING EXPENSES	2024	2023
		TZS '000	TZS '000
	Advertising and publicity	<u>2,209,030</u>	<u>1,768,059</u>
		<u>2,209,030</u>	<u>1,768,059</u>
10	ADMINISTRATIVE EXPENSES	2024	Restated (Note 39) 2023
		TZS '000	TZS '000
	Salaries and other employment costs	9,664,537	8,872,582
	Audit fees	98,400	125,379
	Bank charges	236,989	111,740
	Motor vehicle expenses	1,465,181	1,332,061
	Legal and professional fees	388,964	267,358
	Maintenance and supplies	1,339,690	1,462,625
	General specified expenses	1,646,490	1,649,472
	Accrued Interest on contractual liabilities	35,853,835	23,855,753
	Board meeting expenses	242,804	46,875
	Amortization of intangible assets	54,624	21,669
	Depreciation of properties and equipment	<u>2,019,307</u>	<u>1,484,652</u>
		<u>53,010,821</u>	<u>39,230,166</u>
11	EMPLOYMENT RELATED EXPENSES		
	Salaries and wages	20,986,156	20,251,372
	Social Security Contributions	1,954,338	1,838,254
	Payroll levies (SDL and WCF)	833,946	839,767
	Skills Training and development	1,189,372	1,270,544
	Travelling DTV & Staff Hotac	1,232,335	1,156,898
	Staff Medical Scheme	854,754	607,116
	Other employment costs	<u>797,872</u>	<u>356,217</u>
		<u>27,848,773</u>	<u>26,320,168</u>
12	FINANCE INCOME	2024	2023
		TZS '000	TZS '000
	Interest income on short term bank deposits	<u>84,230</u>	-
		<u>84,230</u>	<u>-</u>
13	FINANCE COSTS		
	Interest on debts and borrowings	23,014,124	18,584,053
	Interest on overdraft	-	54,588
	Finance costs on lease liability	<u>94,592</u>	<u>244,355</u>
		<u>23,108,716</u>	<u>18,882,996</u>
14	NET FOREIGN EXCHANGE (GAIN)/LOSS		
	Realised foreign exchange (gain)/loss	(267,998)	1,584,369
	Unrealised foreign exchange (gain)/loss	<u>(20,249,635)</u>	<u>34,006,889</u>
		<u>(20,517,633)</u>	<u>35,591,258</u>

PRECISION AIR SERVICES PLC

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

15 PROPERTY AND EQUIPMENT

	<u>Aircraft</u> TZS '000	<u>Motor Vehicles</u> TZS '000	<u>Computers</u> TZS '000	<u>Furniture, equipment & structures</u> TZS '000	<u>Work in progress</u> TZS '000	<u>Total</u> TZS '000
<u>Cost:</u>						
At 1 January 2024	314,516,775	1,937,387	3,702,033	15,043,393	44,933	335,244,521
Additions	31,886,974	9,014	302,244	465,709	18,684	32,682,625
Transfer from working on progress	-	-	44,933	-	(44,933)	-
Disposal and Write-off of assets	<u>(16,342,410)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,342,410)</u>
At 31 December 2024	<u>330,061,339</u>	<u>1,946,401</u>	<u>4,049,210</u>	<u>15,509,102</u>	<u>18,684</u>	<u>351,584,736</u>
<u>Depreciation and impairment:</u>						
At 1 January 2024	278,591,699	1,839,043	2,461,393	6,599,049	-	289,491,184
Depreciation charge for the year	15,931,229	27,064	579,348	690,405	-	17,228,046
Disposal and Write-off	<u>(9,781,384)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,781,384)</u>
At 31 December 2024	<u>284,741,544</u>	<u>1,866,107</u>	<u>3,040,741</u>	<u>7,289,454</u>	<u>-</u>	<u>296,937,846</u>
<u>Carrying amount</u>						
At 31 December 2024	<u>45,319,795</u>	<u>80,294</u>	<u>1,008,469</u>	<u>8,219,648</u>	<u>18,684</u>	<u>54,646,890</u>
At 31 December 2023	<u>35,925,076</u>	<u>98,344</u>	<u>1,240,640</u>	<u>8,444,344</u>	<u>44,933</u>	<u>45,753,337</u>

Refer to Note 26 for assets pledged as security. All aircraft and aircraft components are pledged as security to Citibank International Plc, Finnfund Industrial Co-operation and Export Development Canada (EDC) for loans as explained in Note 26.

At the end of the year, the Company had assets worth TZS 31 billion (31 December 2023: TZS 31 billion) plant and equipment that were fully depreciated but still in use with notional depreciation of TZS 3.3 billion (2023: TZS 3.1 billion).

PRECISION AIR SERVICES PLC

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

15 PROPERTY AND EQUIPMENT (CONTINUED)

	Aircraft TZS '000	Motor Vehicles TZS '000	Computers TZS '000	Furniture, equipment & structures TZS '000	Work in progress TZS '000	Total TZS '000
<u>Cost:</u>						
At 1 January 2023	305,449,163	1,891,192	2,675,684	14,734,370	307,450	325,057,859
Additions	12,155,278	46,195	356,258	309,023	407,574	13,274,328
Disposal/Lease remeasurement	(3,087,666)	-	-	-	-	(3,087,666)
Transfer from work in progress	-	-	670,091	-	(670,091)	-
At 31 December 2023	<u>314,516,775</u>	<u>1,937,387</u>	<u>3,702,033</u>	<u>15,043,393</u>	<u>44,933</u>	<u>335,244,521</u>
<u>Depreciation and impairment:</u>						
At 1 January 2023	263,691,490	1,760,278	2,237,855	5,976,692	-	273,666,315
Depreciation charge for the year	17,379,961	78,765	223,538	622,357	-	18,304,621
Disposal	(2,479,752)	-	-	-	-	(2,479,752)
At 31 December 2023	<u>278,591,699</u>	<u>1,839,043</u>	<u>2,461,393</u>	<u>6,599,049</u>	<u>-</u>	<u>289,491,184</u>
<u>Carrying amount</u>						
At 31 December 2023	<u>35,925,076</u>	<u>98,344</u>	<u>1,240,640</u>	<u>8,444,344</u>	<u>44,933</u>	<u>45,753,337</u>
At 31 December 2022	<u>41,757,673</u>	<u>130,914</u>	<u>437,829</u>	<u>8,757,678</u>	<u>307,450</u>	<u>51,391,544</u>

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

16 INTANGIBLE ASSETS

	<u>Computer software</u> TZS '000	<u>Work in progress</u> TZS '000	<u>Total</u> TZS '000
<u>Cost</u>			
At 1 January 2024	2,433,077	-	2,433,077
Additions	40,574	600,243	640,817
At 31 December 2024	2,473,651	600,243	3,073,894
<u>Accumulated amortisation</u>			
At 1 January 2024	2,176,858	-	2,176,858
Charge for the year	54,626	-	54,626
At 31 December 2024	2,231,484	-	2,231,484
Carrying amount	242,167	600,243	842,410
<u>Cost</u>			
At 1 January 2023	2,189,856	227,382	2,417,238
Additions	15,839	-	15,839
Transfer from work in progress	227,382	(227,382)	-
At 31 December 2023	2,433,077	-	2,433,077
<u>Accumulated amortisation</u>			
At 1 January 2023	2,155,189	-	2,155,189
Charge for the year	21,669	-	21,669
At 31 December 2023	2,176,858	-	2,176,858
Carrying amount	256,219	-	256,219

17 RIGHT OF USE ASSETS (ROU)

	2024 TZS '000	2023 TZS '000
<u>Cost</u>		
Balance at the start of the year	5,901,523	5,806,223
Additions	-	-
Lease remeasurement	(764,103)	95,300
Balance at the end of the year	5,137,420	5,901,523
<u>Accumulated amortisation</u>		
Balance at the start of the year	3,318,151	2,758,159
Charge for the year	729,563	559,992
Lease remeasurement	237,407	-
Balance at the end of the year	4,285,121	3,318,151
Carrying amount	852,299	2,583,372

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

18 INVESTMENT IN SUBSIDIARIES

The carrying amounts of the Company's investments in its subsidiaries, Precision Handling Limited and Precise Systems Limited as at 31 December 2024 are summarised below;

	31 December 2024			31 December 2023		
	Cost TZS'000	Impairment TZS'000	Carrying amount TZS'000	Cost TZS'000	Impairment TZS'000	Carrying amount TZS'000
Precision Handling Limited	1,000,000	(1,000,000)	-	1,000,000	(1,000,000)	-
Precise Systems Limited	10,000	(10,000)	-	10,000	(10,000)	-
	<u>1,010,000</u>	<u>(1,010,000)</u>	<u>-</u>	<u>1,010,000</u>	<u>(1,010,000)</u>	<u>-</u>

The financial information of the subsidiaries for the year ended to 31 December 2024 is as summarised below;

	<u>Total assets</u>	<u>Total liabilities and equity</u>	<u>Revenue</u>	<u>Expenses</u>
	TZS '000	TZS '000	TZS '000	TZS '000
<u>Year ended 31 December 2024</u>				
Precision Handling Limited	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Precise Systems Limited	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Year ended 31 December 2023</u>				
Precision Handling Limited	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Precise Systems Limited	<u>432</u>	<u>(432)</u>	<u>-</u>	<u>-</u>

Consolidated financial statements are not prepared because the subsidiaries are immaterial, including taking into account contingencies.

19 OTHER DEPOSITS

	2024 TZS '000	2023 TZS '000
IATA security deposit	3,018,894	1,376,060
Rent security deposits	2,088	2,088
DPO Security deposit	413,882	353,350
Aircraft security deposit	-	1,097,166
	<u>3,434,864</u>	<u>2,828,664</u>
Current portion	3,434,864	2,828,664
Non-current portion	-	-
	<u>3,434,864</u>	<u>2,828,664</u>

Other assets relate to cash deposited by the Company to third parties. These deposits do not attract any interest. The DPO security deposits are deposits held by the card companies against the chargebacks from card holders.

Aircraft security deposits are the deposits kept by Aircraft wet lease lessors for the lease of an aircraft. While the above are held at amortised cost, their fair value approximate their carrying values due to their relatively short-term nature.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

19 OTHER DEPOSITS (CONTINUED)

The movement in deposit is as follows:

	2024 TZS '000	2023 TZS '000
At start of the year	2,828,664	1,442,577
Additional deposit	8,094,761	3,417,055
Release of deposits	(7,137,210)	(2,118,898)
Foreign exchange gain/(losses)	<u>(351,351)</u>	<u>87,930</u>
At the end of the year	<u>3,434,864</u>	<u>2,828,664</u>

20 INVENTORY

	2024 TZS '000	2023 TZS '000
Aircraft spare parts	9,558,903	12,752,275
Fuel and stationeries	198,214	229,690
Stock provisions	<u>(622,874)</u>	<u>(622,874)</u>
	<u>9,134,243</u>	<u>12,359,091</u>

The movement in stock provision for the period is as detailed below;

Balance as at 1 January	(622,874)	(1,321,755)
(Charge)/release during the year	<u>-</u>	<u>698,881</u>
	<u>(622,874)</u>	<u>(622,874)</u>

During the year ended 31 December 2024, inventories of TZS 14.9 billion (December 2023: TZS 12.4 billion) were recognised as expenses and are included in the cost of sales line item.

21 TRADE AND OTHER RECEIVABLES

	2024 TZS '000	2023 TZS '000
Trade receivables - third party	10,052,330	10,136,067
Allowance for credit losses	<u>(2,416,644)</u>	<u>(2,541,921)</u>
Net receivables – third-party	7,635,686	7,594,146
Staff advances and imprest	156,168	129,518
Allowances for credit losses - other debtors	<u>-</u>	<u>-</u>
Net other receivables	<u>156,168</u>	<u>129,518</u>
Net trade and other receivables	<u>7,791,854</u>	<u>7,723,664</u>
Movement in allowance for credit losses:		
At start of year:	2,541,921	2,533,587
Increase of impairment during the year	105,367	177,123
Write off impaired exposure	<u>(230,644)</u>	<u>(168,789)</u>
At end of the year	<u>2,416,644</u>	<u>2,541,921</u>

PRECISION AIR SERVICES PLC

**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

21 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables comprise of the following gross amounts denominated in foreign currencies;

	2024	2023
	TZS '000	TZS '000
United States Dollars	2,118,306	2,530,929
Euro	360,525	474,871
Sterling Pound	272,208	247,653
Canadian Dollars	387,535	77,792
South African Rand	446,053	321,322
Kenya Shillings	160,196	173,940
	<u>3,744,823</u>	<u>3,826,507</u>

22 PREPAYMENTS

	2024	2023
	TZS '000	TZS '000
Advances to suppliers	3,438,085	1,726,512
Insurance	6,390	107
Spare parts	1,588	1,668
Other	51,835	37,630
	<u>3,497,898</u>	<u>1,765,917</u>

Prepayments are non-interest bearing and are non-refundable. They are utilised when the goods are received, or services are rendered.

23 CASH AND CASH EQUIVALENTS

	2024	2023
	TZS '000	TZS '000
Bank balances	3,661,690	4,122,979
Short term deposits	1,171,518	4,443,646
Cash and cash equivalents	4,833,208	8,566,625
Bank overdrafts for cash management purposes	-	-
Cash and cash equivalents in the statement of cash flows	<u>4,833,208</u>	<u>8,566,625</u>

Cash and cash equivalents comprise of the following amounts denominated in foreign currency:

United States Dollars	3,064,251	5,963,103
Euro	1,059,939	1,321,806
Kenya Shillings	119,721	727,999
	<u>4,243,911</u>	<u>8,012,908</u>

PRECISION AIR SERVICES PLC

**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

24 INCOME TAX	2024	2023
(a) Corporate tax payable	TZS '000	TZS '000
At beginning of the year	1,112,019	1,112,019
Payments during the year	-	-
Tax charge for the year	-	-
At end of the year	<u>1,112,019</u>	<u>1,112,019</u>
(b) Other tax payable*		
At beginning of the year	2,098,310	1,807,408
Payments during the year	(761,580)	(382,511)
AMT charge for the year	785,351	673,413
At beginning of the year	<u>2,122,081</u>	<u>2,098,310</u>
(c) Tax Charge		
Current year/period tax charge	-	-
Deferred tax charge	-	-

* This relates to tax payable with respect to alternative minimum taxes.

Section 4(1) (a) of the income tax Act of 2004 as amended requires corporations with perpetual unrelieved tax losses to pay tax at the rate of 0.5% of the turnover for that year of income. The Company have unrelieved tax losses and hence, liable to the alternate minimum tax charge which has been presented under administrative expenses.

(d) Reconciliation of the tax based on accounting loss to actual tax

	2024	Restated (Note 39) 2023
	TZS '000	TZS '000
Loss before income tax	(31,755,500)	(77,394,001)
<i>Tax at applicable rate of 30%</i>	(9,526,650)	(23,218,200)
Tax effect on non-deductible expenses	11,009,379	7,511,521
Tax effect of non-deductible interest expense	3,802,437	2,492,621
Tax effects on assets reconciliation	-	(1,145,681)
Prior year deferred tax under provision	2,492,621	3,081,823
Deferred tax movement not recognized	(7,777,786)	11,277,916
	<u>-</u>	<u>-</u>

(e) Deferred tax

	Restated At 1 Jan 24	Under/(over) provision from prior year	Charge/(credit) to P&L	At 31 Dec 24
Accelerated capital deductions	3,190,776	-	(2,346,457)	844,319
Provisions	(16,052,194)	-	6,247,624	(9,804,570)
Fair value adjustment	(607,034)	-	(6,418)	(613,452)
Deferred interest expense	(2,492,621)	2,492,621	-	-
Tax losses	(83,203,983)	-	1,390,416	(81,813,567)
Net deferred tax asset	(99,165,056)	2,492,621	5,285,165	(91,387,270)
Deferred tax not recognized	99,165,056	(2,492,621)	(5,285,165)	91,387,270
Deferred tax recognized	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

PRECISION AIR SERVICES PLC

**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

24 INCOME TAX (CONTINUED)

(e) Deferred tax (continued)

	At 1 Jan 23	Under/(over) provision from prior year	Charge/(credit) to P&L	Restated (Note 39) At 31 Dec 23
Accelerated capital deductions	5,960,646	-	(2,769,870)	3,190,776
Provisions	(7,002,112)	-	(9,050,082)	(16,052,194)
Fair value adjustment	(453,957)	-	(153,077)	(607,034)
Deferred interest expense	(1,546,305)	-	(946,316)	(2,492,621)
Tax losses	(84,845,412)	3,081,823	(1,440,394)	(83,203,983)
Net deferred tax asset	(87,887,140)	3,081,823	(14,359,739)	(99,165,056)
Deferred tax not recognized	87,887,140	(3,081,823)	14,359,739	99,165,056
Deferred tax recognized	-	-	-	-

The deferred tax asset has not been recognised because the Directors do not expect the Company to generate sufficient taxable profits in the near future against which the asset can be utilised.

25 EQUITY

	2024 TZS '000	2023 TZS '000
(a) Share capital		
Authorised:		
242,000,000 Ordinary Shares of TZS 20/= each	<u>4,840,000</u>	<u>4,840,000</u>
Issued and fully paid up:		
160,472,720 Ordinary Shares of TZS 20/= each	<u>3,209,454</u>	<u>3,209,454</u>
(b) Share premium*	<u>10,490,987</u>	<u>10,490,987</u>

*The Company realized from the 2012 Initial Public Offering (IPO), a share premium of TZS 10.491 million. There were no changes in the share premium during the year.

The shareholding of the Company as at year-end is as stated below;

Name	2024			2023		
	No. of shares	% Shareholding	Amount TZS'000	No. of shares	% Shareholding	Amount TZS'000
The Estate of the late Mr. Michael N. Shirima	68,857,650	42.91	1,377,153	68,857,650	42.91	1,377,153
Kenya Airways Limited	66,157,350	41.23	1,323,147	66,157,350	41.23	1,323,147
Public	25,457,720	15.86	509,154	25,457,720	15.86	509,154
	<u>160,472,720</u>	<u>100.00</u>	<u>3,209,454</u>	<u>160,472,720</u>	<u>100.00</u>	<u>3,209,454</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

26 BORROWINGS

The Company's borrowings are summarised below.

Lender	Average Interest rate	Maturity	Purpose	Security
Citibank International Plc and Finnfund Industrial Co-operation (USD) (i) (*)	4.28%	2008–2022	Financing the acquisition of 5 ATR 72-500 and 2 ATR42-500.	The loans secured by the aircraft that have been delivered**
Export Development Canada (EDC) (USD) (ii) (*)	4.64%	2013–2022	Financing the acquisition of 2 ATR 72-600.	The loan is secured by the aircraft that have been delivered**

(*) The Company is in breach of the terms of the loan agreements due to significant delays in repayments of principal and interest. The breaches have not yet been remediated as such these loans have been classified as current.

(**) For the purpose of holding collateral for the financiers, the aircraft are registered in the name of special purpose entities whose equity is held by the security trustees on behalf of the respective financiers. The legal title is to be transferred to Precision Air Services Plc once the loans are fully repaid. The special entities are as listed below:

Special purpose entity	Assets held as collateral financed by:
Swala Leasing and Finance Limited	Citibank International Plc
	Finnfund Industrial for Corporation Ltd
Antelope Leasing Finance Ltd	Export Development Canada

The following table includes the outstanding loan balances for the Company as at the year-end:

		2024 TZS '000	2023 TZS '000
Secured bank term loans include:			
Citibank International Plc and Finnfund Industrial Co-operation	(i)	311,382,770	319,057,949
Export Development	(ii)	118,613,084	116,249,644
		<u>429,995,854</u>	<u>435,307,593</u>
Non-current		-	-
Current		<u>429,995,854</u>	<u>435,307,593</u>
Total		<u>429,995,854</u>	<u>435,307,593</u>

The movement in loan balances as at the year-end is summarised below:

	2024 TZS '000	2023 TZS '000
Opening balance	435,307,593	398,013,680
Repayment -principal and interest	(8,143,529)	(4,433,571)
Insurance compensation*	-	(11,394,323)
Interest expense	23,014,124	18,584,053
Unrealised exchange (gain)/loss	(20,182,333)	34,537,754
Closing balance	<u>429,995,855</u>	<u>435,307,593</u>

*The insurance proceeds were made directly to the lenders and thus has not been presented as a cash outflow for the purposes of the statement of cash flows.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

27 TRADE AND OTHER PAYABLES	2024 TZS '000	Restated (Note 39) 2023 TZS '000
Trade payables	27,988,481	15,802,674
Due to related parties (Note 29)	173,364	789,699
Advances from customers	1,713,803	1,015,563
Statutory liabilities	145,982,607	119,955,959
Other accruals	2,535,888	1,684,468
	<u>178,394,143</u>	<u>139,248,363</u>

Trade and other payables comprise of the following amounts denominated in foreign currency:

		2024 TZS '000	2023 TZS '000
United States Dollars	USD	18,920,201	10,411,621
Euro	EUR	2,976	-
Great Britain Pound	GBP	97,104	175,164
South African Rand	ZAR	39,384	43,066
Kenya Shillings	KES	70,092	95,800
		<u>19,129,757</u>	<u>10,725,651</u>

The carrying values of trade and other payables are assumed to approximate their fair values due to the short-term nature of trade receivables and payables.

28 LEASES

A. Leases as lessor

During the year, there were no agreements where the Company was a lessor (2023: None).

B. Leases as lessee

The Company has several leased spaces. These include office spaces and a hangar. The Company has the following lease arrangements:

- Lease of offices with various vendors. These leases generally have terms of 2 to 5 years with potential extensions. The lease payments are made monthly.
- Lease of hangar with the Government. The remaining lease period is 6 years. The lease payments are made in advance on a semi-annual basis.

Information about leases for which the Company is a lessee is presented below.

(i) Right of use assets

Right-of-use assets relate to leased office premises and lease of hangar with the Government that are presented within property and equipment (See Note 17).

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

28 LEASES (CONTINUED)

B. Leases as lessee (continued)

(ii) Lease liability, interest expense, and lease payments

The movement in lease liability is as follows.

	2024 TZS '000	2023 TZS '000
At the beginning of the year	3,307,600	3,402,844
Lease addition	-	-
Interest charge for the year	94,592	244,355
Payment of lease	(802,762)	(901,068)
Lease remeasurement	(1,295,732)	313,991
Unrealised exchange (gain)/loss	(338,932)	247,478
At end of the year	964,766	3,307,600
Split as:		
Current	271,102	966,332
Non-current	693,664	2,341,268

(iii) Amounts recognised in profit and loss

Interest charge for the year	94,592	244,355
Depreciation on right of use asset	729,563	559,992
Short-term leases*	14,695,909	11,902,314

(iv) Amounts recognised in the statement of cashflow

Total cash outflow for leases	(802,762)	(901,068)
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*This includes short-term lease of aircraft engines for one (1) to three (3) months in periods when the Company's engines are under maintenance.

(v) Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

29 RELATED PARTY DISCLOSURES

a) Key management remuneration	2024	2023
	TZS '000	TZS '000
Salaries and other short-term benefits	3,105,090	2,951,807
Pension	310,509	278,652
	3,415,599	3,230,459
b) Directors' remuneration		
As executives	160,000	165,290
As non-executives	64,221	36,979
	224,221	202,269

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

29 RELATED PARTY DISCLOSURES (CONTINUED)

c) Purchase transactions	2024	2023
	TZS '000	TZS '000
Kenya Airways Limited	7,480,216	6,308,368
Ngaleku Children's Home Contribution	-	-
	<u>7,480,216</u>	<u>6,308,368</u>
d) Sales transactions		
Kenya Airways Limited	<u>32,028,678</u>	<u>29,729,548</u>
	<u>32,028,678</u>	<u>29,729,548</u>
e) Amount due to related parties		
Ngaleku Children's Home Contribution (*)	1,312	12,853
Kenya Airways Limited (**)	<u>172,052</u>	<u>776,846</u>
	<u>173,364</u>	<u>789,699</u>

(*) Ngaleku Children's Home Contribution is a related part because the late Mr. Michael Shirima was a trustee.

(**) Kenya Airways Limited owns 41.23 % of the ordinary shares of Precision Air Services Limited. As is common throughout the airline industry, Precision Air Services Limited and Kenya Airways Limited from time to time carry each other's passengers travelling on the other airline's tickets. The settlement between the two carriers is actioned through IATA Clearing House (ICH) of which both airlines are members. The transactions carried out with Kenya Airways Limited relate to inter-line services and advances.

Outstanding balances at the period-end are unsecured, due on demand, interest-free and settlement occurs in cash.

There has been no guarantee provided or received for any related party receivable or payables.

30 CAPITAL COMMITMENTS

The Company has no capital commitments as at year-end. (31 December 2023: Nil)

31 SEGMENT INFORMATION

The Company is organized into one single business unit for management purposes. The Company's Senior Management Team, which is the equivalent of the Chief Operating Decision-Maker monitors the operating results of the business as a single unit for the purposes of making decisions about resources allocation and performance assessment.

The principal service of the Company which contributes to 98% of the Company's revenue as shown in note 7 is carriage of passengers domestically and regionally. The revenue and costs attributed to this service is measured in a manner that is consistent with that of Statement of Profit or Loss and other Comprehensive Income. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. There was no revenue from a single customer that was 10% or more of the total reported revenue.

All the Company's assets are domiciled in Tanzania and are deployed flexibly across the Company passengers' route network.

32 CONTINGENCIES

As at 31 December 2024, the Company was a respondent in a labour dispute relating to the termination of employment. The total amount claimed in the matter is approximately TZS 36.7 million. In the opinion of the Directors and the Company's Legal Counsel, no material liability is expected to arise from this matter, and therefore no provision has been recognised in these financial statements.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

33 EMPLOYEES

The number of employees for the Company at the end of the year was 413 (31 December 2023: 401).
The breakdown by function is as follows:

	2024	2023
Flight Operations	112	109
Technical	108	97
Management and administration	140	139
Ground Services	<u>53</u>	<u>56</u>
Total Employees	<u>413</u>	<u>401</u>

Employee numbers represent actual headcount and are presented in whole numbers (i.e., not in thousands).

34 EARNINGS PER SHARE (EPS) – BASIC AND DILUTED

Basic earnings per share is calculated on the profit or loss after tax attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated on the profit or loss after tax attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding after adjustment of dilutive potential ordinary shares. The basic and diluted earnings per share are the same as there are no dilutive instruments.

	2024	2023
Profit/(loss) for the year (TZS'000)	(31,755,500)	(77,394,001)
Number of shares ('000')	160,473	160,473
Earnings Per Share (TZS) – basic and diluted	(197.89)	(482.29)

35 CAPITAL MANAGEMENT

The Company defines capital as the total equity and net debt of the Company. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholder value. While the overall responsibility of capital management rests with the board of Directors, the day-to-day capital management is delegated to the management committee.

The Company manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company aims to maintain capital discipline concerning investing activities and may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies, or processes during the year.

The Company includes within net debt: borrowings, lease liabilities, less cash, and cash equivalents. All components of equity are included in the denominator of the calculation.

The Company does not have a target debt ratio.

	2024	Restated (note39) 2023
	TZS'000	TZS'000
Total debts (borrowings and lease liability)	430,960,620	438,615,193
Cash and bank balances	<u>(4,833,208)</u>	<u>(8,566,525)</u>
Net debt	426,127,412	430,048,668
Equity	<u>(550,262,095)</u>	<u>(518,506,594)</u>
Total capital	-	-
Gearing ratio	>100%	>100%

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

35 CAPITAL MANAGEMENT (CONTINUED)

Externally imposed capital requirements

Other than the securities pledged for borrowings (Note 26), requirements imposed by lenders include:

- Debt coverage ratio of 1.1 (which the Company has not complied with); and
- Obtaining consent from the Bank before changing the Company's capital structure or sale of shares.

36 FINANCIAL INSTRUMENTS BY CATEGORIES

The accounting policies for financial instruments have been applied to the following line items, classified by category in accordance with IFRS 9;

	2024	2023
	TZS '000	TZS '000
Financial Assets at amortized costs		
Trade and other receivables*	7,635,686	7,594,146
Other current financial assets	3,434,864	2,828,664
Cash and short-term deposits	<u>4,833,208</u>	<u>8,566,625</u>
	<u>15,903,758</u>	<u>18,989,435</u>
Financial Liabilities at amortized costs		
Lease Liabilities	964,766	3,307,600
Interest-bearing loans and borrowings	429,995,854	435,307,593
Trade and other payables**	<u>30,679,717</u>	<u>18,274,904</u>
	<u>461,640,337</u>	<u>456,890,097</u>

*Staff imprests and advances are excluded from trade and other receivables.

**Statutory liabilities, advanced from customers, sales in advance of carriage, and accruals for loyalty points are excluded from the list of trade payables as the analysis is based on only financial instruments.

37 FAIR VALUE DISCLOSURES

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges and exchanges traded derivatives like futures.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The sources of input parameters are LIBOR yield curve, Bloomberg, and Reuters.
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company did not have at the reporting date any financial assets and liabilities measured at fair value.

Receivables, cash and short-term deposits and payables are held at amortised cost. Their carrying amounts of cash and short-term deposits and payables approximate their fair values due to their short-term maturities.

For the borrowings repayable on demand (classified as current liabilities owing to breach of the terms of the borrowing agreements), the carrying value approximate the fair value.

PRECISION AIR SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

38 SUBSEQUENT EVENTS

At the date of signing the financial statements, the Directors are not aware of any material events or circumstances that have arisen between the accounting date and the date of signing of these financial statements, not otherwise dealt with in these financial statements, which significantly affect the financial position of the Company and results of its operations.

Following year-end, the Company has continued to honour the revised payment plan agreed with its financiers in relation to overdue aircraft loans. Concurrently, discussions are ongoing regarding a loan restructuring proposal, which includes the possibility of a partial loan waiver. This waiver is conditional upon the Company settling a negotiated lump sum payment. The most recent engagement with the financiers took place in March 2025, and through subsequent correspondence, the required lump sum amount has been communicated. The Board and Management are actively assessing viable options to secure the necessary funding to meet this condition.

39 PRIOR YEAR ADJUSTMENTS

	Reference	As previously reported TZS '000	Prior year adjustment TZS '000	As restated TZS '000
(A) Statement of profit and loss				
Year ended 31 December 2022				
Revenue	(i)	117,667,008	3,844,106	121,511,114
Administrative expenses	(ii)	(2,255,148)	(18,247,078)	(20,502,226)
Net adjustment			(14,402,972)	
Year ended 31 December 2023				
Revenue	(i)	135,973,730	3,842,933	139,816,663
Administrative expenses	(ii)	(15,374,413)	(23,855,753)	(39,230,166)
Net adjustment			(20,012,820)	
(B) Statement of financial position				
Year ended 31 December 2022				
Trade and other payables	(i) and (ii)	108,359,726	7,247,563	115,607,289
Accumulated losses	(i) and (ii)	(447,565,472)	(7,247,563)	(454,813,035)
Year ended 31 December 2023				
Trade and other payables	(i) and (ii)	111,987,981	27,260,382	139,248,363
Accumulated losses	(i) and (ii)	(504,946,653)	(27,260,382)	(532,207,035)
(C) Statement of cash flows				
Year ended 31 December 2023				
Loss before income tax	(i) and (ii)	(57,381,181)	(20,012,820)	(77,394,001)
Changes in working capital - Trade and other payables	(i) and (ii)	3,858,987	20,012,820	23,871,807

(i) Relates to service fee revenue erroneously recorded as a liability.

(ii) Relates to interest on contractual liabilities



**ELECTION AND CONFIRMATION OF
APPOINTMENT OF DIRECTORS AND
APPROVAL OF THEIR REMUNERATION FOR
THE YEAR 2025**



AGENDA NO.6:

TO RECEIVE AND APPROVE THE PROPOSAL ON ELECTION AND CONFIRMATION OF APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

MOTION: Be it resolved to elect the Minority Director and receive and approve the proposed Directors' remuneration.

MOTIVATION:

Article 86 of the Company's Memorandum and Articles of Association (hereinafter referred as "the Memarts") as amended by a Special Resolution passed on the 11th day of March, 2011 pursuant to Section 13 (1) and Section 147 of the Tanzanian Companies Act, Act No. 12 of 2002; provides for the number of Directors of the Company to be not less than seven (7) and not more than Nine (9). The nomination and appointment of Directors under the current Articles of Association is as follows

Category.	Appointer (s)	Basis of Appointment	No of Directors
1	Michael Shirima	Entitled to nominate and appoint one director to the Board for each part of his shareholding which represents ten percent (10%) in nominal value of the issued and fully paid-up share capital of the company held by him (i.e 42.91%)	3
2	Kenya Airways Ltd	Entitled to nominate and appoint one director to the Board for each part of its shareholding which represents ten percent (10%) in nominal value of the issued and fully paid-up share capital of the company held by it (i.e 41.23%)	3
3	Minority Appointer (s)	A single member who owns or members who between them hold in the aggregate of ten percent (10%) in nominal value of the issued and fully paid-up share capital of the company entitled to appoint or jointly agree in writing to nominate and appoint a Minority Director(s) respectively (i.e 15.86%)	3
		Total	9

NOTE: In the event that one or more minority Director has not been appointed by Minority Appointer(s), the Board shall have the right to appoint one "Independent Non-Executive Director" who shall remain in office until the next AGM at which he would be required to stand for re-election and at which a Minority Director is appointed in his place; but if no minority Director is appointed such independent Director shall be eligible for re-election.

The current composition of Directors is as follows:

Category	Appointer (s)	Director	Status
1.	Estate of the Late. Michael Shirima	Mr. Harry Kitilya	Ongoing
		Mr. Vincent Shirima	Ongoing
		Capt. Evans Ndorosey	Ongoing
2.	Kenya Airways Ltd	Capt. George Kamal	Ongoing
		Ms. Hellen Mathuka	Ongoing
		Mr. Dick Murianki	Ongoing
3.	Board – Independent Non-Executive Director	Mr. Avelyne Msaki	Resigning effective 23/2/2026
		Total = 7	

Note: Due to the total shareholding structure, minority appointers have not made any appointment of a Minority Director, hence the appointment of an Independent Non-Executive Director by the Board.

To fill the Vacancy of a Minority Director, the Board proposes the following:

- Due to the total shareholding structure, the major shareholders are in agreement for the Minority director to be elected by the Minority shareholders attending the AGM either physically or through a proxy.
- The major shareholders (The Estate of Michael Shirima & Kenya Airways Plc) shall not participate in the voting process.
- The Board and its respective Committee shall participate in the recruitment and nomination process and subsequently table three candidates before the AGM to be voted upon.
- The AGM Shall elect the Chairman of the Election Committee who shall be responsible to coordinate the election process and announce the winning candidate.
- The voting shall be on poll, where every member shall have one vote for each share of which he is a holder (1 share = 1 vote)
- A candidate shall be declared the winner only if he/she secures more than half of all valid votes cast (the 50% + 1 vote electoral system). In the event that one fails to get the required 50% plus one vote, then an election run-off (re-run) will be done and in that election the only candidates shall be the candidate who received the greatest number of votes and the candidate who received the second greatest number of votes.
- The winner shall be Minority Director of the Board of Precision Air Services Plc to serve for a term of three (3) years.

A. ELECTION:

Dear Shareholders,

This briefing note provides an update on the recruitment and nomination process undertaken for the position of Minority Director on the Board of Directors of Precision Air Services Plc, in accordance with the Company's Memorandum and Articles of Association, the Board Charter, and applicable corporate governance requirements.

1. Background and Origin of the Vacancy

The position of Minority Director became vacant following the resignation of Mr. Avelyne Msaki. His resignation becomes effective 24th February 2026, coinciding with the date of this Annual General Meeting.

The Board expresses its sincere appreciation to Mr. Msaki who has diligently served in this role, offered dedicated service, and for the important role he has played in representing minority shareholders.

2. Call for Applications

To fill the vacancy and ensure continuity of minority shareholder representation, the Company issued a vacancy announcement on 27 October 2025 inviting suitably qualified candidates to apply for the position of Minority Director.

The advertisement was disseminated through the following channels:

- The Company's official website
- The Company's social media platforms
- Direct text messages sent to all shareholders

The minimum qualifications and competencies among other things were as follows:

- (a) A university degree in Finance, Accounting or other related fields;
- (b) A Certified Public Accountant in Public Practice (CPA) and a registered member of the National Board of Accountants and Auditors of Tanzania - (NBAA)
- (c) At least 10 years of experience in auditing, capacity building programmes and advisory services.
- (d) At least 10 years of professional experience, preferably at senior management or Board level in the aviation, transport, financial, or corporate sectors;

The advert clearly stated that being a shareholder would be considered an added advantage, and indeed, among the twenty-eight (28) applications received, several were submitted by shareholders of the Company.

This approach ensured both inclusivity and alignment with the principle of minority shareholder participation in corporate governance.

3. Screening and Shortlisting Process

The Nomination and Human Resources Committee (NHRC) undertook a structured and transparent selection process in accordance with the qualification requirements in the vacancy notice and the Company's governance procedures.

Seven (7) candidates were shortlisted to proceed to the interview stage.

4. Interview Process

The seven shortlisted applicants appeared before the NHRC for interviews. At the conclusion of the interviews, the NHRC nominated the most suitable candidates for Board consideration.

5. Nomination of Final Candidates

Based on merit and alignment with the Company's governance needs, the NHRC advanced **three (3)** candidates to the Board for approval:

1. Mr. Oswald Martin Urassa
2. Mr. Benedicto Baragomwa
3. Ms. Renata Casmir Ndege

Their professional profiles and qualifications were presented to the Board together with the NHRC evaluation report.

6. Board Consideration and Approval

The Board, at its Extraordinary Meeting, reviewed the NHRC recommendations and approved the three candidates listed above as the nominees to be presented to the Annual General Meeting for election as the next Minority Director.

Their profiles have been circulated together with the AGM papers to assist shareholders in making an informed decision.

7. Conclusion

This election will ensure continued representation of minority shareholders on the Board and strengthen the Company's governance structure.

The recruitment and nomination process has been conducted in a transparent, competitive, and merit-based manner consistent with good corporate governance practices and the standards required of a publicly listed company.

Shareholders are invited to consider the profiles of the three (3) nominated candidates and proceed with the election of **one (1)** Minority Director to serve for three (3) years.

Required

In line with the Company's Memorandum and Articles of Association, shareholders are respectfully requested to elect **one (1)** Minority Director from the **three candidates** approved by the Board.

B. APPROVAL OF DIRECTORS' REMUNERATION

Required

Shareholders are requested to pass the resolution of endorsing the proposal of the Board of Directors that Directors' fee for the year 2025 be maintained to the same levels as approved for the year 2024.

It should be noted that the company's Directors' remuneration (which cover sitting allowances) has been the same and not changed in the past 10 years. The Board is not recommending a change in regards to Director's remuneration.

By Order of the Board – Precision Air Services Plc



AJENDA NAMBA 6: KUPOKEA NA KUIDHINISHA PENDEKEZO LA UCHAGUZI NA

UTHIBITISHO WA UTEUZI WA WAKURUGENZI PAMOJA NA MALIPO YAO

AZIMIO: Mkutano Mkuu wa Wanahisa wa Shirika la Ndege la Precision Air uazimie kumchagua Mkurugenzi wa Wanahisa Wachache na uthibitishe uteuzi wa Wakurugenzi wengine wanaoendelea ikiwemo kupokea na kuidhinisha mapendekezo ya malipo ya Wakurugenzi.

MAELEZO YA MSINGI:

Kifungu cha 86 cha Kanuni za Uendeshaji wa Kampuni (Memorandum and Articles of Association – “Memarts”) kinaeleza kuwa idadi ya Wakurugenzi wa Kampuni isiwe chini ya saba (7) wala isizidi tisa (9). Idadi hiyo ya Wakurugenzi inatakiwa kupatikana kama ifuatavyo:

Na. ya Kundi	Mteuzi/Wateuzi	Msingi wa Uteuzi	Idadi ya Wakurugenzi
1	Michael Shirima	Ana haki ya kuteua Mkurugenzi mmoja kwa kila sehemu ya umiliki wake wa hisa inayowakilisha asilimia kumi (10%) ya thamani ya kawaida ya hisa zilizotolewa na kulipiwa kikamilifu za Kampuni anazomiliki (yaani 42.91%). Wateule wake wasizidi watatu (3)	3
2	Kenya Airways Ltd	Ana haki ya kuteua Mkurugenzi mmoja kwa kila sehemu ya umiliki wake wa hisa inayowakilisha asilimia kumi (10%) ya thamani ya kawaida ya hisa zilizotolewa na kulipiwa kikamilifu za Kampuni anazomiliki (yaani 41.23%). Wateule wake wasizidi watatu (3)	3
3	Wanahisa Wachache (Minority)	Mwanahisa mmoja au wanahisa kadhaa kwa pamoja wanaomiliki kwa jumla asilimia kumi (10%) ya thamani ya kawaida ya hisa zilizotolewa na kulipiwa kikamilifu za Kampuni, wana haki ya kuteua au kwa maandishi kukubaliana kwa pamoja kumteua Mkurugenzi wa Wanahisa Wachache (yaani 15.86%). Wateule wao wasizidi watatu (3)	3
		Jumla	9

ANGALIZO:

Endapo Mkurugenzi mmoja au zaidi wa Wanahisa Wachache hatateuliwa na Wateuzi wa Wanahisa Wachache, Bodi itakuwa na haki ya kumteua Mkurugenzi Huru Asiye Mtendaji (Independent Non-Executive Director) ambaye atahudumu hadi Mkutano Mkuu wa Wanahisa utakaofuata, ambapo atatakiwa kugombea tena, na ambapo Mkurugenzi wa Wanahisa Wachache atateuliwa badala yake. Endapo hakuna Mkurugenzi wa Wanahisa Wachache atakayeteuliwa, Mkurugenzi huyo ataweza kugombea tena.

Muundo wa sasa wa Bodi ya Wakurugenzi:

Kundi	Mteuzi/Wateuzi	Mkurugenzi	Nafasi
1.	Michael Shirima	Bw. Harry Kitilya	Ongoing
		Bw. Vincent Shirima	Ongoing
		Capt. Evans Ndorosey	Ongoing
2.	Kenya Airways Ltd	Capt. George Kamal	Ongoing
		Bi. Hellen Mathuka	Ongoing
		Bw. Dick Murianki	Ongoing
3.	Bodi – Mkurugenzi Huru asiye Mtendaji	Bw. Avelyne Msaki	Anajiuzulu kuanzia tarehe 24/2/2026
		Jumla = 7	

Angalizo: Kutokana na muundo wa sasa wa umiliki wa hisa, Wateuzi wa Wanahisa Wachache hawajafanya uteuzi wa Mkurugenzi wa Wanahisa Wachache, hivyo Bodi ilimteua Mkurugenzi Huru Asiye Mtendaji.

UJAZAJI WA NAFASI YA MKURUGENZI WA WANAHISA WACHACHE [MINORITY DIRECTOR]

Kwa kuzingatia ujumla wa muundo wa sasa wa umiliki wa hisa, wanahisa wakuu wamekubaliana kupendekeza kuwa Mkurugenzi wa Wanahisa Wachache achaguliwe na Wanahisa Wachache (Minority Shareholders) watakaohudhuria Mkutano Mkuu wa Wanahisa au kupitia wawakilishi (proxy). Katika kujaza nafasi hii moja (1) ya Mkurugenzi wa Wanahisa Wachache, Bodi inapendekeza ifuatavyo:

- Wanahisa wakuu (Michael Shirima na Kenya Airways Plc) hawatashiriki kupiga kura ya kumchagua Mkurugenzi wa Wanahisa Wachache.
- Bodi na Kamati husika zitashiriki katika mchakato wa uajiri na uteuzi, na baadaye kuwasilisha wagombea watatu (3) mbele ya Mkutano Mkuu wa Wanahisa kwa ajili ya kupigiwa kura.
- Mkutano Mkuu wa Wanahisa utamchagua Mwenyekiti wa Kamati ya Uchaguzi ambaye atasimamia mchakato wa uchaguzi na kutangaza mshindi.

- Upigaji kura utafanywa kwa kura ya siri (poll), ambapo kila mwanahisa atakuwa na kura moja kwa kila hisa anazomiliki (hisa 1 = kura 1).
- Mgombea atatanzwa mshindi iwapo atapata zaidi ya nusu ya kura halali zilizopigwa (mfumo wa kura 50% + kura 1) kati ya kura za wanahisa wote wanaohudhuria Mkutano Mkuu wa Sita wa Wanahisa.
- Endapo hakuna mgombea atakayefikia kiwango hicho, kutafanyika uchaguzi wa marudio (run-off) kati ya wagombea wawili waliopata kura nyingi zaidi.
- Mshindi atakuwa Mkurugenzi wa Wanahisa Wachache wa Bodi ya Precision Air Services Plc kwa kipindi cha miaka mitatu (3) kuanzia tarehe ya kuchaguliwa.

A. UCHAGUZI:

Ndugu Wanahisa,

Taarifa hii inaelezea mchakato mzima wa utaratibu uliotumika katika kupata majina matatu yaliyowasilishwa mbele ya Mkutano Mkuu wa Wanahisa kwa ajili ya kupigiwa kura kwa ajili ya nafasi ya Mkurugenzi wa bodi anayewakilisha Wanahisa Wachache ikiwa imezingatia Kanuni za Uendeshaji wa Kampuni na matakwa ya uatawala bora.

1. Historia fupi

Nafasi ya Mkurugenzi wa bodi anayewakilisha Wanahisa Wachache inakuwa wazi kufuatia kujiuzulu kwa aliyekuwa Mkurugenzi wa Bodi, Bw. Avelyne Msaki ambaye kujiuzulu kwake kutaanza kutekelezwa tarehe 24 Mwezi Februari Mwaka 2026 sambamba na tarehe ya Mkutano huu.

Bodi inamshukuru Bw. Msaki kwa mchango wake mkubwa na uwakilishi wa Wanahisa Wachache.

2. Tangazo la Nafasi

Tangazo la nafasi lilitolewa tarehe 27 Oktoba, 2025 kupitia:

- Tovuti rasmi ya Kampuni
- Mitandao ya kijamii ya Kampuni
- Ujumbe wa maandishi (SMS) kwa wanahisa wote

Sifa alizotakiwa kuwa nazo Mwombaji ni Pamoja na:

- (a) Shahada ya Chuo Kikuu katika fani ya Fedha, Uhasibu au fani nyingine zinazohusiana;
- (b) Awe na CPA na awe amesajiliwa na Bodi ya Taifa ya Wahasibu na Wakaguzi wa Hesabu Tanzania (NBAA);
- (c) Uzoefu wa angalau miaka kumi (10) katika ukaguzi wa hesabu za fedha
- (d) Uzoefu wa angalau miaka kumi (10) katika ngazi ya uongozi wa juu au Bodi, katika sekta za anga, usafiri, fedha, au mashirika ya kibiashara.

Tangazo lilieleza wazi kuwa, kuwa mwanahisa kungezingatiwa kama faida ya ziada, na kwa hakika, kati ya maombi ishirini na nane (28) yaliyopokelewa, kadhaa yaliwasilishwa na wanahisa wa Kampuni.

Utaratibu huu ulihakikisha ushirikishwaji mpana unaoendana na kanuni ya ushiriki wa wanahisa wachache katika utawala bora wa kampuni.

3. Mchakato wa uchujaji

Kamati ya Uteuzi na Rasilimali Watu (NHRC) ilichuja waombaji kwa uwazi na kwa kuzingatia sifa zilizotangazwa. Kati ya Wagombea 28, wagombea saba (7) waliingia hatua ya usaili.

4. Interview Process

Waombaji saba walifanyiwa usaili na NHRC, na majina ya wagombea watatu waliofanya vizuri zaidi yaliwasilishwa mbeye ya Bodi kwa hatua zaidi.

5. Wagombea Waliopendekezwa

Bodi ilipokea majina ya wagombea watatu ambao ni:

1. Bw. Oswald Martin Urassa
2. Bw. Benedicto Minani Baragomwa
3. Bi. Renata Casmir Ndege

6. Idhinisho la Bodi

Bodi ilijadili na kuidhinisha majina hayo matatu kuwasilishwa mbele ya Mkutano Mkuu wa Wanahisa kwa ajili ya kupigiwa kura na Mkutano Mkuu wa Wanahisa kumchagua Mkurugenzi wa Bodi anayewakilisha Wanahisa wachache.

Taarifa zao za kitaaluma zimesambazwa kama zilivyoainishwa hapa chini, pamoja na nyaraka za Mkutano Mkuu wa Mwaka (AGM), ili kuwasaidia wanahisa kufanya uamuzi.

7. Hitimisho

Uchaguzi huu utaimarisha uwakilishi wa Wanahisa Wachache na kuendeleza misingi ya utawala bora wa Kampuni.

Mchakato huu umefanyika kwa kuzingatia ueledi, uwazi, ushindani na mwisho, wagombea wamependekezwa kutokana na kuwa na sifa stahiki za Mkurugenzi wa shirika la umma.

Wanahisa wanaombwa kupitia sifa za kila mgombea na kushiriki katika kumchagua Mgombea Mmoja (1) kuwa Mkurugenzi wa Bodi anayewakilisha Wanahisa wachache na kutumikia kwa kipindi cha Miaka (3).

Idhinisho linalotakiwa

Inapendekezwa kwa Wanahisa kumchagua Mkurugenzi mmoja (1) wa Bodi anayewakilisha Wanahisa wachache kutoka kwa wagombea watatu waliopendekezwa na Bodi.

B. KUIDHINISHA MALIPO YA WAKURUGENZI

Idhinisho linalotakiwa

Inapendekezwa kwa Wanahisa kupitisha azimio la kuidhinisha pendekezo la Bodi kuwa malipo ya Wakurugenzi kwa mwaka 2025 yaendeleo kuwa katika viwango vilivyoidhinishwa kwa mwaka 2024.

Ifahamike kuwa malipo ya Wakurugenzi (posho za vikao) hayajabadilika kwa zaidi ya miaka kumi (10), na Bodi haipendekezi mabadiliko yoyote kwa sasa.

Kwa Agizo la Bodi ya Wakurugenzi - Precision Air Services Plc

BENEDICTO M. BARAGOMWA



Mr. Benedicto Baragomwa is a Tanzanian national and an experienced audit and governance professional with over eighteen (18) years of experience in corporate governance, internal audit, banking, risk management, financial management, information technology, and data analytics.

He holds a Master of Science in Economics and Finance from the University of Bradford, United Kingdom, and a Bachelor of Accounting and Finance from Mzumbe University. He is an Associate Certified Public Accountant (ACPA) and a registered member of the National Board of Accountants and Auditors (NBAA). Mr. Baragomwa is also a Certified Information Systems Auditor (CISA) accredited by ISACA, and a Certified Director (CiDir) accredited by the Institute of Directors Tanzania (IoDT). In addition, he is an alumnus of the Egyptian Central Banking Institute (ECBI) Executive Programme.

Mr. Baragomwa currently serves as Chief Internal Auditor at NMB Bank Plc, a listed and highly regulated financial institution, where he is responsible for the internal audit and assurance function and reports directly to the Board of Directors. His role involves providing independent assurance on governance, risk management, internal controls, regulatory compliance, and information systems across the Bank.

Prior to joining NMB Bank Plc, Mr. Baragomwa worked with KPMG and Barclays Bank Tanzania Limited (now ABSA), where he gained extensive experience in enterprise risk management, regulatory compliance, financial oversight, and board-level assurance within complex and highly regulated operating environments.

Mr. Baragomwa has served in various governance and leadership capacities. He is currently a Board Member and Chairman of the Audit Committee of the Institute of Internal Auditors Tanzania (IIA Tanzania) and a Board Member (Treasurer) of ISACA Tanzania Limited. Through these roles, he has contributed to strengthening governance, audit quality, and professional standards within the accounting, audit, and information systems professions.

His areas of expertise include Board and Audit Committee support, enterprise risk management, financial oversight, internal controls, ICT governance, information systems audit, and the use of data analytics to enhance risk oversight and assurance, particularly within regulated and safety-critical environments.



RENATA C. NDEGE

Ms. Renata C. Ndege is a Tanzanian national and a seasoned finance, governance, and public-sector executive with over twenty (20) years of experience as a professional accountant and senior leader in large, capital-intensive, and highly regulated institutions, with responsibility for financial stewardship and strategic oversight.

She holds a Master of Business Administration (MBA) in Finance, a Master's Degree in Tax Administration, and a Bachelor of Commerce in Accounting. Ms. Ndege is a Certified Public Accountant (CPA-T) and a registered member of the National Board of Accountants and Auditors (NBAA).

Ms. Ndege currently serves as a Director at the President's Office – Public Service Management and Good Governance.

Her professional experience includes extensive engagement with board and committee processes, providing structured financial reporting, budgeting, performance analysis, and fiduciary oversight in complex operational environments. She has significant expertise in financial strategy, cash-flow management, cost control, and risk management, including oversight of large operating budgets, capital expenditure programmes, and long-term funding arrangements.

Ms. Ndege has also overseen large-scale government-funded and development-partner-funded projects, with a strong focus on governance, value for money, regulatory compliance, and financial accountability, skills directly applicable to airline operations and fleet-related investments. Her experience further includes engagement with external auditors, audit and risk committees, and regulators in public interest entities, as well as involvement in the development and implementation of financial regulations, accounting instructions, management information systems (MIS/ERP), and corporate policies aimed at strengthening governance, transparency and operational efficiency.

In addition to her executive role, Ms. Ndege serves in several governance capacities. She is a Board Member of TANELEC Limited and Ndege Insurance Company, a Member of the Audit and Risk Committee of the Office of the Parliament of the United Republic of Tanzania, and a Member of the Governing Council of the Tanzania Association of Women Accountants.

Her key areas of competence include corporate governance and fiduciary oversight, financial management, audit and risk management, taxation and regulatory compliance and financial reporting, strategic planning, budgeting and performance monitoring, project finance and large-scale project oversight, and ESG, Sustainability and ethical leadership, all of which are directly relevant to the oversight responsibilities of a director of Precision Air Services Plc.

CPA OSWALD M. URASSA



CPA Oswald M. Urassa is a Tanzanian national and a seasoned finance, governance, and capital-markets professional with over 30 years extensive experience spanning academia, financial markets, banking, and mortgage finance.

He studied Accountancy at the University of Dar es Salaam, Tanzania, and later obtained a Master of Business Administration (MBA) from the University of Birmingham, United Kingdom. He is a Certified Public Accountant and a Fellow Member (FCPA) of the National Board of Accountants and Auditors (NBAA) as well as the Tanzania Association of Accountants (TAA). He is also a Certified Commonwealth Corporate Governance Practitioner and Trainer, and a Certified Financial Educator (CFE) accredited by the Bank of Tanzania (BOT).

CPA Urassa has undertaken numerous professional development programmes in financial reporting, corporate governance, auditing, risk management, capital markets, strategic management, securities market risk management, and performance auditing, delivered by institutions including the World Bank, International Finance Corporation (IFC), NBAA, Bank of Tanzania, BSE Securities Exchange (India), the Centre for Corporate Governance in Kenya, and the University of Connecticut (USA). He has further facilitated consultancy assignments in risk management, strategic planning, corporate governance, and Board Charter development.

He began his career as a Tutorial Assistant at the Institute of Finance Management (IFM), where he rose to the position of Senior Lecturer and Head of the Accountancy Department. He subsequently joined the Dar es Salaam Stock Exchange Plc (DSE) as the founding Chief Finance Officer and Head of Operations, before moving to NMB Bank Plc as Treasurer. He later served as Chief Finance Officer of Tanzania Mortgage Refinance Company Ltd (TMRC) from 2011 to July 2024, and is currently Senior Partner at Diamond Financial Services, an audit and advisory firm based in Dar es Salaam.

CPA Urassa serves as a Non-Executive Director of Tanzania Portland Cement Plc and NICOL Investments Plc, both listed on the Dar es Salaam Stock Exchange, and is also a Board Member of AMREF Health Tanzania and the CRDB Bank Plc Foundation. His previous governance roles include Non-Executive Director at the Rural Energy Agency (REA), Trustee of the GEPF Retirement Benefit Fund for nine years prior to the 2018 pension fund merger, Governing Board Member of NBAA, Chairman of the Tanzania Association of Accountants (TAA) Governing Board, and Chairman of the Evangelical Lutheran Church in Tanzania – Eastern and Coastal Diocese Investment Trust Board (ELCT-ECD-ITB).

His core areas of competence include financial governance, audit and risk oversight, capital-markets operations, strategic financial management, corporate governance advisory, and board-level fiduciary oversight, all of which are directly relevant to the responsibilities of a director of Precision Air Services Plc.

Disclaimer:

The profiles of candidates standing for election have been prepared by the Company based on information provided by the respective candidates and are presented solely for the information of shareholders.

The inclusion of any candidate's profile in the AGM documentation does not constitute an endorsement, recommendation, or preference by the Board of Directors. Shareholders are requested to exercise their independent judgment when voting.



**APPOINTMENT OF EXTERNAL AUDITORS AND
APPROVAL OF THEIR REMUNERATION FOR
THE YEAR 2025**



AGENDA NO.7: TO RECEIVE AND APPROVE THE APPOINTMENT OF EXTERNAL

AUDITORS FOR THE YEAR 2025:

Proposal

The Board of Directors recommends the appointment of PricewaterhouseCoopers (PwC) Dar es Salaam as the External Auditors of the Company's financial statements for the year 2025, on terms and fees to be determined by the Board of Directors.

It is noted that PwC were first appointed by the General Meeting of Shareholders on 21st March 2025, and the first set of financial statements they have audited are the financial statements for the year ended 31 December 2024.

Required

Shareholders are requested to deliberate and approve the recommendation by the Board of Directors to appoint PricewaterhouseCoopers (PWC) Dar es Salaam as Auditors of the Company's financial statements for the year 2025, on the terms and fees to be determined by the Board of Directors

By Order of the Board – Precision Air Services Plc



AJENDA NA. 7: KUPOKEA NA KUIDHINISHA UTEUZI WA WAKAGUZI WA NJE

KWA MWAKA 2025

Pendekezo:

Bodi ya Wakurugenzi inapendekeza uteuzi wa PricewaterhouseCoopers (PwC) Dar es Salaam kuwa Wakaguzi wa Nje wa taarifa za fedha za Kampuni kwa mwaka 2025, kwa masharti na ada zitakazopangwa na Bodi ya Wakurugenzi.

Ifahamike kuwa PwC waliteuliwa kwa mara ya kwanza na Mkutano Mkuu wa Wanahisa uliofanyika tarehe 21 Machi, 2025, na taarifa ya hesabu za fedha ya kwanza walizozikagua ni taarifa ya hesabu za fedha kwa mwaka ulioishia tarehe 31 Desemba, 2024.

Idhinisho linalotakiwa

Wanahisa wanaombwa kujadili na kuidhinisha pendekezo la Bodi ya Wakurugenzi la kumteua **PricewaterhouseCoopers (PwC) Dar es Salaam** kuwa Wakaguzi wa taarifa ya hesabu za fedha za Kampuni kwa mwaka 2025, kwa masharti na ada zitakazopangwa na Bodi ya Wakurugenzi.

Kwa Agizo la Bodi ya Wakurugenzi - Precision Air Services Plc



**ANY OTHER BUSINESS – FOR WHICH DUE
NOTICE HAS BEEN GIVEN**



CLOSING



PROXY FORMS



PRECISION AIR SERVICES PLC

APPOINTMENT OF A PROXY FORM

I/We..... [Name of Shareholder] of
.....[Address of Shareholder], being a Member/ Members of the
above-named Company, hereby appoint [Name of 1st
Proxy] of[Address of 1st Proxy] or failing him
..... [Name of 2nd Proxy] of _____
[Address of 2nd Proxy] as my/ our proxy to vote for me/ us on my/ our behalf at the Annual/
Extraordinary General Meeting of the Company to be held on the day of
.....20.... and at any adjournment thereof.

Signed this.....day of.....20....

Signature.....

“This Form is to be used * in favour of/ against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit”.

*Strike out whichever is not desired.

NOTES:

1. If a member is unable to attend personally, this Proxy Form should be completed and returned to: The Company Secretary, P.O. Box 70770, Dar es Salaam, Tanzania, or physically to the registered office of the Company at: 1st Floor, Diamond Plaza Building, Mirambo Street/ Samora Avenue, Dar es Salaam or through their email address pwmanagement@precisionairtz.com to arrive on or before 1400hrs, Friday, 20th February, 2026.
2. In case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorized attorney of such corporate body.
3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. A proxy need not to be a shareholder of the Company.
4. Completion and submission of the proxy form will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.
5. To be valid, a proxy form, which is available on the Company's website, must be completed and signed by the shareholder or the duly authorised attorney of the shareholder.



PRECISION AIR SERVICES PLC

FOMU YA UTEUZI WA MWAKILISHI

Mimi/Sisi..... [Jina la Mwanahisa] wa
.....[Anwani ya Mwanahisa], nikiwa/ tukiwa Mwanahisa/ Wanahisa
wa Kampuni iliyotajwa hapo juu, ninawateua/tunawateua.....
[Jina la Mwakilishi wa Kwanza] wa[Anwani ya
Mwakilishi wa Kwanza] au iwapo hatapatikana
[Jina la Mwakilishi wa Pili] wa _____ [Anwani ya Mwakilishi wa Pili]
kuwa Mwakilishi wangu/wetu wa kuniwakilisha/kutuwakilisha na kunipigia/kutupigia kura
kwa niaba yangu/yetu katika Mkutano Mkuu wa Mwaka wa Wanahisa wa Kampuni
utakaofanyika tarehe siku ya 20.... na katika mkutano
wowote utakaoahirishwa kutokana na mkutano huo.

Imesainiwa leo siku ya20....

Sahihi.....

"Fomu hii itumike kuunga mkono / kupinga azimio husika. Iwapo hakuna maelekezo maalum, Mwakilishi atapigia kura kwa kadiri atakavyoona inafaa."

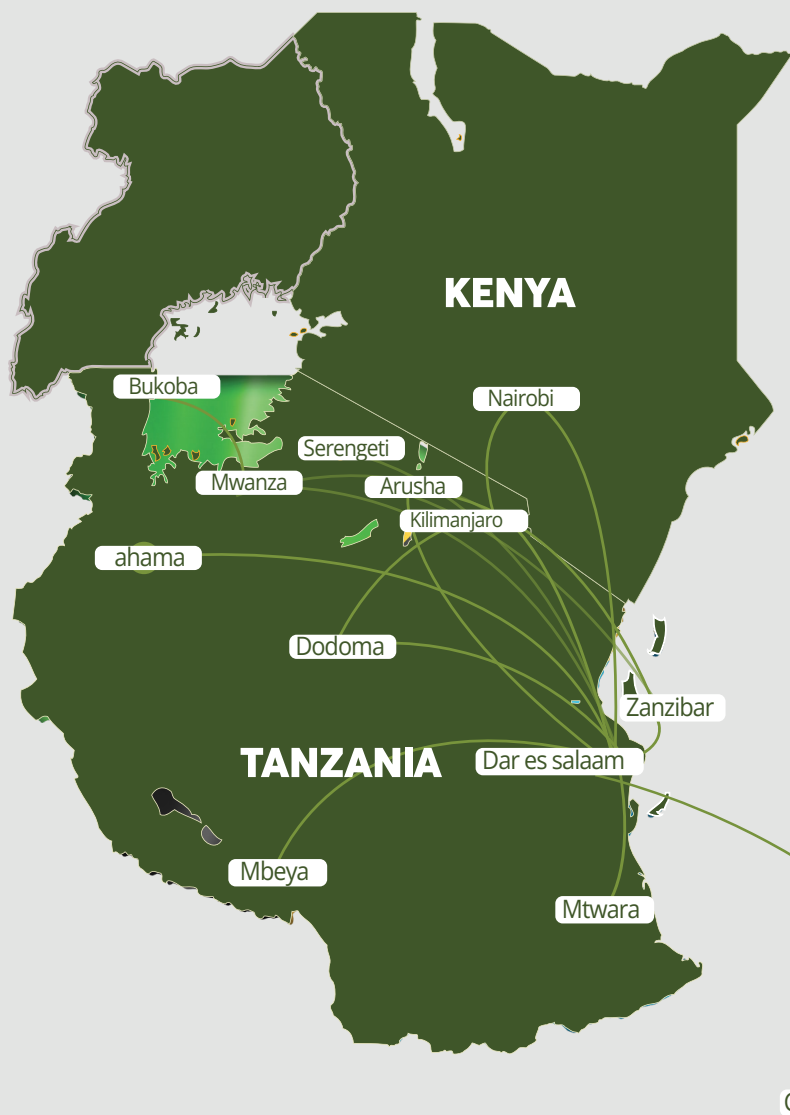
****Futa kisichohitajika.***

MAELEZO MUHIMU:

1. Iwapo Mwanahisa hataweza kuhudhuria mkutano binafsi, fomu hii ya uwakilishi ijazwe na kurejeshwa kwa: Katibu wa Kampuni, S.L.P. 70770, Dar es Salaam, Tanzania, au kuwasilishwa moja kwa moja katika ofisi kuu ya Kampuni iliyopo: Ghorofa ya Kwanza, Jengo la Diamond Plaza, Mtaa wa Mirambo / Samora Avenue, Dar es Salaam, au kupitia barua pepe: pwmanagement@precisionairtz.com , ili ifike saa 8:00 mchana (1400hrs), Ijumaa, tarehe 20 Februari, 2026 au kabla ya muda huo.
2. Endapo Mwanahisa ni taasisi au kampuni, fomu ya uwakilishi lazima iwe imegongwa muhuri wa kampuni (common seal) au isainiwe na afisa au wakili aliyeteuliwa rasmi na taasisi hiyo.
3. Kama Mwanahisa, una haki ya kumteua Mwakilishi mmoja au zaidi kutekeleza haki zako zote au baadhi ya haki zako za kuhudhuria, kuzungumza na kupiga kura kwa niaba yako kwenye Mkutano. Mwakilishi si lazima awe Mwanahisa wa Kampuni.
4. Kujaza na kuwasilisha fomu ya uwakilishi hakukuzuii kuhudhuria mkutano binafsi na kupiga kura mwenyewe; endapo utafanya hivyo, kura zozote zilizopigwa na Mwakilishi wako hazitahesabiwa.
5. Ili iwe halali, fomu ya uwakilishi, ambayo inapatikana katika tovuti ya Kampuni, lazima ijazwe na kusainiwa na Mwanahisa au Wakili aliyeteuliwa rasmi na Mwanahisa huyo.



Precision Air Route Map



Currently we cover 11 domestic destinations focusing on major economics and tourist centers

- ✈ Arusha
- ✈ Bukoba
- ✈ Dar es Salaam
- ✈ Dodoma
- ✈ Kilimanjaro
- ✈ Mtwara
- ✈ Mwanza
- ✈ Zanzibar
- ✈ Serengeti
- ✈ Kahama
- ✈ Mbeya

.....And regional destinations

- ✈ Nairobi
- ✈ Comoros (Moroni and Anjouan)

Contact Us:
0784 402 002, 0746 984 100, and 0784 108 800

