



NAFISAT MANAGEMENT  
ACCOUNTS FOR THE PERIOD  
31 March 2024

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## 1. INTRODUCTION

This report outlines the performance for the period under review.

## 2. DETAILED ANALYSIS

The results for March 2024 year to date (YTD) are summarized below.

**Table 1: Statement of Financial Performance**

| Description                                    | Actual           | Budget           | Variance        | Variance         |
|--|------------------|------------------|-----------------|------------------|
|  | \$               | \$               | \$              | %                |
| <b>Revenue</b>                                 |                  |                  |                 |                  |
| Nafisat II Revenue                             | 4 022 781        | 3 334 103        | 688 678         | 20,7%            |
| Other Revenue                                  | 64 957           | -                | 64 957          | 100,0%           |
| <b>Total Revenue</b>                           | <b>4 087 739</b> | <b>3 334 103</b> | <b>753 636</b>  | <b>22,6%</b>     |
| Salaries & Related Costs                       | 408 167          | 528 349          | 120 182         | 22,7%            |
| Traveling Expenses                             | 68 246           | 90 845           | 22 599          | 24,9%            |
| Telecommunications Expenses                    | 121 003          | 210 496          | 89 493          | 42,5%            |
| Bad Debts Expenses                             | 203 577          | 409 588          | 206 011         | 50,3%            |
| Bank Charges                                   | 2 080            | 1 118            | -962            | -86,0%           |
| Commission Paid                                | 68 670           | 58 013           | -10 657         | -18,4%           |
| Electronic Maintenance                         | 13 874           | 112 725          | 98 851          | 87,7%            |
| Indirect Costs                                 | 233 271          | 252 737          | 19 466          | 7,7%             |
| Pre-Implementation                             | 29 762           | 0                | -29 762         | -100,0%          |
| ATNS Management Fees                           | 575 394          | 435 100          | -140 294        | -32,2%           |
| IATA Management Fees                           | 76 027           | 58 013           | -18 014         | -31,1%           |
| Network Management Costs                       | 1 121 129        | 452 896          | -668 233        | -147,5%          |
| Professional Fees                              | 3 286            | 5 277            | 1 991           | 37,7%            |
| Contract Services                              | -12 576          | 17 893           | 30 469          | -100,0%          |
| <b>Operational Expenses</b>                    | <b>2 911 910</b> | <b>2 633 050</b> | <b>-278 860</b> | <b>-10,6%</b>    |
| <b>EBITDA</b>                                  | <b>1 175 829</b> | <b>701 053</b>   | <b>474 776</b>  | <b>67,7%</b>     |
| Depreciation                                   | 54 982           | 272 435          | 217 453         | 79,8%            |
| <b>Net Profit/Loss before Interest and Tax</b> | <b>1 120 846</b> | <b>428 618</b>   | <b>692 228</b>  | <b>161,5%</b>    |
| <b>Finance Revenue</b>                         | <b>-120 320</b>  | <b>-3 177</b>    | <b>117 143</b>  | <b>-3 687,2%</b> |
| Interest Received                              | 120 320          | 3 177            | 117 143         | 3 687,2%         |
| <b>Net Profit Before Tax</b>                   | <b>1 241 166</b> | <b>431 795</b>   | <b>809 371</b>  | <b>187,4%</b>    |
| Taxation                                       | 335 115          | 116 586          | -218 529        | -65,2%           |
| <b>Net Profit /(Loss) After Tax</b>            | <b>906 051</b>   | <b>315 209</b>   | <b>590 842</b>  | <b>187,4%</b>    |

## **2.1. REVENUE**

The total revenue of NAFISAT revenue of \$4.1m is \$753k (22.6%) above budget. This is due to increased Flight Information Region (FIR) crossing movements, other revenue of \$65k comprises bad debt recovery.

## **2.2. OPERATING EXPENDITURE**

The operating expenses are \$279k (10.6%) above budget. The following cost elements make up the total operating costs:

### **2.2.1. SALARIES AND RELATED COSTS**

Salaries and related costs are \$120k (22.7%) below budget mainly due to vacant positions.

### **2.2.2. TRAVELLING EXPENSES**

Travelling expenses are \$23k (24.9%) below budget mainly due to the fewer VSAT course delegates training than anticipated.

### **2.2.3. TELECOMMUNICATION EXPENSES**

Telecommunication expenses are \$89k (42.5%) below budget, post budget approval there were software satellite transmission channel upgrades during the year that lowered costs.

### **2.2.4. BAD DEBTS EXPENSES**

Bad debts expenses are \$206k (50.3%) below budget due to the decrease of provision for bad debts as a result of a decrease in perceived risk on the recoverability of certain debtors.

#### **2.2.5. COMMISSION PAID**

Commission paid, driven by the number of FIRs invoiced, is above budget by \$11k (18.4%) due to higher collections by IATA in the current period.

#### **2.2.6. ELECTRONIC MAINTENANCE**

Electronic maintenance expenses are \$99k (87.7%) below budget. Included in the budget is a portion related to unplanned corrective maintenance. Unplanned corrective maintenance is budgeted as a contingency and will thus be utilized only when there are equipment failures.

#### **2.2.7. INDIRECT COSTS**

Indirect costs are \$19k (7.7%) below budget. Indirect costs comprise a share of all overhead expenses related to the services during the planning phase.

#### **2.2.8. PRE-IMPLEMENTATION COSTS**

Pre-implementation costs at \$29k (100.0%) below budget, these costs relate to consultation fees, network assessment and power structure design as well as configuration change.

#### **2.2.9. ATNS MANAGEMENT FEES**

ATNS management fees are levied and payable to ATNS as a percentage (15%) of debt collected on behalf of NAFISAT. For the period under review, ATNS management fees are \$140k (32.2%) above budget mainly due to revenue being higher than anticipated.

#### **2.2.10. IATA MANAGEMENT FEES**

IATA management fees are \$18k (31.1%) above budget. The fees are assessed as a proportion of the revenue collection, which was revised after the planning process, the increase is attributable to improvements in the revenue.

#### **2.2.11. NETWORK MANAGEMENT FEES**

Network management fees are a result of an agreement ATNS entered with IATA whereby ATNS pays 65% of profit after tax to IATA. Network management fees are \$668k (147.5%) above budget. The increased FIRs led to the profits that were realized. This was not foreseen at the time of budget planning.

#### **2.2.12. PROFESSIONAL FEES**

Professional fees are \$2k (37.7%) below budget, the costs relate to audit fees.

#### **2.2.13. CONTRACT SERVICES**

The negative balance of \$12k on contract services is due to the reversal of the freight related invoice that was erroneously allocated to contract services in the prior year.

#### **2.2.14. DEPRECIATION**

Depreciation expenses are \$217k (79.8%) lower than the budget largely due to the review of the useful lives of the assets.

### **3. FINANCE REVENUE**

The actual finance revenue is \$117k (3 687.2%) above budget due to higher interest earned on the call account.

#### 4. ANNEXURE A: TOP 50 - DEBTORS AGE ANALYSIS

| Customer Name                         | Outstanding Amount | Current | 1-30 Days Past Due | 31-60 Days Past Due | 61-90 Days Past Due | 91-180 Days Past Due | 181-360 Days Past Due | 361+ Days Past Due |
|---------------------------------------|--------------------|---------|--------------------|---------------------|---------------------|----------------------|-----------------------|--------------------|
| ETHIOPIAN AIRLINES CORPORATION        | 103 024            | 103 044 | -                  | 10                  | -                   | -30                  | -                     | -                  |
| QATAR AIRWAYS                         | 31 252             | 31 302  | 10                 | -                   | -20                 | -41                  | -                     | -                  |
| EMIRATES                              | 27 525             | 27 828  | -0                 | 29                  | -110                | -143                 | -80                   | -                  |
| KENYA AIRWAYS                         | 26 507             | 26 614  | -                  | 50                  | -157                | -                    | -                     | -                  |
| FLYDUBAI DBA DUBAI AVIATION           | 23 260             | 11 413  | 11 851             | -                   | -                   | -                    | -4                    | -                  |
| Daallo Airlines                       | 19 904             | 1 807   | 1 036              | 1 115               | 1 009               | 2 309                | 12 628                | -                  |
| YEMENIA-YEMEN AIRWAYS                 | 17 586             | 1 222   | 1 401              | 1 536               | 1 598               | 4 428                | 7 401                 | -                  |
| TURKISH AIRLINES INC.                 | 16 489             | 16 984  | 40                 | -                   | -                   | -41                  | -40                   | -455               |
| UGANDA NATIONAL AIRLINES COMPANY      | 14 900             | 4 281   | 3 950              | 4 177               | -                   | 2 492                | -                     | -                  |
| JETWAYS AIRLINES LIMITED              | 13 405             | 727     | 1 117              | 1 607               | 1 558               | 3 312                | 5 085                 | -                  |
| BLUEBIRD AVIATION LTD                 | 11 219             | 1 232   | 1 117              | 1 245               | 1 368               | 2 223                | 4 034                 | -                  |
| RWANDAIR EXPRESS                      | 9 562              | 9 562   | -                  | -                   | -                   | -                    | -                     | -                  |
| FREEDOM AIRLINE EXPRESS LTD           | 8 739              | 808     | 670                | 482                 | 689                 | 2 592                | 3 498                 | -                  |
| EGYPTAIR                              | 8 213              | 8 381   | -                  | -                   | -                   | -89                  | -29                   | -50                |
| FLY SKY AIRLINES                      | 8 116              | 505     | 305                | 321                 | 579                 | 1 968                | 4 439                 | -                  |
| ETAT MAJOR DU COTAM                   | 6 405              | 565     | 924                | 613                 | 469                 | 1 443                | 2 390                 | -                  |
| GROUPE AIR FRANCE                     | 6 372              | 6 361   | -                  | -                   | -                   | 10                   | -                     | -                  |
| Seven Four Eight Air Services (k) ltd | 6 348              | 525     | 619                | 713                 | 439                 | 1 875                | 2 176                 | -                  |
| SILVERSTONE AIR                       | 6 328              | 414     | 498                | 562                 | 489                 | 1 421                | 2 944                 | -                  |
| SAUDI ARABIAN AIRLINES                | 5 981              | 5 998   | -                  | -                   | -                   | -                    | -10                   | -7                 |
| SAFARILINK AVIATION                   | 4 931              | 444     | 670                | 773                 | 669                 | 595                  | 2 459                 | -680               |
| i-FLY AIR                             | 4 839              | 424     | 376                | 462                 | 539                 | 1 328                | 1 710                 | -                  |
| AIR MAURITIUS                         | 4 675              | 4 675   | -                  | -                   | -                   | -                    | -                     | -                  |
| ENTER AIR SPOLKA Z.O.O.               | 4 563              | 2 312   | 2 843              | -                   | -                   | 1 176                | 46                    | -1 815             |

## ANNEXURE A: Top 50 - DEBTORS AGE ANALYSIS, cont.

| Customer Name                          | Outstanding Amount | Current        | 1-30 Days Past Due | 31-60 Days Past Due | 61-90 Days Past Due | 91-180 Days Past Due | 181-360 Days Past Due | 361+ Days Past Due |
|--|--------------------|----------------|--------------------|---------------------|---------------------|----------------------|-----------------------|--------------------|
| ALMASRIA UNIVERSAL AIRLINES            | 4 381              | -              | 223                | 191                 | 50                  | 1 217                | 2 700                 | -                  |
| AFRICAN EXPRESS AIRWAYS                | 4 031              | 273            | 427                | 281                 | 439                 | 1 195                | 1 417                 | -                  |
| BADR AIRLINES                          | 4 020              | 333            | 396                | 572                 | 739                 | 1 238                | 742                   | -                  |
| KLM ROYAL DUTCH AIRLINES               | 3 767              | 3 866          | -                  | -                   | -                   | -79                  | -20                   | -                  |
| AIR ARABIA                             | 3 758              | 3 776          | -                  | -                   | -                   | -                    | -                     | -18                |
| FRENCH BEE                             | 3 636              | 1 878          | 1 797              | -                   | -                   | -                    | -90                   | 51                 |
| SKYWARD AVIATION LTD                   | 3 368              | 404            | 457                | 311                 | 20                  | 558                  | 1 618                 | -                  |
| AIR ATLANTA ICELANDIC                  | 3 289              | 1 979          | 2 072              | 1 466               | -                   | -                    | -10                   | -2 218             |
| CORSAIR T/A CORSAIR INTERNATIONAL      | 3 160              | 3 160          | -                  | -                   | -                   | -                    | -                     | -                  |
| TARCO AIR                              | 3 155              | 444            | 396                | 643                 | 839                 | 803                  | 30                    | -                  |
| Russian FederationN AIR FORCE          | 3 072              | 10             | -                  | -                   | 70                  | 10                   | 287                   | 2 695              |
| AIRCRAFT LEASING SERVICES, LTD - ALS   | 2 959              | 525            | 579                | 572                 | 270                 | 241                  | 772                   | -                  |
| CONDOR FLUGDIENST GMBH                 | 2 959              | 2 959          | -                  | -                   | -                   | -                    | -                     | -                  |
| AIRKENYA AVIATION LTD DBA REGIONAL AIR | 2 865              | 131            | 284                | 321                 | 210                 | 1 018                | 900                   | -                  |
| IRAQ GATE                              | 2 790              | 606            | 812                | 723                 | 649                 | -                    | -                     | -                  |
| IVORY JET SERVICES                     | 2 782              | 81             | 305                | 161                 | 180                 | 423                  | 1 634                 | -                  |
| BRITISH ANTARTIC SURVEY                | 2 674              | 2 674          | -                  | -                   | -                   | -                    | -                     | -                  |
| EDELWEISS AIR AG                       | 2 583              | 1 222          | 1 361              | -                   | -                   | -                    | -                     | -                  |
| AIR AUSTRAL                            | 2 568              | 2 595          | -                  | -                   | -                   | -                    | -                     | -27                |
| BRUSSELS AIRLINES NV                   | 2 484              | 2 484          | -                  | -                   | -                   | -                    | -                     | -                  |
| OMAN AIR (S.A.O.C.)                    | 2 440              | 1 757          | -                  | -                   | -                   | -                    | -                     | 683                |
| JET AIRWAYS (INDIA) LIMITED            | 2 387              | 343            | 254                | 331                 | 240                 | 460                  | 759                   | -                  |
| AIR DJIBOUTI                           | 2 385              | 364            | 183                | 171                 | 180                 | 131                  | 1 357                 | -                  |
| NEOS SpA                               | 2 373              | 2 373          | -                  | -                   | -                   | -                    | -                     | -                  |
| DHL AVIATION PTY LTD                   | 2 264              | 919            | 653                | 693                 | -                   | -                    | -                     | -                  |
| MONUC HQ / AVIATION SECTION            | 2 241              | 263            | -                  | -                   | -                   | 306                  | 80                    | 1 593              |
| EUROPE AIR                             | 2 240              | -              | -                  | -                   | -                   | 477                  | 1 762                 | -                  |
| <b>Total</b>                           | <b>470 774</b>     | <b>302 849</b> | <b>37 626</b>      | <b>20 132</b>       | <b>13 005</b>       | <b>34 824</b>        | <b>62 587</b>         | <b>-248</b>        |