AIR MARSHALL ISLANDS, INC

BRIEF SUMMARY REPORT

1.0 Key Projects

- Updates of Cessna Sky-Courier
  AMI successfully finalized Cessna Sky-Courier deal and made the second deposit on 15 November 2024 amounting to $750,000. The first delivery of the brand-new Sky Courier is scheduled for December 2025, with a second aircraft expected in January 2026, marking a significant step towards enhancing our operational capacity and service quality.

- Acquisition of an Additional Dornier 228 Aircraft
  AMI plans to acquire another Dornier 228 Aircraft which will be the replace of current Dash 8 Aircraft. The negotiated price stands at $2.90 million (USD) and the aircraft is currently located in Thailand. This acquisition is part of our strategy to streamline our fleet by replacing the Dash 8 aircraft with another Dornier 228, facilitating maintenance and training efficiencies.

- Sale of Dash 8 Aircraft
  AMI is currently in the negotiation with a potential buyer of the Dash 8 aircraft and foresees that upon completion of paper work processes and inspection of aircraft there will be successful deal locked in due course.

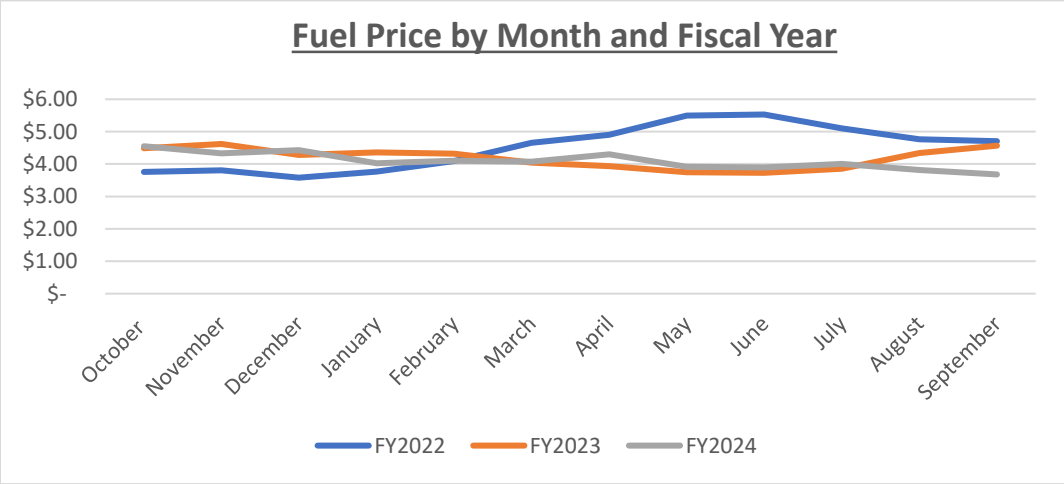
- Completion of Financial Year 2023 Audit
  AMI has successfully completed the external audit for the Financial Year 2023, adhering to stringent financial and regulatory standards. Furthermore, as per the FY2023 Audit report AMI achieved an Operational Profit of $603,961 amid the challenges.
  Preparations are now underway to commence the audit for Financial Year 2024, demonstrating our commitment to transparency and fiscal responsibility.

Key Results/ Performance Indicators.

- The operational revenue for FY2024 was $1.13 million, compared to $1.45 million in the previous fiscal year.
- A slight decline in revenue was observed due to Aircraft on Ground (AOG) situations, with maintenance requirements for a Dornier aircraft impacting operations.
- The RMI Government Subsidy of $1.10 million supported the deposit for the Cessna Sky Courier, totaling $1.70 million in Q1 FY2024.
- A $600,000 loan from the RMI Government in Q1 FY2025 was utilized solely for the deposit of the Cessna aircraft.

• Below is a tabulation of key data from 1st October 2024 to 31st March 2024

Financial and Statistical Data		
Period : October - December	**FY25**	**FY24**
Total Revenue YTD	$1,134,103	$1,447,609
Total Number of Scheduled Flights	732	756
Total Number of Medivac Flights	11	11
Total Number of Charter Flights	19	21
Total Number of Passengers Uplifted	5,263	6,351

Key Challenges

- **Airstrip Conditions:** The condition of outer island airstrips remains a significant risk, leading to AOG situations and consequential revenue losses. Repair costs associated with damages, such as those to landing gear, have reached nearly $100k.
- **Fuel Price Volatility:** The ongoing conflict between Russia & Ukraine has led to a continuous rise in aviation fuel prices, currently at $3.67 per US gallon, a stark increase from the lows of $1.83 during the COVID-19 pandemic. This contrasts sharply with the lower average prices observed in FY2020 and FY2021.