

SOLOMON AIRLINES



STATEMENT OF CORPORATE OBJECTIVES

2024 – 2026

Pacific's best emerging airline, with an exceptional delivery of safe, sustainable, and friendly service

SAL Strategic Plan 2024-2028 Vision Statement

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INTRODUCTION

As the national flag carrier Solomon Airlines continues to provide essential air services throughout the Solomon Islands and internationally. The airline company is registered under the Solomon Islands Companies Act 2009 with the Solomon Islands Government as the only major shareholder through the Investment Corporation of Solomon Islands (ICSI). The company is also a State-Owned Enterprise (SOE) governed by the SOE Act 2007 and SOE Regulations 2001. Solomon Airlines Limited is governed by a Board of Directors (the Board) that is responsible to the Minister of Finance and Treasury. The airline celebrated sixty years of service to Solomon Islands in 2022 and has provided essential services throughout its domestic as well as international routes through challenging periods of its history cyclones, ethnic unrest, social disturbances, and the recent Covid-19 pandemic.

SALs accountability is set out in Part IV of the SOE Act which specifies clear requirements that need to be covered in the SOCO. As per the SOE Act requirement this SOCO provides a high-level description and explanation of SALs operating intentions and performance expectations over the medium term (on a one plus two-year rolling period).

This Statement of Corporate Objective (SOCO) focuses on SAL's specific purpose and objectives and articulates the boards expectations of its management in relation to future financial and non-financial performance. SAL's principle objective pursuant to Section 5(1) of the SOE Act is to: "...operate as a successful business and, to this end, to be:

- (a) As profitable and efficient as comparable businesses that are not owned by the Crown.
- (b) A good employer; and
- (c) An organization that exhibits a sense of social responsibility by having regard to the interests of the community in which it operates."

This SOCO is guided by the recently developed Solomon Airlines Ltd Strategic Plan 2024-2028 which sets out the company purpose, mission, vision and strategic goals and objectives with their associated performance targets and indicators. In summary this SOCO presents:

- SALs key objectives, intentions, and undertakings;
- SALs financial targets,
- SALs dividend statement and taxation exposure; and
- Provide a base against which the SALs performance can be assessed.

The SOCO has been reviewed by the SAL Board, the Investment Corporation of Solomon Islands and the Minister of Finance. During 2024 the SAL Board shall update the Minister of Finance on the progress with implementation of the SOCO by SAL Management and bring to the attention of the Honourable Minister any significant changes anticipated or significant emerging challenges.

PURPOSE STATEMENT

We connect passengers & consignments worldwide, driving economic growth through our secure, efficient, and sustainable air transport service spanning the Solomon Islands and beyond.

MISSION

To deliver exceptional air travel experiences, we connect the Solomon Islands, the Pacific, and beyond with safety and reliability, setting the standard for best practices in airline operations.

VISION

Pacific's best emerging airline, with an exceptional delivery of safe, sustainable, and friendly service.

VALUES

- Safety First
 - Integrity in Delivery
 - Excellence in Service
- Empowering Human Capital
 - Resourceful Innovation
 - Cultivating Governance

OPERATING CONTEXT

As part of its Strategic Planning exercise SAL has carried out a Political, Environmental, Social, Technological, Legal and Economic (PESTLE) analysis as well as a Strength, Weakness, Opportunity and Threat (SWOT) analysis. These together portrays the external and internal context in which SAL operates.

1) PESTLE ANALYSIS

Political Factors

- ② Regulatory Landscape: Adherence to evolving aviation safety and security regulations impacting operational processes and costs.
- ② Sustainability Policies: Government initiatives promoting sustainable aviation practices influencing fleet decisions and operational strategies.

Economic Factors

- ② Economic Volatility: Fluctuations in global economies affecting passenger demand and purchasing power, necessitating flexible revenue strategies.
- ② Fuel Price Dynamics: Unpredictable fuel prices impacting operating costs, driving the need for fuel-efficient technologies and practices.

Social Factors

- ② Changing Consumer Preferences: Evolving passenger demands for seamless and sustainable travel experiences shaping fleet modernization and customer-centric strategies.
- ② Brand Reputation: The airline's commitment to safety, sustainability, and customer satisfaction enhancing its brand image and customer loyalty.

Technological Factors

- ② Digital Transformation: Rapid technological advancements requiring the adoption of digital solutions for operational efficiency, customer engagement, and service delivery.
- ② Fuel-Efficient Technologies: Innovations in aircraft design and propulsion systems influencing fleet composition and fuel consumption strategies.

Environmental Factors

- ② Sustainability Imperative: Industry emphasis on reducing carbon emissions and minimizing environmental impact driving the adoption of fuel-efficient technologies and eco-friendly practices.
- ② Plastic Waste Reduction: Addressing environmental concerns by minimizing single-use plastics on flights aligns with global efforts to reduce plastic pollution.

Legal Factors

- ② Regulatory Compliance: Stringent aviation regulations requiring adherence to safety, security, and environmental standards shaping operational practices and fleet choices.
- ② Carbon Emissions Regulations: Environmental mandates necessitating measures to reduce carbon emissions and mitigate the airline's environmental footprint.

2) SWOT ANALYSIS

Strengths

- ☉ Recognized Brand: Strong reputation as the "Pacific's best emerging airline" establishes credibility and customer trust.
- ☉ Strategic Alliances: Collaborations with global partners enhance network coverage and extend market reach.
- ☉ Competent Workforce: Engaged and skilled employees contribute to operational efficiency and passenger satisfaction.
- ☉ Efficient Operations: Streamlined processes minimize operational costs and contribute to competitive pricing.
- ☉ Modern Fleet: Leveraging strategic modernization for efficiency, sustainability, and market competitiveness.

Weaknesses

- ☉ Economic Sensitivity: Vulnerability to economic fluctuations impacts passenger demand and revenue.
- ☉ Limited Market Presence: Gaps in network coverage restrict the airline's market reach in certain regions.
- ☉ Cost Optimization Opportunities: Further efforts needed to optimize operational costs and enhance financial performance.
- ☉ Skills Gap: Potential challenges in filling critical roles with skilled personnel may hinder operational excellence.
- ☉ Supplier Dependency: Reliance on external suppliers for key resources presents a risk to operational continuity.

Opportunities

- ☉ Emerging Markets: Growth potential in the Asia-Pacific region opens opportunities for expanding market presence.
- ☉ Digital Transformation: Adoption of innovative digital technologies enhances customer engagement and operational efficiency.
- ☉ Key Destination Expansion: Extending service to new destinations boosts network coverage and revenue streams.
- ☉ Ancillary Revenue Boost: Leveraging ancillary services generates additional income and diversifies revenue sources.
- ☉ Sustainable Practices: Implementation of eco-friendly initiatives aligns with environmental trends and enhances brand reputation.

Threats

- ☉ Intense Competition: Rivalry from regional and global competitors challenges market share and profitability.
- ☉ Regulatory Changes: Dynamic aviation regulations impact operational procedures, costs, and compliance efforts.
- ☉ Economic Downturns: Economic contractions affect passenger demand and purchasing power, influencing revenue.
- ☉ Environmental Impact: Public scrutiny over carbon emissions and environmental concerns can impact brand image.
- ☉ Technological Disruptions: Rapid technological shifts may require quick adaptation to meet evolving customer expectations.

SCOPE OF OPERATIONS

Solomon Airlines flies to 28 routes covering 6 countries and was able to weather the Covid-19 storm and demonstrating resilience and innovation in challenging times. This has been possible with the strong support of the airlines single major shareholder, the Government of Solomon islands together with the Government of Australia and New Zealand. The airline fleet comprises 6 modern aircraft equipped to meet evolving passenger expectations. These include 2 Airbus A320 jets, 1 Dash-8 aircraft and 3 Twin Otter aircrafts. The airline values its strong team of dedicated professionals, currently numbering 250 strong working out of Honiara, Provincial outposts, Brisbane and Nadi Fiji.

Domestically the airline flies to 24 destinations in the country. Of the total of 24 airfields throughout the nine Provinces only 4 have runways that are paved. Seghe airfield paving is scheduled for completion early next year and Santa Cruz airfield paving scheduled for completion before the end of 2024. Outside of Honiara only Munda and Taro airfields have runway lights. The unpaved runways contribute to the low On-Time-Performance of SAL aircrafts flying to many domestic destinations due to poor conditions of runways and inability of aircrafts to land and take off during unfavourable weather conditions. The poor state of the unpaved runways also contribute to high repair and maintenance costs.

Internationally the airline's main route is to Brisbane in Australia and it also services the Nadi, Port Vila and Auckland routes. In partnership with Air Vanuatu SAL flies Honiara-Vila-Auckland return, Brisbane-Vila, and Brisbane-Santo. Plans are in place to fly to Kieta in Central Bougainville, Apia in Samoa from Auckland, and an additional flight to Auckland via Port Vila. Both airbuses are based in Brisbane and management are looking into the requirements for basing the aircrafts in Solomon Islands. The lease of the older Airbus is due to expire in 2027 and a decision will need to be made on a suitable replacement by 2026. Freight and charter revenue also contribute to the airlines total annual turnover which is expected to reach a total of SBD 268,890,429 by end of 2023.

FINANCIAL FORECASTS AND TARGETS

The Tables and Charts below present SALs Financial Forecast and Targets over the duration of this Statement of Corporate Objectives and also shows the trend beginning in 2019 (pre-Covid 19)

PROFITABILITY

Year	2019	2020	2021-Draft	2022-Draft	2023 Budget Fore	2024 Budget Fore	2025 Budget Forecast	2026 Budget Forecast
Profitability	- 41,382,184.00	- 27,376,625.00	- 3,994,117.00	19,979,462.00	9,870,782.00	2,101,409.00	1,148,349.00	13,712,596.00

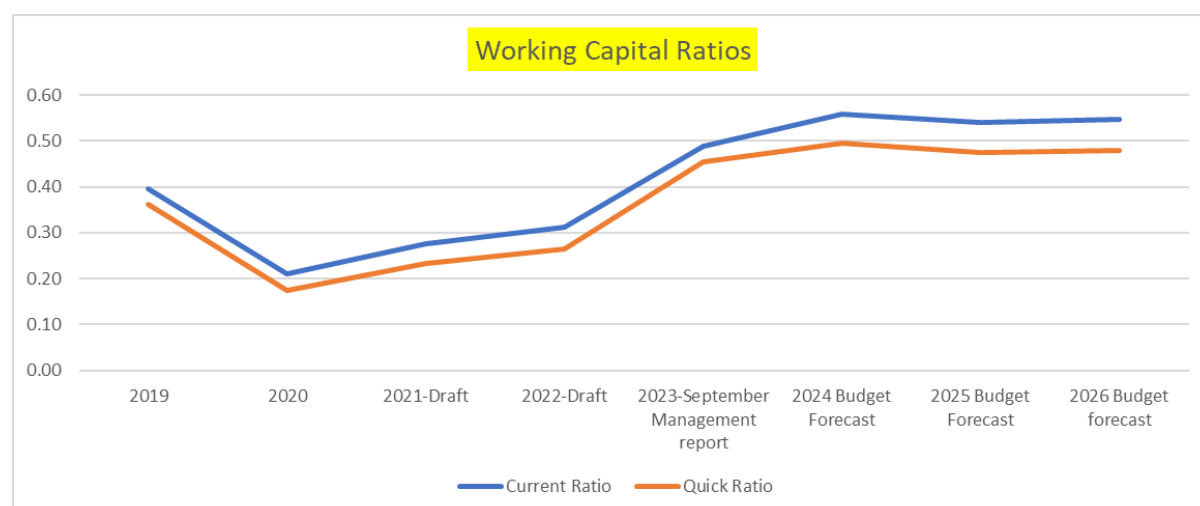


With support from the national government over the past few years Solomon Airlines was able to survive the impact of covid-19 and be positioned well to trade profitably. This is reflected in the above Table and Chart. Profitability is forecasted to begin with the unaudited profit of nearly SBD 20 million in 2022 and SBD 9.8 million profit is forecasted for 2023. There is a forecasted drop in profit levels to SBD 2.1 million in 2024 due to high cost anticipated when the first airbus A320 SIB is due for its major 6 yearly C-check and a further high cost anticipated in 2025 when the 2nd Airbus A320 SAL undergoes a 12 year C-check. The years after this SAL profitability should continue to improve over the next 6-7 year cycle before the two airbuses are due for their next major checks.

SAL Management continues to explore and execute measures to reduce variable and fixed costs and a major exercise is underway to reduce the cost per flying hour on the domestic route which is currently making losses compared to the international route. SAL is also undertaking an assessment on potential aircraft types in a search to find identify one that can generate higher revenue at the same or lower operating costs currently experienced with the Twin Otter fleet.

LIQUIDITY

Description	2019	2020	2021-Draft	2022-Draft	2023-September	2024 Budget Fore	2025 Budget Forecast	2026 Budget forecast
Current Ratio	0.40	0.21	0.28	0.31	0.49	0.56	0.54	0.55
Quick Ratio	0.36	0.17	0.23	0.26	0.45	0.49	0.47	0.48



SAL liquidity levels reached its lowest in 2020 and the company has been gradually raising both current and quick ratios through better profitability performance. It is expected that the ratio will improve to nearly 0.7 after the conversion of SBD 28 M debt to equity is formalized in the SAL 2023 audited financial report. The write-off pertains to the amount owing to Ministry of Communication and Aviation (MCA) for outstanding departure taxes. An additional significant contribution to the Current Liability account and ultimately the current ratio is the high level of 'un-earned revenue' deriving from tickets sold but yet to be flown. The ideal ratio to achieve is 1:1 which the airline aims to achieve within the next 3-4 years.

GOALS, STRATEGIC OBJECTIVES, KEY PERFORMANCE INDICATORS AND TARGETS

Presented in the Tables below are the Goals, Strategic Objectives, Key Performance Indicators and Targets as also outlined in the SAL Strategic Plan 2024-2028. Going forward SAL Management and Board will report to the Minister of Finance on progress with achievement of the Strategic Objectives.

Table A-1: Goal 1 Key Performance Indicators and Performance Targets

<i>Goal / Objective</i>	<i>Description</i>	<i>KPI Baseline</i>	<i>Target/ Trend</i>	<i>Reporting Frequency</i>
Goal 1: Enhance Operational Safety and Security				
Objective 1A: Maintaining High Safety Standards	Number of safety incidents or accidents	≤ 3% of 100,000 flight hours	≤ 2% of 100,000 flight hours	Monthly
	Compliance with safety regulations, emergency preparedness exercises, and audits	≥ 95%	100%	Quarterly
Objective 1B: Strengthen Security Measures	Compliance with security regulations and audits	≥ 50%	100%	Quarterly
	Number of security incidents or breaches	≤ 1% Security incidents per 100,000 flight	≤ 1% Security incidents per 100,000 flight (maintain baseline, target cannot be zero)	Monthly
	Enhance cybersecurity practices by achieving a X% improvement over the next 5 years	Baseline Index score to be carried out	>30% Index Score	6 months

Table A-2: Goal 2 Key Performance Indicators and Performance Targets

<i>Goal / Objective</i>	<i>Description</i>	<i>KPI Baseline</i>	<i>Target/ Trend</i>	<i>Reporting Frequency</i>
Goal 2: Cultivate Talent Excellence, Nurture Employee Engagement				
Objective 2A: Establish Effective Succession Planning	Percentage of key leadership roles with identified successors.	33%	100% by end of 2023	Quarterly through ExCO/Board
	Average time to fill critical vacant positions from internal talent pool.	3 months	2 months	Quarterly through ExCO/Board
Objective 2B: Promote Employee Development and Engagement	Employee satisfaction and engagement index.	Baseline survey to be carried out	70% or higher per annum	Quarterly through ExCO/Board
	Percentage increase in internal promotions to higher roles.	5% (mgmt.) 9% (total)	12% per annum 12% per annum	Quarterly through ExCO/Board Quarterly through ExCO/Board
	Performance appraisal system is monitoring and recognising acceptable performance	10%	12% per annum	Quarterly through ExCO/Board

Table A-3: Goal 3 Key Performance Indicators and Performance Targets

<i>Goal / Objective</i>	<i>Description</i>	<i>KPI Baseline</i>	<i>Target/ Trend</i>	<i>Reporting Frequency</i>
Goal 3: Enhance Operational Efficiency and Cost Management				
Objective 3A: Improve On-Time Performance	On-time Departure and Arrival Rate	48% (Dom)	80% OTP	Monthly
		58% (Intl)	80% OTP	Monthly
	Percentage of Flights Delayed or Cancelled	44% (Dom)	below 20% (Dom)	Monthly
		42% (Intl delayed)	below 20% (Intl delayed)	Monthly
		0% (Intl cancelled)	0% (Intl cancelled)	Monthly
	Objective 3B: Optimize Fleet Utilization	Aircraft Utilization Rate	4055 hours per annum for 2 aircrafts	260 hours per month per aircraft
		2316 hours per annum per aircraft (Dom)	230 hours per month per aircraft (Dom)	Monthly/Annually
		Turnaround Time at Airports	40 minutes (Dom) 1 hour (Intl)	30 minutes (Dom) 1 hour (Intl)

Table A-4: Goal 4 Key Performance Indicators and Performance Targets

<i>Goal / Objective</i>	<i>Description</i>	<i>KPI Baseline</i>	<i>Target/ Trend</i>		<i>Reporting Frequency</i>
Goal 4: Modernize Fleet Composition, Enable Sustainable Growth, and Promote Environmental Responsibility					
Objective 4A: Evaluate and Revise our Fleet Replacement Strategy	Average fleet age (years)	44 years (Dom)	< 5 years Domestic (Fleet renewal plan by end of this year)		End of 2023
		14 years (Intl)	< 10 years A320		End of 2023
Objective 4B: Align Fleet Composition with Market Demand	Fleet utilization rate	1685FH/2061FC year (Dom)	per	1200FH/1600FC year (Dom)	per Monthly
		1746 FH/717 FC year per aircraft	per	3120 FH/1300 FC year per aircraft	per Monthly
	Route profitability index	Jan-June actual negative 40.39(Dom) negative 77.70 (Intl)	Index of Positive 1 and above		Annually
Objective 4C: Implement Phased Fleet Upgrades	Percentage of older aircraft replaced within the next 5 years	100% (Dom) 50% (Intl)	100% (Dom) 1 younger international aircraft replacing H4-SIB		Annually Annually
	Average downtime during fleet transition	2 days or less	Less than 1 month		Annually

Objective 4D: Promote Fleet Growth for Market Expansion	Number of new aircraft acquired for expansion	3 Twin Otters, 1 Dash 8 2 Airbus	Refer to Objective 4A target Refer to Objective 4A target	Annually Annually
	Percentage increase in available seat kilometres (ASK)	Jan-Jun actual 17,359,580 (Dom) 88,020,432 (Intl). Based on current feet	10 % increase up to maximum utilization based on current fleet. The question of percentage increase in ASK should have been properly addressed if there was a new fleet investment plan, currently not available	Annually
Objective 4E: Prioritise Fuel efficiency, Environmental impact and Sustainability	Fuel consumption per revenue passenger kilometre (RPK)	Jan-Jun actual SBD1.19 (Dom) SBD0.42 (Intl). Based on current fleet	10 % decrease based on current fleet. Should have been properly addressed if there was a new fleet investment plan, currently not available.	Annually
	Percentage of fleet equipped with fuel- efficient technology	0% pending renewal (Dom) 50% (H4-SAL)	Refer target 4A 100% when H4-SIB is replaced	Annually Annually
	Percentage reduction in single-use plastic items used on flights	3% foam & plastic cups (Dom) 70% (Intl)	100% end of 2023 100% end of 2023	5 months when SUP grace period ends

Table A-5: Goal 5 Key Performance Indicators and Performance Targets

<i>Goal / Objective</i>	<i>Description</i>	<i>KPI Baseline</i>	<i>Target/ Trend</i>	<i>Reporting Frequency</i>
Goal 5: Elevate Customer Experience, Drive Digital Transformation				
Objective 5A: Enhance Customer Satisfaction and Loyalty	Increase overall customer satisfaction score by X%.	Google business and Facebook rating: 3.4 out of 5	3% per annum	Annually
	Achieve a Net Promoter Score (NPS) of X or higher.	-17%	0 or higher	Annually
Objective 5B: Drive Digital Transformation and Innovation	Increase online bookings by X%.	8.5% passengers, 10% of revenue	By 2% per annum	Annually
	Launch X new e-commerce initiatives or services within the next 5 years	2 per year	10 in the next 5 years	Annually
	Launch X new digital initiatives or services within the next 5 years	Baseline index score to be carried out	5 in the next 5 years	6 months
	Achieve a X% increase in the Digital Adoption and Innovation Index Score over the next 5 years	Baseline index score to be carried out	>20%Index Score	6 months

Table A-6: Goal 6 Key Performance Indicators and Performance Targets

<i>Goal / Objective</i>	<i>Description</i>	<i>KPI Baseline</i>	<i>Target/ Trend</i>	<i>Reporting Frequency</i>
Goal 6: Drive Financial Performance and Optimize Revenue Generation				
Objective 6A: Enhance Revenue Streams and Yield Management	Revenue Growth Rate (%)	\$277m (Aug YTD)	10%+ growth per annum	6 monthly/annually
	Yield Improvement Rate (%)	Jan-June actual SBD4.9 (Dom) SBD2.90 (Intl)	15% passenger yield (Dom & Intl)	6 monthly/annually
	Cost Per Available Seat Kilometre (CASK)	Jan – June actual: SBD3.09 (Dom) SBD1.65 (Intl)	Cost reduction by 10% per annum (Dom & Intl)	6 monthly/annually
Objective 6B: Optimize Cost Management and Efficiency	Operating Efficiency Index	Jan-June actual 63% breakeven LF (Dom) 56% breakeven LF (Intl)	Reduction by 4% per annum (Dom & Intl)	6 monthly/annually
	Ancillary Revenue per Passenger	SBD1396 per pax	By 10% per annum	6 monthly/annually
Objective 6C: Increase Ancillary Revenue Streams				

Objective 6D: Optimize Pricing and Revenue Management	Percentage of Ancillary Revenue to Total Revenue	3.3% of total pax	By 10% per annum	6 monthly/annually
	Revenue per Available Seat Kilometre (RASK)	Jan-June actual SBD2.64 (Dom) SBD0.77 (Intl)	By 10% annum (Dom & Intl)	6 monthly/annually
	Load Factor Optimization	Jan-June actual 54% LF (Dom) 58 % LF (Intl)	Increase by 4% per annum (Dom & Intl)	6 monthly/annually
Objective 6E: Strengthen Balance Sheet Resilience	Debt-to-Equity Ratio	Less than 50% (August YTD)	Reduce 10% plus per annum (Dom & Intl)	6 monthly/annually
	Cash Reserve Coverage	SBD500,000	SBD500,000 per 6 months (on top of what we have already)	6 monthly/annually

Table A-7: Goal 7 Key Performance Indicators and Performance Targets

<i>Goal / Objective</i>	<i>Description</i>	<i>KPI Baseline</i>	<i>Target/ Trend</i>	<i>Reporting Frequency</i>
Goal 7: Achieve Sustainable Growth and Market Expansion				
Objective 7A: Identify and Evaluate New Market Opportunities	Market Share	64% (Intl)	60% share	Annually
	Growth Rate (%)	100% (Dom – current due to no competitors)	100% (plan to maintain this)	Annually
	Number of New Partnerships Established	NA	4 per annum	Annually
Objective 7B: Develop Comprehensive Marketing and Branding Strategy	Brand Awareness Index	Organic search 6400 users per month. Direct channel 2850 per month on flysolomons.com	Increase vs. prior 6 months	Bi-annually
Objective 7C: Develop Strategic Partnerships and Expand Key Destinations	Increase in New Routes from Strategic Partnerships		1 per annum	Annually
	Load Factor on New Routes		30%	12 months from start of operation

SAL BUSINESS MODEL

SAL Management and Board will review its Business Model in the first quarter of 2024 and present to its Shareholder by June 2024. The Business Model will align with the Strategic Goals, Objectives and Targets set out in this Statement of Corporate objectives. The scope of the Business Model will include but not restricted to:

- Review of Target Market and Market Positioning Strategy to influence consumer perception by effectively communicating SAL brand's competitive advantage.
- Route network and scheduling
- Fleet renewal and aircraft acquisition strategy
- Ground Operations Infrastructure and investment requirements
- Aligning Human Resources Strategy with Business model and Strategic plan

COMMUNITY SERVICE OBLIGATIONS (CSO)

Solomon Airlines continues to provide an essential service to 22 airports scattered across the nation's archipelago and fills a vital role by providing quick air transport for business, Government Travel, carrying parts, food, mail, medical supplies etc. In many instances the airline provides the only way a person in a village can obtain essential medical treatment. Adding to the cost flying to remote uneconomical routes is the poor state of many airfield surfaces giving rise to high repair and maintenance costs.

On average SAL incurs a loss of SBD 11 million per year servicing unprofitable routes. On average Solomon Islands Government provides SBD 3-4 million per year to SAL as CSO to support the airline fly and provide a service to unprofitable routes. All in all, SAL makes an annual loss of between SBD 7.0 - 10 million providing services to unprofitable routes in the country. While Solomon Airlines regularly reviews the routes and the pricing, many routes simply cannot absorb the direct operating costs never mind a portion of the overheads. Solomon Airlines shall prepare to sign a CSO contract with the Minister of Finance for the year 2024 and undertakes to provide necessary information.

ACCOUNTING POLICIES

Solomon Airlines has adopted the International Financial Reporting Standards (IFRS) as the basis of its accounting policies in the measurement and reporting of profit, cash flow, movements in equity and financial position.

ACCOUNTING PERIOD

The financial statements cover the performance and position in respect of the financial year ending 31 December

SOLOMON AIRLINES ESTMATED COMMERCICAL VALUE

The current commercial valuation and statement of assessment is required pursuant to Section 13 (3) of the SOE Act. The boards estimate of the current commercial value of Solomon Islands Government investment in Solomon Airlines as of 31 December 2023 will be determined after the SAL 2024 budget is finalized and a commercial value is determined by the Company Secretary firm engaged by ICSI, Morris and Sojnocki.

ANNUAL DIVIDEND AND ESTIMATED TAX OBLIGATIONS

Dividends

With the carry over losses from previous years and need to consider prioritizing on-going capital expenditures on the airline fleet the SAL Board and Shareholder (ICSI) will be in a position to pay dividends for profits during the period 2022- 2024.

Taxation

The company tax status with regards to company tax is current based on audited numbers, the most recent audited numbers is 2020 with 2021 now at the completion stage. Subsequent years are work in progress or yet to start on the audit. Morris & Sojnocki is the current tax service provider and no issues were mentioned to date. Other tax obligations are currently being dealt with (addressed on cash flow availability).

REPORTING

Quarterly Reports

Solomon Airlines generates quarterly financial reports which are available to the Minister should it is requested. These quarterly reports will detail the actual quarterly performance of the business, provide comparisons to Statement of Corporate Objectives targets and highlight any significant issues.

Half Yearly Report

Solomon Airlines will continue to provide the Minister a Half Yearly Report within two months following end of the first half of this financial year by end of August 2023. The half yearly report will provide a summary of progress made against the objectives and performance targets stated in this document.

Annual Report

Solomon Airlines will prepare and deliver an annual report on its performance for the full year to the Minister. The report will follow the end of the financial year and will be provided to the Minister in accordance with the requirements of the SOE Act. The report will include: - consolidated statutory financial statements and other statutory information required under the SOE Act and the Companies Act; - an overview of major achievements and an appraisal of future prospects; - a comparison of performance with the Statement of Corporate Objectives; - any significant risks; and - other information required by law to be included, such as the particulars of any directions given by the Minister