

Armenia Airline

BUSINESS PLAN

International route network.
Modern fleet. AI-native management.

53 million

paid flight segments

304

destinations

450

aircraft



Project at a Glance

An Armenian hub connects global markets through a network shaped by demand.

One concept: approximately 53 million paid segments, 304 destinations and 450 aircraft. Development targets require confirmed demand and operational readiness.

304

destinations by 2037

450

aircraft by 2036

2028

spring: service launch

Two Passenger-yield Scenarios

Conservative

8.71 US cents / RPK

Passenger revenue per km

16.50 billion USD

Cumulative equity contributions

2.39 bn USD cash flow in Y12

Optimistic

10.40 US cents / RPK

Passenger revenue per km

7.27 billion USD

Cumulative equity contributions

7.06 bn USD cash flow in Y12

Y12 = 2039. Cash flow is after interest, principal, technical CAPEX, the equity share of deliveries and working capital; before contributions and distributions. Amounts are nominal; demand is identical in both calculations.

Airport: infrastructure context.

National economic impact: a separate section.

Assumptions are budget estimates. Full fleet replacement, monthly liquidity and market-demand validation require further development.

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Foreword and Original Vision

The idea for Armenia Airline emerged from observing changes in international aviation since the early 2000s. Gulf airlines, followed by Turkish Airlines, strengthened their position on many long-haul routes. Dubai, Doha and Istanbul became major hubs for international traffic. For the Armenian project, this experience demonstrates the possibility of building a large airline around connecting flows that substantially exceed the country's domestic demand.

The evolution of routes between Australia and Europe illustrates this restructuring. The Qantas-Emirates partnership shifted some European connections to a network through Dubai; Qantas subsequently developed services through Singapore and direct routes again. International flows can switch hubs when a new combination of network, travel time, price and product becomes attractive to passengers. This creates a commercial opportunity, but requires competition with established networks. [6] [7]

The project rests on the belief that full service remains an essential part of an airline's value proposition. Passengers choose the entire journey: a convenient schedule, connection, seat, catering, crew service, baggage handling and assistance during disruption. When economy class loses adequate service and business class offers merely a standard seat with an empty adjacent seat, the carrier's justification for a higher fare weakens. Armenia Airline should maintain product quality and seek efficiency in management, technology and the organisation of operations.

Service is one factor in competitive choice. The growth of Gulf carriers and Turkish Airlines also reflects geography, investment, traffic rights and network design. The business plan must therefore connect a strong product with specific passenger flows and financial discipline. Investment in service is justified where it supports revenue, repeat purchases and sustainable load factors.

Armenia Airline's central commercial idea is to connect large and medium-sized cities through Armenia on a single airline with one connection. Combinations of regional cities in India and Europe are particularly attractive, alongside selected flows between East Asia, Africa and other markets. Narrow-body aircraft provide frequency on thinner routes, while the A350 supplies capacity on developed markets and cargo potential. This combination allows each route to be assessed by its role within the whole network.

For city pairs that currently require two connections, the new hub can offer a simpler journey. Where competitors already provide one convenient connection, the advantage must come from schedule quality, total travel time, service and price. Armenia's geographic position is assessed separately for each corridor. The financial forecast includes the network the company expects to serve, while further delivery commitments should follow confirmed demand.

The project primarily targets international connecting traffic. The Armenian market, diaspora, tourism and business travel are important parts of the network, but do not alone explain its mature scale. Success requires attracting small shares of many international flows and combining them into coordinated arrival and departure banks. The working target of the current concept is approximately 53 million paid flight segments, 304 destinations and 450 aircraft.

The long-term objective is a sustainably profitable company following an intensive growth period. The first seven to ten years focus on building the network, fleet and team. Priorities then shift to stable cash flow, debt service and moderate development. Financing aircraft in separate cohorts allows their continued use after repayment. Replacement after twenty to twenty-five years is planned gradually, according to each aircraft's actual age.

AI-native management should be embedded from the start: shared data, coordinated digital processes and measurable efficiency. A modern fleet and technology offer opportunities to reduce complexity and costs, but

the outcome must be reflected in specific budget lines. Until implementation benefits are confirmed, the model does not assign arbitrary additional savings to AI.

For Armenia, the project's significance extends beyond the airline's own profit. International accessibility creates opportunities for tourism, exports, education, skilled employment and the development of technology and industrial projects. These effects are addressed in a separate section. The core financial plan presents the airline's revenue and expenditure; construction and financing of the new airport belong to a separate infrastructure project.

The business plan combines this strategic rationale with an annual financial model. Each key indicator is accompanied by an explanation of its source and calculation. Two scenarios reflect different passenger yields under one network and fleet concept. Their difference shows the project's financial sensitivity and the conditions required to achieve the forecast outcome.

PART I

Strategy and Route Network



The network connects international flows through an Armenian hub. Growth should follow confirmed demand.

304

destinations

53 million

paid flight segments

2028

service launch

1 Executive Summary

Preparation: 2027. Scheduled services: spring 2028. Mature concept: 304 destinations, approximately 53 million segments and 450 aircraft.

Armenia Airline is planned as a full-service carrier combining local and international connecting traffic through an Armenian hub. The working project name is used pending final brand approval. Preparation starts in 2027. Scheduled services are planned for spring 2028; the current budget assumes 1 April as a planning date.

The mature target is 304 destinations, approximately 53 million paid flight segments annually and 450 aircraft. These are interconnected development objectives. They do not replace validation of the market, aircraft availability and schedule feasibility. One connecting passenger travelling through Armenia occupies two flight segments; the 53 million target does not mean 53 million unique people or new tourists visiting Armenia.

The financial model covers 25 calendar operating years. The conservative scenario uses passenger revenue of 8.71 US cents per revenue passenger-kilometre, and the optimistic scenario 10.4 cents. The calculated cumulative equity requirement is approximately USD 16.50 billion and USD 7.27 billion respectively. Both estimates provisionally retain the planned demand at different fare levels.

Cash flow in the tables is calculated after interest, principal repayments, technical capital expenditure, equity contributions to aircraft deliveries and changes in working capital, before new investor contributions and distributions. Investor returns and passenger revenue per kilometre are different indicators with different meanings and units.

A concise comparison of the two scenarios is presented in Table H of the financial appendix. Its results relate to the current annual model and should be read alongside the explanations of demand, financing and fleet replacement.

2 The Armenian Hub and Commercial Opportunity

The project brings together traffic from several regions and connects it through a single hub. The network's economic rationale is that a new destination creates travel opportunities between that city and many markets already served. The commercial value of connecting flows matters to the company, beyond demand between Armenia and each individual city.

Each city pair must be assessed against alternatives in terms of total journey time, connection convenience, frequency, fare and reliability. Armenia's geographic location alone does not establish the competitiveness of every route. Some pairs may involve a substantial detour, while others may face insufficient demand or access restrictions.

The local market, diaspora, tourism and business travel provide separate sources of demand. The connecting market must be assessed independently. Sales in existing international markets cannot be counted as additional visitors to Armenia when travellers remain in the transit area.

The new airport is treated as an infrastructure prerequisite. Its construction, capital, debt and revenue are excluded from the airline's financial model. The airline budget retains payments for airport services, ground handling and air navigation.

3 Passengers and Market Demand

The main segments comprise local and diaspora travel, international connections, business demand, tourism and premium travel. Each has its own seasonality, schedule requirements and price sensitivity.

Business-class sales require validation separately from total seat capacity.

The current financial budget retains the previously defined trajectory of paid segments. During growth, these are allocated to destinations in proportion to offered seats and then linked to geographic distance. This reconciles revenue with traffic output, but does not measure the available O&D market: journeys between the ultimate origin and destination.

Demand validation will require establishing the size of each priority market, alternative itineraries, average realised fare, the share available to a new airline and the impact of a connection. The assessment must distinguish revenue for the full itinerary from its allocation between legs. The budget fare for an individual flight segment cannot automatically be presented as the price of a connecting ticket.

Initial validation should prioritise launch destinations, the largest connecting city pairs and markets that determine A350 utilisation and premium cabin demand. If demand is not confirmed, frequencies and opening dates should be adjusted while maintaining financial discipline across the network.

4 Route Strategy

The working network includes Europe, Russia and other CIS markets, Central Asia and the Caucasus, South Asia and the Indian Ocean, the Middle East, East and Southeast Asia, Africa, the Americas and Australasia. The plan includes both major hubs and regional cities capable of generating connecting demand through the shared network.

Growth starts with destinations that create useful connections and support hub frequency. The airline then extends its reach and gradually strengthens developed routes. Opening a new city should be compared with increasing frequency on an existing route: an additional daily service can sometimes create more commercial value than a new route with infrequent departures.

The reconstructed schedule of the first 128 named destination openings comes from the original project discussion. The subsequent 176 openings represent a proposed phasing plan. Some frequencies were increased in the budget model to reach the target passenger volume. All such changes require validation of demand, permissions, slots and scheduling.

Each station opens after confirmation of its commercial case and the readiness of sales, handling, crews and liquidity. Routes whose access depends on political or regulatory conditions should remain conditional and have an alternative aircraft deployment plan.

5 Network and Fleet Development Plan

Network growth: 50 destinations in 2028 → 128 in 2030 → 304 in 2037. The fleet follows route activity.

The growth programme starts with 50 destinations in 2028 and reaches 304 by 2037. The first three years establish a core of 128 destinations. The network then expands by approximately 36-40 cities annually; towards the end of the decade, new openings slow as increasing frequencies in existing markets plays a larger role.

The destination count represents cities included in the network by the end of the calendar year. It does not mean that every city is served for all twelve months. Offered capacity is calculated from average initial and final weekly frequencies; an additional factor of 0.75 is applied in the first calendar year because of the spring launch. This explains why the first year's 50 destinations generate approximately 1.80 million paid segments rather than the volume of a fully developed network with the same number of cities.

The passenger budget is allocated among routes in proportion to offered seats. More cities, higher frequencies and greater capacity increase traffic volume. This allocation creates consistency across annual calculations, but is not yet an independent market-demand forecast for every city pair. The original named plan has been reconstructed for the first 128 openings; the next 176 represent the proposed development programme.

The fleet grows from 48 aircraft at the end of the first year to 450 in 2036. It retains that size in year ten as the network reaches 304 destinations. Planned hours have been checked by type with a 10% reserve against the annual capacity of the year-end fleet. Deliveries during the year, scheduling, crews and maintenance downtime must be reconciled monthly during implementation.

Table A shows new and active destinations, passenger segments and the fleet for each year. Table G provides the named opening schedule for all 304 destinations. Frequencies and aircraft assignments are retained in the detailed route workbook.

PART II

Fleet and Passenger Product



Two modern aircraft families support a consistent service concept and expansion of the cargo business.

450

aircraft

2

families

20J

on A320 / A321

6 Fleet Strategy

The airline uses the A320 family for short- and medium-range missions, including A321LR and A321XLR variants, and the A350 family for developed long-haul routes. Two principal families simplify fleet organisation compared with a large number of independent platforms. Nevertheless, variants, engines, staff training and spare parts are not fully interchangeable.

The A321XLR is regarded as a means of reaching thin long-haul markets and developing new destinations. When combined passenger and cargo economics become sufficient, some services can move to the A350. The A321 family retains its own role in the network; cargo growth does not imply an arbitrary removal of narrow-body aircraft.

The China programme is modelled on the A350. Selected routes in India and Africa include a gradual upgauging of some services. A switch to a wide-body aircraft does not automatically create passenger revenue: it requires either increased traffic, fewer flights while retaining seat capacity, or a justified additional cargo contribution.

Annual hour limits with a 10% reserve pass the check after reallocating some services among available types. This check concerns year-end fleet capacity. It does not confirm adequate aircraft availability in every month or the feasibility of hub banks. Fractional weekly frequencies in the budget are averages.

The mature fleet comprises 44 A320neo, 172 A321neo, 21 A321LR, 71 A321XLR, 131 A350-900 and 11 A350-1000 aircraft. The total is 450 aircraft; the A321 family retains 264 aircraft. Table A shows changes in the fleet mix by year.

7 Passenger Product

20 business-class seats: five rows of four seats on the A320 and A321. The final layout requires engineering confirmation.

The project provides a full-service product with clear arrangements for connections, catering, baggage and assistance during schedule disruption. The product must be consistent enough for passengers to buy the entire journey through the hub as one service and expect problems to be resolved within one system.

The agreed A320 and A321 business-class cabins contain 20 seats: five rows of four seats. Working commercial configurations are 20J and 124Y for the A320, and 20J and 166Y for the A321, including LR and XLR. A350 concepts use 28J, 24W and 264Y on the A350-900, and 40J, 32W and 296Y on the A350-1000. J denotes business, W premium economy and Y economy class.

Seat pitch and equipment must meet the agreed full-service product standard. Final capacity is confirmed through the engineered layout, exits, lavatories and certification. Earlier layouts with 16J are not the current product decision. Concept illustrations do not replace an approved LOPA.

Premium economy on the A350 serves passengers willing to pay for additional comfort without purchasing the full business product. The size of each premium cabin must be validated against class demand, rather than solely the desired average yield of the airline as a whole.

8 Sales and Revenue Management

Sales combine direct digital channels, agency and corporate channels, tourism partners and suitable interline agreements. The budget includes distribution, payment and selling costs. Direct-channel development should be assessed against the total cost of customer acquisition and service, including marketing and technology expenditure.

Revenue management is based on the full O&D journey. The airline compares the contribution of local passengers and connecting sales, protects seats on the constraining leg and avoids selling an itinerary with a positive result on one segment but a negative result for the full journey.

Ancillary services are accounted for separately from tickets, but form part of total passenger revenue when comparing the adopted yield. The components of each peer's published indicator need to be checked. The same ancillary benefit cannot be added again on top of a calibrated passenger yield.

The loyalty programme should support repeat sales and corporate demand. Revenue from partners, duty-free and the national commercial ecosystem enters the financial budget only where a specific commercial model and cash-flow allocation exist.

9 Cargo Business

Cargo uses available passenger-aircraft capacity. Yield depends on demand, distance and payload constraints.

Cargo is based on available belly capacity in passenger aircraft after baggage and operational restrictions. This approach uses the existing passenger network to generate an additional commercial contribution. Cargo remains a separate business with its own sales, handling, constraints and working capital.

Priority flows include China-Africa, East Asia-Europe, South Asia-Europe, and Armenia-international markets. Available capacity on every leg is calculated for each cargo O&D. The limiting leg determines the volume carried. A tonne on a connecting itinerary generates one contractual revenue amount, even though handling and transport occur on two flights.

A350 capacity is assessed together with distance, fuel, baggage, and cargo weight and volume. Cargo capacity on the XLR is not equated with a standard A321: fuel-tank configuration and mission requirements may constrain commercial payload. Budgets include distance adjustments and handling costs, but the final payload requires a technical calculation for the specific flight.

Higher passenger yield in the optimistic scenario does not automatically increase cargo rates or volumes. A peer's freighter operations are not used as a direct source of belly revenue for the new airline. The current budget does not acquire a dedicated freighter fleet; this requires a separate investment decision.

Calculations are based on a cargo shipment between its origin and destination. On an itinerary through Armenia, the shipment occupies capacity on two flight legs, but commercial revenue is counted once. Both legs are included in flight activity. This prevents revenue inflation caused by the connection.

For the A320, A321, LR, XLR, A350-900 and A350-1000, the budget assumes usable cargo capacity after baggage of 1.5, 2, 1, 0.75, 12 and 16 tonnes respectively. A modelled 75% utilisation and long-mission constraints are then applied. Capacity is reduced further on the longest legs. These values are commercial

budget assumptions; actual carriage capability depends on weight, volume, fuel, baggage and seasonal conditions.

Cargo revenue rates are specified across ten corridors at USD 2.0-4.6/kg in the 2026 price base. Handling is budgeted at USD 0.15/kg for each flight leg and USD 0.10/kg per shipment; selling costs are also included in the operating budget. Actual volume is limited by the minimum available capacity across all legs. Table F shows the rates and the modelled Y12 volume achieved.

In Y12, both passenger scenarios produce the same approximately 308 thousand tonnes of shipments and USD 1.56 billion of cargo revenue. A350 aircraft increase available capacity, but profit arises from selling that capacity at a sufficient yield. Consequently, the transition of some India and Africa services to A350 aircraft is gradual, rather than driven solely by greater cargo capacity.

PART III

Operations and AI-native Management



A shared digital architecture connects commercial activities, flight operations, maintenance and finance.

Data

shared foundation

Control

human accountability

Impact

measurable results

10 Operating Organisation

Arrival and departure banks must connect key markets and allow realistic transfers. The schedule accounts for flight duration, ground handling, crew availability, night restrictions and maintenance windows. Optimising annual flight hours alone can weaken connections and reduce market appeal.

Ground operations cover check-in, baggage, aircraft turnaround, passenger service and cargo. Contracts must specify quality, productivity and disruption procedures. The budget assumes service rates; this does not mean supplier agreements have already been signed.

The operations control centre must have a single view of aircraft, crews, constraints and passenger itineraries. During disruption, decisions are assessed against their effects on the entire network: connections, crews, subsequent flights and obligations to passengers.

Launch requires aviation safety, necessary certification, qualified personnel and operational control procedures. The status of future permissions should be a separate roadmap item, rather than an implied result of the financial model.

11 AI-native Management Model

AI-native means a shared data and process architecture with measurable benefits and human accountability.

The digital architecture integrates reservations, sales, scheduling, crews, maintenance, cargo and finance. Shared master data for routes, types, customers and resources prevent inconsistent versions across departments. Data-quality management is a continuous operational function.

AI is applied to demand forecasting, network and capacity planning, detection of technical anomalies, customer enquiries and decision support during disruption. Implementation begins with tasks whose impact can be compared with the original process. Each application has an accountable function, quality controls and the ability to intervene manually.

Economic benefits are assessed through forecast accuracy, itinerary contribution, selling costs, disruption costs, employee productivity and operational reliability. Platform, data, integration and support costs are deducted from the benefits. The same saving cannot be included simultaneously in fares, lower OPEX and a separate AI benefit.

Building a system from the outset differs from adapting an existing large organisation. However, competitors already use AI, and the business plan should not claim otherwise. The current financial model does not include additional unconfirmed AI savings.

12 Maintenance and Lifecycle

The technical function ensures airworthiness, maintenance planning, and management of spare engines, components and reserves. Costs are separated into airframe, engine and component maintenance, heavy checks and capital investment in spare assets. Airframe maintenance metrics cannot be applied to engine power-by-the-hour (PBH) costs without a separate calculation.

During growth, purchasing services from external providers can reduce the need for substantial dedicated infrastructure. An in-house MRO is considered an additional project once scale and economics are sufficient and validated. Its revenue and construction cost should not arise automatically in the airline budget.

The 25-year plan considers each aircraft's service life from delivery. Age-related cost growth, inspection intervals and residual value require validation by cohort. Early delivery waves may concentrate future replacements even when total fleet size remains stable.

The existing 40-year review was performed for an earlier financial scenario and is retained as a diagnostic appendix. It is not yet an extension of the two new scenarios. Before the final investment edition, replacement schedules, liquidity reserves and new financing must be updated for both yield levels.

In the model, operating costs depend on hours and cycles, as well as labour, engine and maintenance costs. When refined distances increase modelled hours, fuel, maintenance, crew and navigation costs are added. Changes to network geometry therefore affect both revenue and cost. New aircraft types are already reflected in the adopted cost structure; no separate additional discount for fleet modernity is applied again.

Capitalised technical work requires a separate cash payment. It differs from current maintenance expense and accounting depreciation. In Table D, technical CAPEX enters cash flow, while depreciation enters net profit. Before an investment decision, the work calendar and contractual engine PBH rates must be refined by cohort.

13 People, Training and Service Ecosystem

The staffing plan must follow aircraft entry into service, frequency and service volumes. Timely training of pilots, cabin crews, engineers, dispatchers and commercial teams is particularly important. Recruitment and training rates may constrain actual growth sooner than formal annual fleet capacity.

A training academy can support workforce renewal and national development. In the initial budget, training and recurrent qualification are airline expenses. A dedicated training complex, simulators and external training sales require separate capital and commercial calculations.

Catering and lounge service should support a consistent passenger product. Working with Armenian producers can improve brand recognition and create local demand. The economics of an in-house catering business are assessed separately from the airline's payments for its services.

Organisational management covers operations, the technical function, commercial activities, cargo, finance, data, training and quality control. Functional responsibilities and financial controls can be defined before ownership is decided.

PART IV

Financial Model and Resilience



Profit, cash flow and investment recovery are assessed separately. Annual calculations reveal the drivers of capital requirements.

2

scenarios

25 years

model horizon

Y11-Y12

mature business

14 Financial Assumptions

Passenger yield: 8.71 and 10.40 cents per revenue passenger-kilometre. This is revenue per RPK, not a profit percentage.

The financial model starts from the network's traffic output. Paid segments are multiplied by the distance of their respective routes; the sum produces revenue passenger-kilometres, or RPK. This measure allows yield comparisons between networks with different average stage lengths. Revenue per person without distance adjustment is insufficient for this comparison.

The conservative benchmark is 8.71 US cents per RPK, based on Turkish Airlines' published 2025 passenger yield. The optimistic benchmark is 10.4 cents, based on Emirates for 2025/26. These are monetary rates per passenger-kilometre, not profit percentages. They reflect the carriers' network products and are not the price of every individual ticket. [1] [2]

In our model, passenger revenue is $RPK \times \text{yield} \times \text{price index}$. Adopted total passenger revenue includes tickets and ancillary services: ancillary services are identified within this amount rather than added again. Cargo is calculated separately. Y1-Y9 use the route geometry of each respective year; the mature period retains the reconciled full-network calculation.

For example, the first year produces approximately 6.52 billion revenue passenger-kilometres. At 8.71 cents and a price index of 1.050625, passenger revenue is approximately USD 596 million. Adding approximately USD 28.7 million of cargo revenue gives total revenue of approximately USD 625 million. At 10.4 cents, the same passenger volume gives total revenue of approximately USD 741 million. Changing the scenario changes the yield rate; it does not double passengers or cargo.

Passenger demand is provisionally assumed to remain unchanged at the two rates. A higher fare normally affects load factors and market share; this effect must be tested by destination and class of service. Higher yield is therefore a commercial assumption that product, traffic mix and sales must deliver. The tables describe the outcome if this assumption holds.

Average stage length is lower at launch than in the mature network. Changes in distance affect RPK, revenue, flight hours and costs. Geographic distance is used for RPK; flight-hour estimates assume a 5% route extension. A flight is estimated using distance, assumed speed and an additional 0.75 hours for other mission elements. Budget speeds are 780 km/h for narrow-body types and 850 km/h for the A350. These parameters support annual estimates; the operating plan refines them using actual routes and conditions.

Preparation starts in 2027 and scheduled services in spring 2028. The budget provisionally assumes a 1 April launch. First-year variable flight volumes and costs are reduced to 75% of a full year; fixed salaries, deliveries, depreciation and debt obligations remain. The launch loss therefore cannot be treated as a simple proportion of mature profitability.

All financial tables use nominal USD for the relevant year. Rates have a 2026 price base and a common assumed annual index of 2.5%. Later-year amounts therefore include price changes. Tax is estimated at 18% of positive profit before tax; this simplified assumption needs refinement for depreciation and loss carryforwards.

Working capital reflects the timing of passenger and cargo receipts, commissions and supplier payments. The annual formula uses 7 days of passenger receivables, 45 days for cargo, an additional 4% of passenger revenue, a 70% advance component with a 21-day horizon, and 30-day payment terms on 60% of expenses

excluding salaries. These are working budget assumptions; actual settlement terms may change cash requirements.

The technical calculation retains approximately 53.29 million segments after Y10, compared with the 53.00 million target. The approximately 0.5% difference arose when moving to mature route-network capacity. Tables retain the actual model value; the strategic target remains approximately 53 million. This is a small calculation difference, rather than a return to the 60 million branch.

Table E explains the origin and status of key assumptions. Aggregate indicators do not replace route-level calculations; assumptions are updated with sales evidence, manufacturer offers and financing terms as the project develops.

Operating expenditure comprises flight activity, fuel consumption, personnel, maintenance, ground services, catering, airports, navigation and sales. In conservative Y12, identified source lines for fuel and salaries account for approximately USD 8.47 billion and USD 4.25 billion of total OPEX of USD 24.18 billion; other expenses and adjustments account for approximately USD 11.46 billion. Additional selling costs are included for higher passenger revenue. The budget does not assume that all incremental revenue becomes profit without cost.

15 Fleet Cost and Financing

The fleet is financed by delivery cohort. Each annual batch has its own price, delivery date, debt amount and repayment term. The current calculation assumes 85% debt financing, an 11-year term and 6.5% annual interest. The remaining share and pre-delivery payments require equity or separately agreed financing.

These terms follow the selected logic of operating the asset for a long period after loan repayment. They are budget assumptions, not a received credit offer. Project duration and loan duration differ: an aircraft delivered in year nine continues to require repayments after the first decade of growth.

The cumulative nominal price of initial deliveries in the current budget is approximately USD 48.82 billion. It comprises annual batches with the adopted indexation and type mix; this is the cost of aircraft, not the required equity. The current plan receives the mature fleet of 450 aircraft by the end of Y9, so Y10 has no new initial delivery batch. Batch prices and pre-delivery payment schedules are refined when manufacturer offers are received.

Modelled debt is approximately USD 20.51 billion at the end of Y10 and USD 13.12 billion at the end of Y12. In Y12, principal repayments are approximately USD 3.62 billion and interest approximately USD 0.97 billion. These payments explain the substantial difference between accounting profit and available cash in the mature company.

In the income statement, aircraft cost is recognised through depreciation and financing cost through interest. Debt principal enters cash flow. The initial aircraft price is not expensed in full as OPEX, and repayments are not deducted a second time from accounting profit. Technical capital expenditure is shown separately from current maintenance expense.

Equity is needed for preparation, the equity share of aircraft prices, pre-delivery payments, negative cash flow and a minimum liquidity reserve. The modelled pre-operating contribution is approximately USD 492 million. Subsequently, capital is raised in years when available cash is insufficient to cover payments and the reserve.

The modelled reserve is USD 100 million plus 90 days of operating expenses, principal and interest, with a 15% buffer. It therefore grows with the company: by Y12 it is approximately USD 8.26 billion in the conservative scenario and USD 8.35 billion in the optimistic scenario. The reserve remains company cash and

is not an operating loss. Including it in capital requirements improves resilience, but substantially increases the financing package.

At each year-end, new capital covers any shortfall against the reserve; the model distributes amounts above the reserve to investors. Cumulative contributions are approximately USD 16.50 billion at the conservative yield and USD 7.27 billion at the optimistic yield. The latter is lower because higher revenue covers a greater share of new obligations during growth. Passenger volume remains the same in both cases for now.

An annual distribution policy is needed to calculate investor returns. The actual policy must consider future fleet replacement, covenants and seasonality. Before final financing, the peak funding deficit within each year must be established: annual closing balances do not capture every pre-delivery payment and delivery date.

16 Profit and Cash-flow Forecast

Y12 cash flow after payments: USD 2.39 billion in the conservative scenario and USD 7.06 billion in the optimistic scenario.

Project economics are assessed at three levels. EBITDA shows the result after operating expenses, before depreciation, interest and tax. Net profit includes these items. Cash flow after payments additionally accounts for debt principal, the equity share of deliveries, technical capital expenditure and changes in working capital.

The company can therefore report a profit while continuing to raise capital. During rapid growth, this reflects new aircraft acquisitions and servicing of earlier delivery cohorts. Once growth is complete, initial deliveries no longer require new equity contributions, but later loans are still being repaid. Gradually declining repayments improve the cash result.

In the conservative scenario, net profit turns positive in Y4 and cash flow after payments in Y8. In the optimistic scenario, profit turns positive in Y2 and cash flow in Y5. These results follow the selected revenue, expense and loan assumptions. Both calculations reach sustained positive annual cash flow by Y11-Y12 if the commercial assumptions hold.

In Y12, the conservative case produces USD 32.68 billion of total revenue and USD 24.18 billion of operating expenses. EBITDA is USD 8.50 billion. After depreciation, interest and tax, net profit is USD 4.56 billion. Cash flow after payments is USD 2.39 billion, as the company repays USD 3.62 billion of principal and incurs approximately USD 0.53 billion of technical capital expenditure.

In the optimistic case for the same year, revenue is USD 38.72 billion, operating expenses USD 24.52 billion, EBITDA USD 14.21 billion, net profit USD 9.24 billion and cash flow USD 7.06 billion. Costs are slightly higher because of variable selling expenses. The main difference is passenger revenue, while the cargo programme remains identical.

The conservative Y12 net margin is approximately 14.0%; the optimistic margin is approximately 23.9%. The latter exceeds Emirates' published 15% net margin for 2025/26. It results from combining Emirates' yield benchmark with the new project's expense budget. Achieving it requires validation of both revenue and costs; the higher calculated result is not a reproduction of Emirates' accounts. [2]

The first positive annual cash flow, recovery of invested capital and investment return are different indicators. Based on cumulative annual distributions, provisional undiscounted recovery of contributions is reached in Y15 of the conservative case and Y9 of the optimistic case. Annual IRR over 25 years without a terminal sale

is approximately 12.7% and 29.1%. This estimate does not account for individual payment dates within each year.

In Y25, the model shows USD 7.84 billion of net profit and USD 9.24 billion of cash flow in the conservative case, and USD 14.29 billion and USD 15.69 billion in the optimistic case. These are nominal amounts. Debt repayments on initial deliveries have ended, but a complete new replacement programme for the two current scenarios has not yet been included. Y25 figures therefore reflect the existing fleet and current maintenance budget; they do not imply that the entire amount can be sustainably distributed once renewal begins.

Tables B and C show each year's revenue, expenses, profit, cash flow, debt and new contributions. Table D presents the Y12 bridge from revenue to profit and cash flow. This format reveals the drivers of results and allows them to be traced to the financial model.

17 Risks and Resilience

Commercial risk lies in achieving both the target yield and passenger volume. Higher prices may reduce load factors, particularly on connecting routes. Volume and premium-sales sensitivity must be tested for both scenarios; these tests remain within the scenarios and do not create a separate third business-plan case.

Financial risks include fuel prices, borrowing rates, sales currencies, maintenance costs, delivery delays and temporary market closures. Cargo can increase contribution, but also faces market cyclicity and capacity constraints. Cargo contracts should not be assumed signed merely because a route appears in the budget.

Operational risks concern the availability of aircraft, crews, slots, services and infrastructure. Disruption consequences must be assessed across the full connecting flow. Fleet and liquidity reserves must be tested against actual outage durations, rather than only an average year.

Financial stress tests should show changes in profit, cash flow, reserves, financing conditions and launch timing when demand falls or costs rise. The current calculation does not present a new complete set of these tests. Their completion is a condition of the final investment edition.

PART V

Economic Impact on Armenia



International accessibility creates opportunities for tourism, exports and skills development. Their impact is assessed separately.

Tourism

international accessibility

Exports

cargo connections

People

training and skills

18 Economic Impact on Armenia

National impact is assessed separately from airline profit: tourism, exports, employment and skills.

The project's national impact is assessed separately from the airline's operating revenue. Its main channels are employment, skills, purchases of services and products, export accessibility, tourism and the development of technology capabilities. It is not added to airline profit or used to cover its cash deficit.

Direct impact comes from the company's jobs and purchases in Armenia. Indirect impact arises among suppliers. Additional employee and visitor spending can produce further effects, but assessment requires a separate methodology and elimination of double counting. Imports of fuel, aircraft and some services reduce the share of expenditure retained in the local economy.

Cargo can support exports of time-sensitive products, including food and goods with high value per unit of weight. Armenian producers need market access, regularity, a cold chain and affordable delivery. Potential exports do not automatically become airline revenue without actual cargo volumes.

Tourism and medical tourism require a joint product with hotels, travel companies and medical organisations. Connecting passengers become visitors only if they actually enter the country and spend there. A stopover product can increase this impact, but its scale is assessed separately.

Using Armenian products in catering, retail and the loyalty programme supports country recognition. Training engineers, pilots and data specialists creates a longer-term workforce effect. The current calculation assigns no unconfirmed numerical multipliers for GDP, taxes or employment; a separate national-impact assessment is needed.

The Armenian goods ecosystem can use onboard catering, lounges, product catalogues and loyalty programmes to introduce passengers to local producers. Agricultural products, beverages and other goods gain additional access to overseas customers. Producers' sales are reflected in national impact; the airline recognises only its own commission or income where the relevant contract and model line exist.

A stopover product can convert some connecting traffic into stays in Armenia. Its outcome depends on stopover duration, entry conditions, hotel supply and programme appeal. Tourism assessment counts visitors who actually enter the country, rather than all network segments. Similarly, medical tourism requires validated services and demand, while perishable exports require a reliable cold chain.

Links with Armenia's industrial, technology and events projects can support business travel and local O&D. Their future traffic is not automatically added to the existing aviation model. Each project requires its own timing and volumes, with overlap against already counted passengers removed. This maintains the connection with the country's wider development strategy while avoiding inflation of the airline's financial results.

19 Infrastructure Interface

Airport CAPEX and its business plan belong to a separate infrastructure project.

The passenger network depends on the new airport being ready for the planned launch and mature scale. The airline must coordinate capacity, connections, baggage handling, cargo operations, aircraft parking and maintenance. The new airport's code and final site are not assigned in the airline model.

The architectural concept of shorter taxiing and convenient connections can improve economics and the product. Evidence of specific savings requires the actual layout, operational procedures and time measurements. The budget does not include additional guaranteed minutes of savings based solely on a concept image.

Airport CAPEX, construction financing, terminal revenue and airport-business valuation remain a separate project. The airline's obligations are limited to its own expenses, commercial service terms and dependence on infrastructure timing.

20 Implementation Roadmap

In 2027, the project must combine commercial validation of launch, preparation of the financing package, delivery terms, operational readiness and infrastructure coordination. Long-term order decisions must account for delivery schedules and staff training. Financial assumptions are replaced by counterparty offers as these are received.

In 2028-2030, the airline establishes its first 128 destinations and tests actual demand, connection reliability and station economics. Fares, frequencies and aircraft assignments are updated using sales results. Accelerating the programme is justified when sales and operational readiness confirm capacity for the next stage.

In 2031-2037, the network expands to its mature structure. A350 entry into service, cargo development and stronger key frequencies are particularly important at this stage. The planned fleet size of 450 is a working-budget constraint; actual commitments depend on validated economics.

After 2037, priorities shift to mature-network resilience, servicing later loans, product renewal and building funds for fleet replacement. Moderate growth is assessed by incremental profit and cash flow. The replacement phase receives its own cohort plan and financing terms.

21 Preparing the Investment Edition

The final investment edition requires recalculating fleet replacement for both new scenarios, building a monthly launch and financing plan, checking peak funding deficits within each year, and stress-testing demand, fuel, engine PBH and borrowing rates. Market validation of O&D, premium demand and through fares must provide a separate foundation for fare and volume assumptions.

The current model provides a coherent annual financial budget and verified formulas, but does not replace an operational scheduling model, certified cabin layouts, a credit offer or cargo sales contracts. The current calculation does not present these documents as obtained.

The complete named annual destination schedule, financial workbook and technical materials remain separate appendices. The main text uses the agreed results of the latest edition; the earlier 60 million and 470-aircraft branches belong to the calculation history.

Sources and Appendices

[1] Turkish Airlines. 1Q26 earnings presentation, including passenger yield for 2025. [Open source](#)

[2] Emirates. 2025/26 results, passenger yield and net margin. [Open source](#)

[3] OurAirports. Airport coordinates for geographic distances. [Open source](#)

[4] Armenia Airline. Two Scenarios financial model dated 8 October 2026 and named annual network. Tables are extracted from the saved calculation data for this edition.

[5] Project initiator's original vision. Message No. 6 in the public conversation "Airline Project in Armenia" and subsequent agreed refinements. [Open source](#)

[6] Qantas. Explanation of the Emirates partnership's role in Australia-Europe travel. [Open source](#)

[7] Qantas. Partnership development and route changes through Singapore. [Open source](#)

[8] Emirates Group. Collaboration with OpenAI and artificial-intelligence adoption. [Open source](#)

The Two Scenarios workbook is the calculation appendix. Historical versions with 60 million segments and 455 or 470 aircraft are not current assumptions. Concept cabin layouts retain a separate status: the new A320/A321 concepts provide 20 business-class seats, while the older 16J layouts need replacement. The earlier 40-year model is not an extension of the two current scenarios until it is recalculated.

Airport: Overall Perspective

Previously prepared infrastructure concept visual. The airport is assessed separately; its CAPEX is excluded from the airline financial model.



Airport: Terminal and Airfield View

Previously prepared infrastructure concept visual. The airport is assessed separately; its CAPEX is excluded from the airline financial model.



Passenger Terminal: Interior

Previously prepared infrastructure concept visual. The airport is assessed separately; its CAPEX is excluded from the airline financial model.



Lounge: Relaxation Area

Previously prepared infrastructure concept visual. The airport is assessed separately; its CAPEX is excluded from the airline financial model.



Lounge: Showers and Transit-passenger Facilities

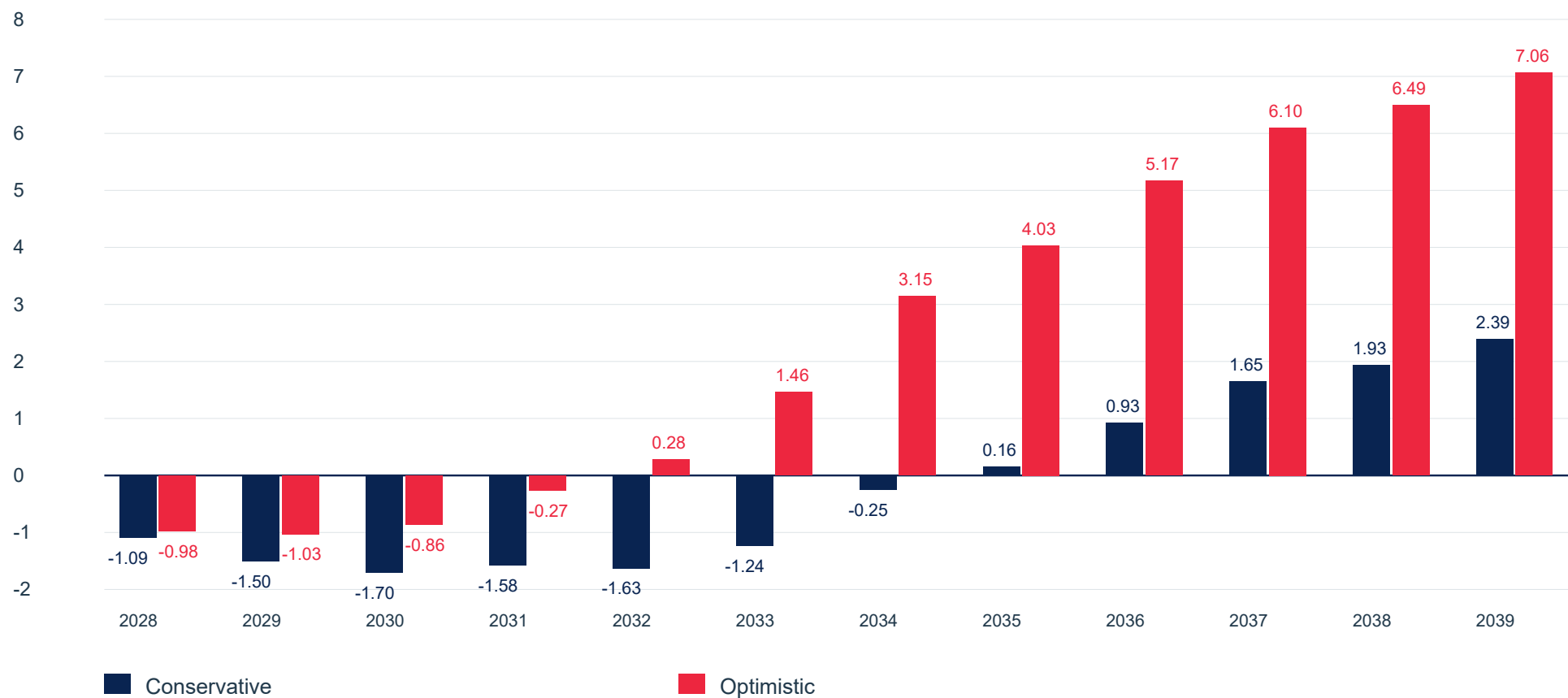
Previously prepared infrastructure concept visual. The airport is assessed separately; its CAPEX is excluded from the airline financial model.



Cash Flow: First 12 Years, 2028-2039

Nominal amounts after interest, principal, technical CAPEX, equity contributions to fleet acquisition and changes in working capital; before investor contributions and distributions. First positive year: 2035 in the conservative scenario and 2032 in the optimistic scenario.

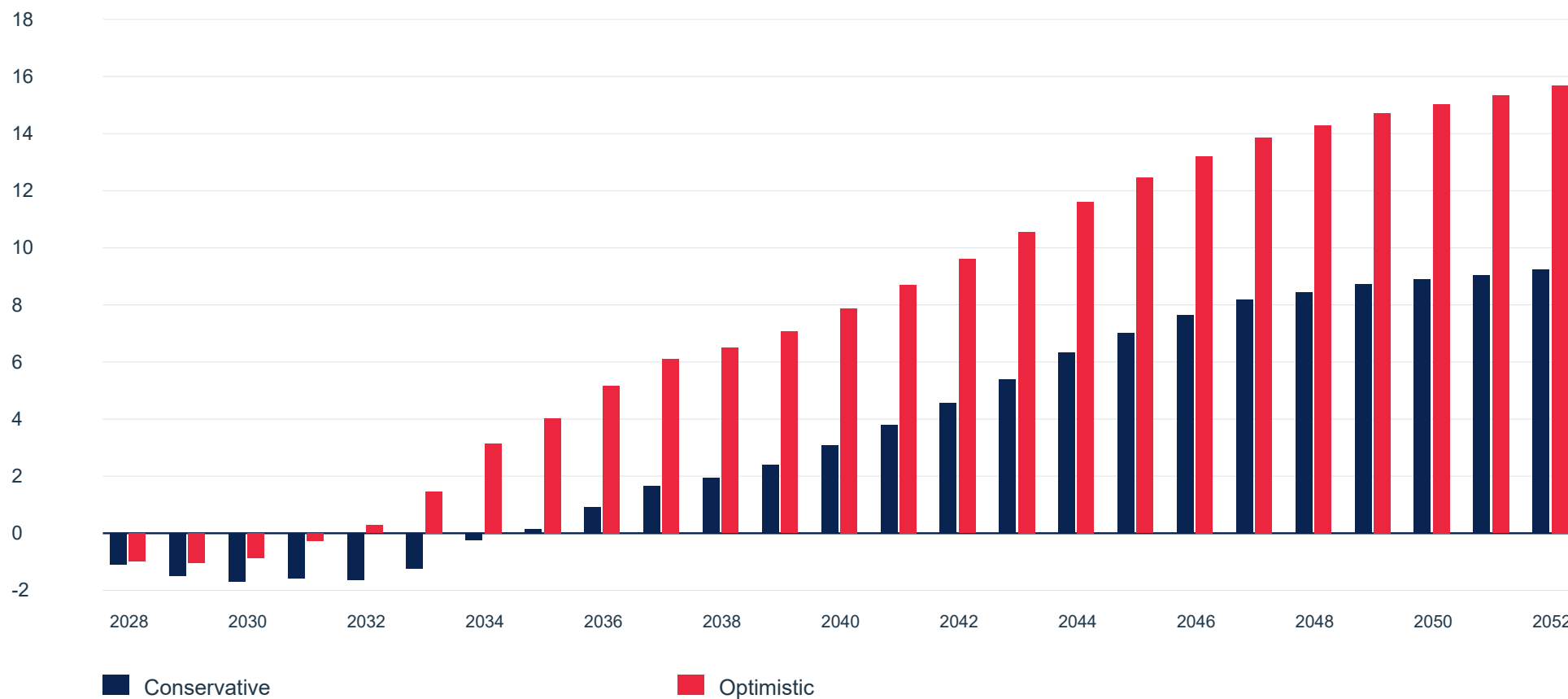
USD billion Modelled cash flow after payments



Cash Flow: 25-year Horizon, 2028-2052

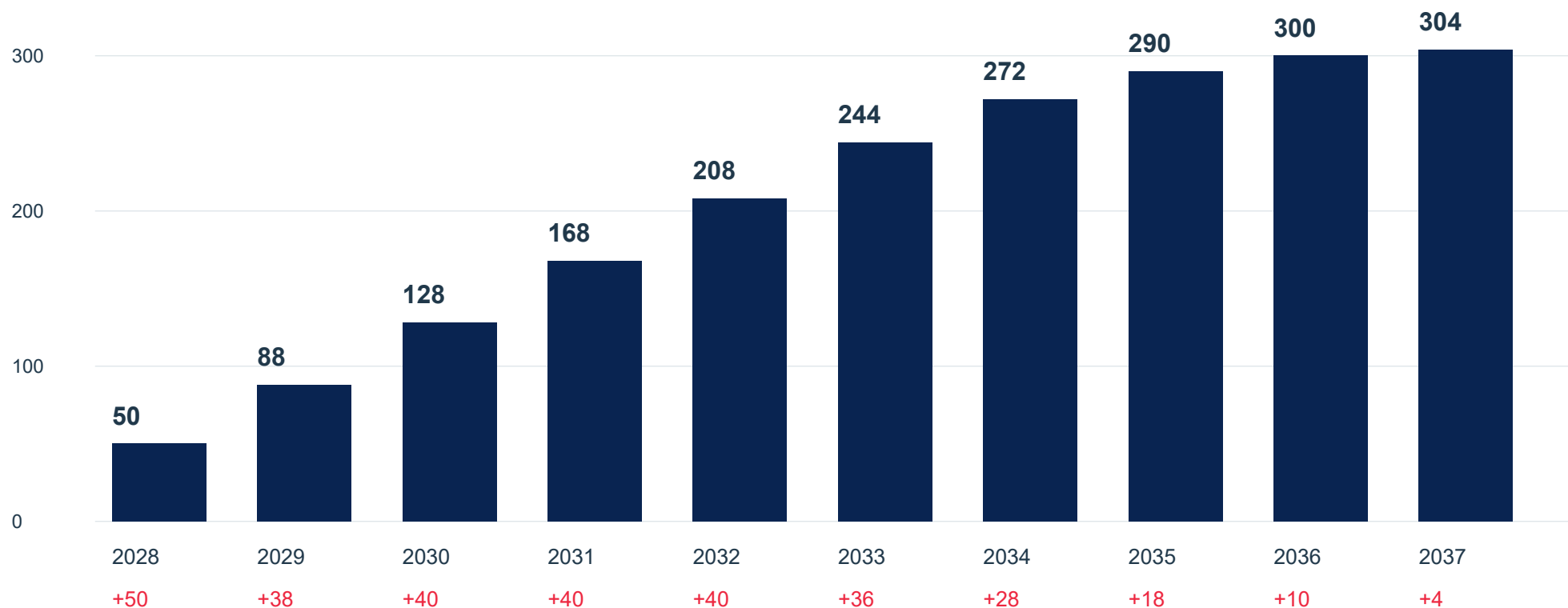
Two scenarios from the current model. After Y20, further reconciliation with a complete fleet-replacement programme is required; it is not yet included in these flows. Positive annual cash flow does not mean that all invested capital has been recovered.

USD billion Modelled cash flow after payments



Route-network Growth: 50 → 304 Destinations

Planned active network at each year-end. Project preparation in 2027; scheduled services begin in spring 2028.



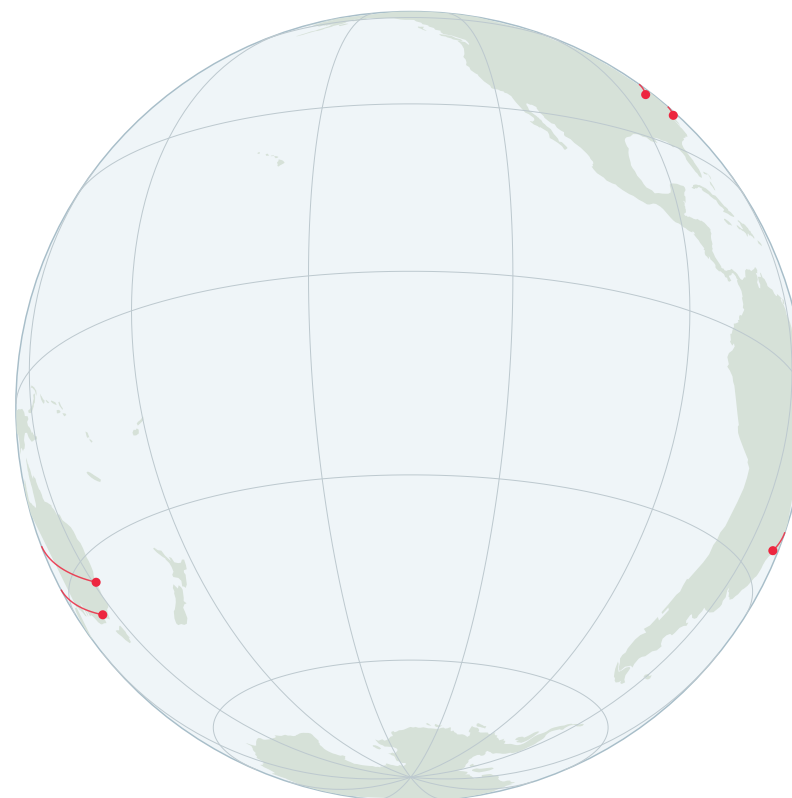
Red numbers: new destinations per year

Network 2028: 50 destinations, +50 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



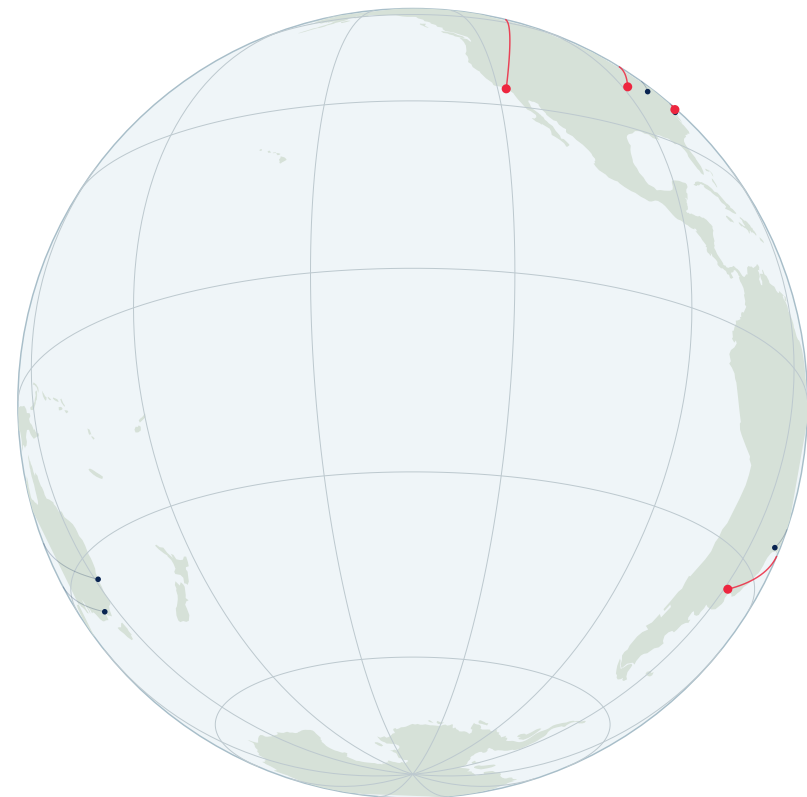
Opening this year

Network 2029: 88 destinations, +38 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



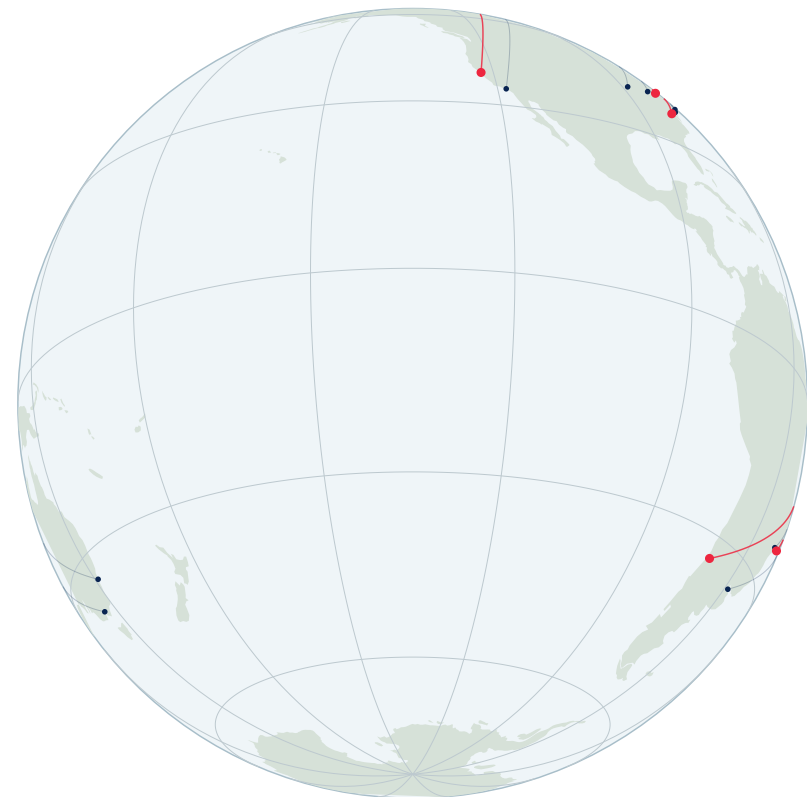
Opening this year

Network 2030: 128 destinations, +40 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



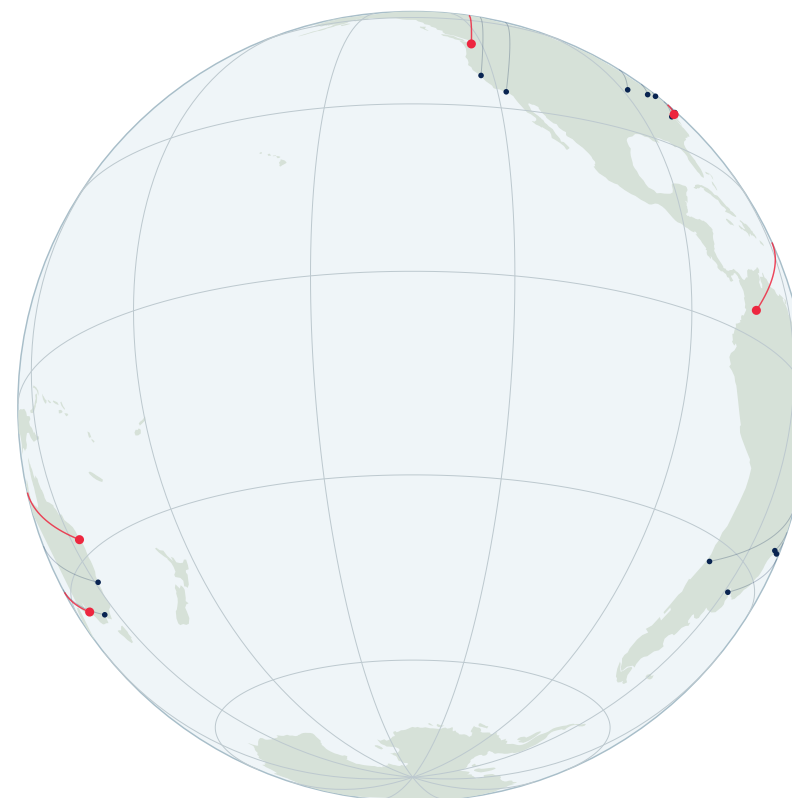
Opening this year

Network 2031: 168 destinations, +40 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



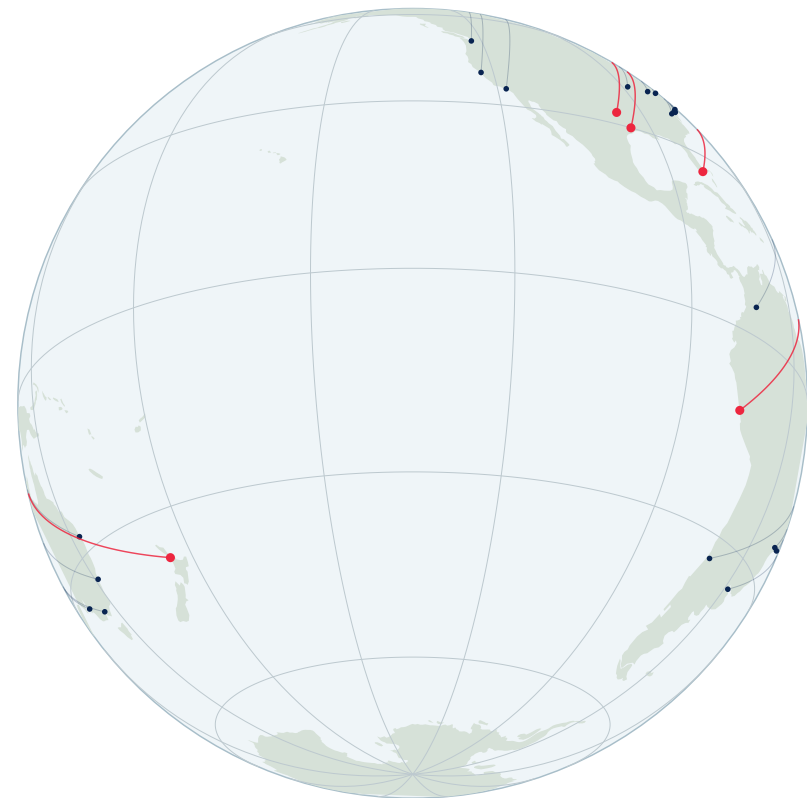
Opening this year

Network 2032: 208 destinations, +40 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



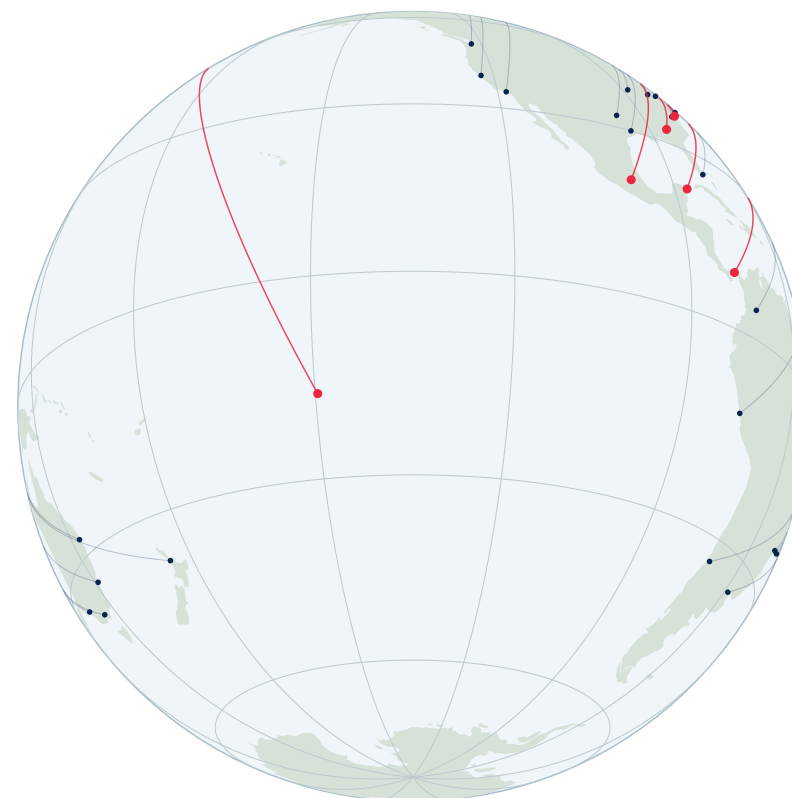
Opening this year

Network 2033: 244 destinations, +36 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



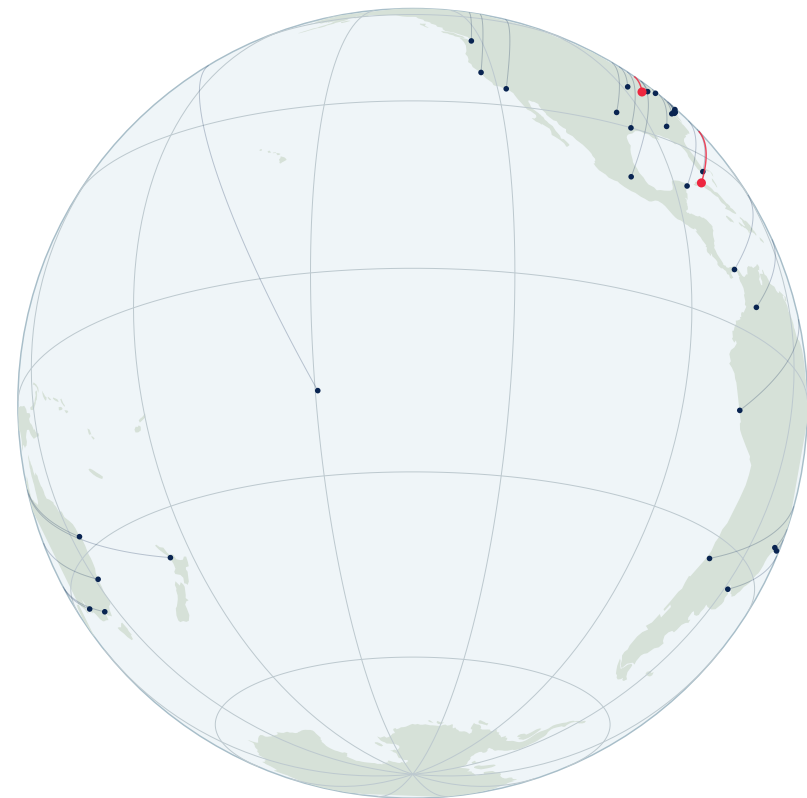
Opening this year

Network 2034: 272 destinations, +28 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



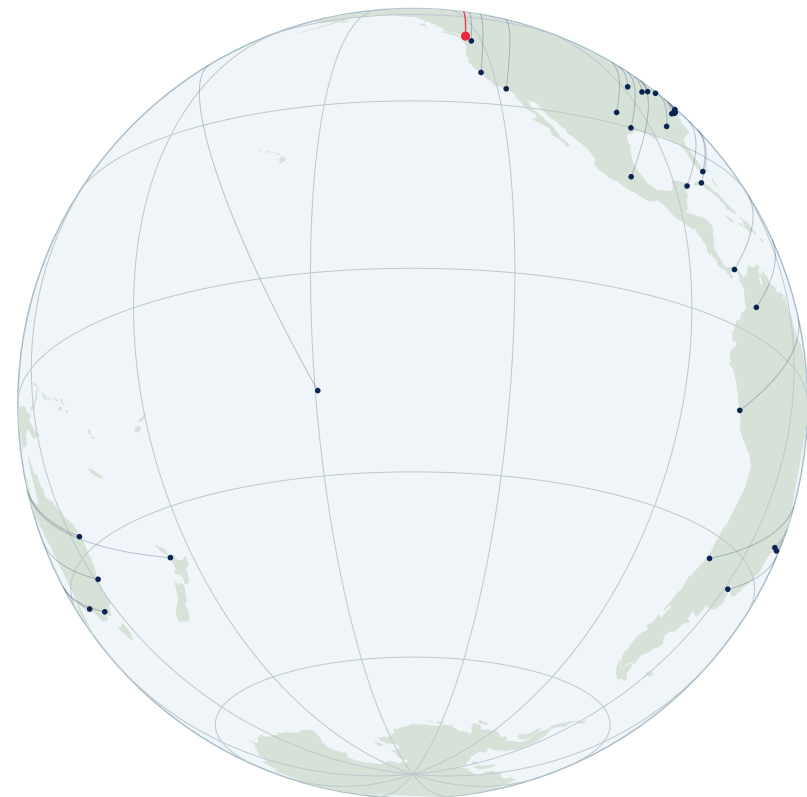
Opening this year

Network 2035: 290 destinations, +18 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



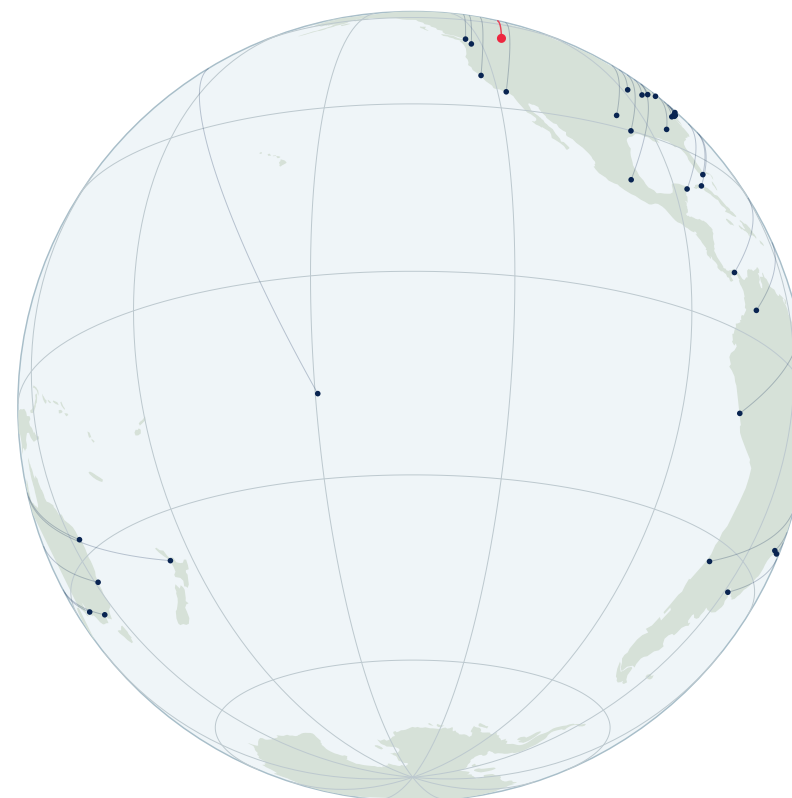
Opening this year

Network 2036: 300 destinations, +10 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



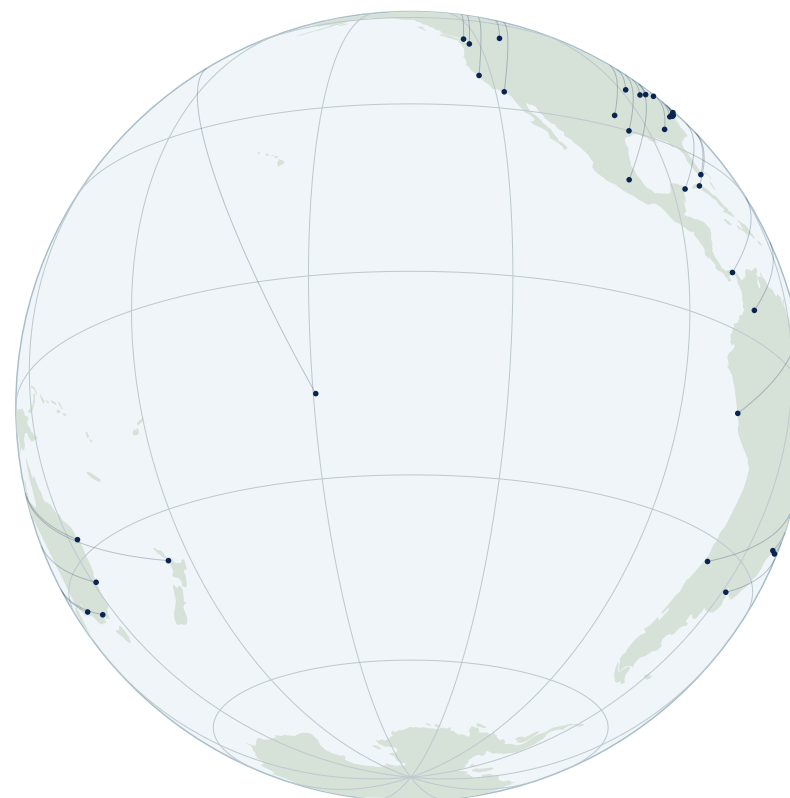
Opening this year

Network 2037: 304 destinations, +4 new

Year-end plan. Two opposite globe projections. Yerevan marks the reference location of the new Armenian hub; no airport code has been assigned. Arcs represent connections, not operational flight paths. Geography: Natural Earth; points: reference mapping of model airports.



Existing destinations



Opening this year

Table A Network and Fleet Development

Passenger segments in millions. Destinations and fleet are shown at year-end. The first year includes nine months of flying. All types include a 10% annual capacity reserve.

Year	New cities	Total cities	Segments m	A320	A321	LR	XLR	A350 900	A350 1000	Total aircraft
2028	50	50	1.80	5	31	3	0	9	0	48
2029	38	88	7.49	5	62	4	4	19	4	98
2030	40	128	13.34	9	86	6	14	35	4	154
2031	40	168	20.58	13	112	8	22	50	5	210
2032	40	208	28.52	17	131	11	33	72	6	270
2033	36	244	37.44	27	144	16	46	100	9	342
2034	28	272	44.75	33	157	19	56	111	9	385
2035	18	290	49.30	40	166	20	66	122	11	425
2036	10	300	52.08	44	172	21	71	131	11	450
2037	4	304	53.00	44	172	21	71	131	11	450

Table B Conservative Scenario 2028-2040

All financial values are rounded nominal USD billions. Cargo is included in total revenue. Cash flow after payments is before new contributions and distributions. Segments are in millions. Y11 = 2038; Y12 = 2039.

Year	Segments m	Total revenue	Of which cargo	OPEX	Net profit	Cash flow after payments	Closing debt	New equity	Investor distributions
2028	1.80	0.62	0.03	0.67	-0.31	-1.09	3.29	1.38	0.00
2029	7.49	2.87	0.14	2.61	-0.40	-1.50	6.98	2.22	0.00
2030	13.34	5.65	0.29	4.81	-0.25	-1.70	10.85	2.52	0.00
2031	20.58	9.27	0.50	7.53	0.16	-1.58	14.41	2.54	0.00
2032	28.52	13.50	0.73	10.66	0.65	-1.63	18.50	2.73	0.00
2033	37.44	19.02	0.99	14.58	1.50	-1.24	23.64	2.60	0.00
2034	44.75	23.90	1.19	18.02	2.34	-0.25	24.59	1.42	0.00
2035	49.30	27.18	1.33	20.29	2.96	0.16	25.29	0.60	0.00
2036	52.08	29.67	1.43	21.95	3.53	0.93	24.28	0.00	0.39
2037	53.00	31.10	1.48	23.02	3.90	1.65	20.51	0.00	1.37
2038	53.29	31.89	1.52	23.59	4.22	1.93	16.74	0.00	1.84
2039	53.29	32.68	1.56	24.18	4.56	2.39	13.12	0.00	2.33
2040	53.29	33.50	1.60	24.79	4.90	3.08	9.85	0.00	3.07

Table B Conservative Scenario 2041-2052

All financial values are rounded nominal USD billions. Cargo is included in total revenue. Cash flow after payments is before new contributions and distributions. Segments are in millions. Y11 = 2038; Y12 = 2039.

Year	Segments m	Total revenue	Of which cargo	OPEX	Net profit	Cash flow after payments	Closing debt	New equity	Investor distributions
2041	53.29	34.34	1.64	25.41	5.21	3.79	6.99	0.00	3.79
2042	53.29	35.20	1.68	26.04	5.50	4.57	4.57	0.00	4.56
2043	53.29	36.08	1.72	26.69	5.78	5.40	2.64	0.00	5.39
2044	53.29	36.98	1.77	27.36	6.05	6.32	1.33	0.00	6.34
2045	53.29	37.90	1.81	28.05	6.31	7.03	0.54	0.00	7.00
2046	53.29	38.85	1.86	28.75	6.55	7.64	0.12	0.00	7.56
2047	53.29	39.82	1.90	29.47	6.77	8.17	0.00	0.00	8.06
2048	53.29	40.82	1.95	30.20	6.98	8.45	0.00	0.00	8.28
2049	53.29	41.84	2.00	30.96	7.18	8.73	0.00	0.00	8.51
2050	53.29	42.88	2.05	31.73	7.40	8.89	0.00	0.00	8.67
2051	53.29	43.96	2.10	32.52	7.62	9.04	0.00	0.00	8.81
2052	53.29	45.05	2.15	33.34	7.84	9.24	0.00	0.00	9.01

Table C Optimistic Scenario 2028-2040

All financial values are rounded nominal USD billions. Cargo is included in total revenue. Cash flow after payments is before new contributions and distributions. Segments are in millions. Y11 = 2038; Y12 = 2039.

Year	Segments m	Total revenue	Of which cargo	OPEX	Net profit	Cash flow after payments	Closing debt	New equity	Investor distributions
2028	1.80	0.74	0.03	0.68	-0.20	-0.98	3.29	1.27	0.00
2029	7.49	3.39	0.14	2.64	0.08	-1.03	6.98	1.75	0.00
2030	13.34	6.69	0.29	4.87	0.60	-0.86	10.85	1.68	0.00
2031	20.58	10.97	0.50	7.62	1.48	-0.27	14.41	1.24	0.00
2032	28.52	15.98	0.73	10.80	2.57	0.28	18.50	0.84	0.00
2033	37.44	22.52	0.99	14.77	4.21	1.46	23.64	0.00	0.08
2034	44.75	28.31	1.19	18.26	5.75	3.15	24.59	0.00	1.96
2035	49.30	32.20	1.33	20.57	6.85	4.03	25.29	0.00	3.27
2036	52.08	35.16	1.43	22.26	7.78	5.17	24.28	0.00	4.62
2037	53.00	36.85	1.48	23.33	8.35	6.10	20.51	0.00	5.81
2038	53.29	37.78	1.52	23.92	8.78	6.49	16.74	0.00	6.40
2039	53.29	38.72	1.56	24.52	9.24	7.06	13.12	0.00	7.00
2040	53.29	39.69	1.60	25.13	9.70	7.87	9.85	0.00	7.86

Table C Optimistic Scenario 2041-2052

All financial values are rounded nominal USD billions. Cargo is included in total revenue. Cash flow after payments is before new contributions and distributions. Segments are in millions. Y11 = 2038; Y12 = 2039.

Year	Segments m	Total revenue	Of which cargo	OPEX	Net profit	Cash flow after payments	Closing debt	New equity	Investor distributions
2041	53.29	40.68	1.64	25.76	10.13	8.71	6.99	0.00	8.70
2042	53.29	41.70	1.68	26.40	10.54	9.60	4.57	0.00	9.59
2043	53.29	42.74	1.72	27.06	10.94	10.56	2.64	0.00	10.55
2044	53.29	43.81	1.77	27.74	11.35	11.61	1.33	0.00	11.63
2045	53.29	44.91	1.81	28.43	11.74	12.45	0.54	0.00	12.42
2046	53.29	46.03	1.86	29.14	12.11	13.20	0.12	0.00	13.12
2047	53.29	47.18	1.90	29.87	12.47	13.87	0.00	0.00	13.75
2048	53.29	48.36	1.95	30.62	12.82	14.29	0.00	0.00	14.12
2049	53.29	49.57	2.00	31.38	13.17	14.72	0.00	0.00	14.50
2050	53.29	50.81	2.05	32.17	13.54	15.03	0.00	0.00	14.80
2051	53.29	52.08	2.10	32.97	13.92	15.33	0.00	0.00	15.10
2052	53.29	53.38	2.15	33.79	14.29	15.69	0.00	0.00	15.46

Table D Why Profit Differs from Cash Flow

Y12 = 2039. Nominal USD billions. EBITDA less depreciation, interest and tax = net profit. Net profit plus depreciation, less principal, technical CAPEX, equity contributions to deliveries and changes in working capital = cash flow after payments.

Indicator	Conservative	Optimistic
Revenue	32.684	38.722
Operating expenses	24.183	24.515
EBITDA	8.500	14.207
Depreciation	1.966	1.966
Interest on debt	0.970	0.970
Interest on pre-delivery payments (PDP)	0.000	0.000
Tax	1.002	2.029
Net profit	4.563	9.242
Depreciation added back in cash calculation	1.966	1.966
Debt principal repayments	3.616	3.616
Technical capital expenditure	0.532	0.532
Equity share of new deliveries	0.000	0.000
Change in working capital	-0.005	-0.003
Cash flow after payments	2.385	7.062

Table E Origins of the Key Assumptions

Both scenarios use one assumption framework. Passenger yield differs; unchanged demand at two fare levels is a condition of the calculation.

Indicator	Value	Rationale / source	Status	Impact
Passenger yield	8.71 / 10.40 US cents/RPK	Official Turkish / Emirates reports	Scenario rate	Revenue and capital
Segments	Approximately 53 million	Annual network budget	Target volume	Requires market validation
Destinations	304	Reconstructed and proposed network	128 original / 176 proposed	Growth pace and geography
Fleet	450	Network and annual-hours budget	44 / 172 / 21 / 71 / 131 / 11	Deliveries and financing
A320 / A321 cabin	20J + 124Y / 20J + 166Y	Agreed product	144 / 186 seats	Capacity and RPK
A350 cabin	316 / 368 seats	Agreed product	28J / 24W and 40J / 32W	Capacity and cargo
Loan	85% / 11 years / 6.5%	Adopted financing assumption	Terms not contracted	Debt and equity
Price index	2.5% annually	Calculation assumption	2026 price base	Nominal amounts
Tax	18% of positive profit	Simplified formula	No detailed tax model	Net profit and cash flow
Reserve	100 million + 90 days × 1.15	Adopted liquidity policy	Expenses and debt payments	Capital requirement
Cargo	Capacity after baggage × 75%	Corridor and flight-leg model	Constrained by both legs	Revenue counted once
AI	No additional blanket discount	Organisational concept	Benefits validated by cost line	Does not inflate profit
Airport	CAPEX excluded	Separate infrastructure project	New airport code not assigned	Services and readiness timing only

Table F Cargo Corridors and Capacity Constraints

Potential annual model volume and feasible Y12 volume in thousand tonnes of shipments. Rates are USD/kg in the 2026 price base. Total modelled Y12 carriage is approximately 307.7 thousand tonnes; nominal cargo revenue is USD 1.56 billion. Potential demand remains an assumption.

Corridor	Potential volume	Y12 carried volume	Revenue USD/kg	Flight legs
China → Africa	120.0	47.4	4.50	2
Africa → China	60.0	39.1	3.80	2
East Asia → Europe	90.0	36.3	4.60	2
Europe → East Asia	70.0	36.4	4.00	2
South Asia → Europe	65.0	26.2	3.80	2
Europe → South Asia	50.0	26.0	3.40	2
Americas → Armenia	30.0	30.0	3.50	1
Armenia → Americas	30.0	30.0	3.00	1
Asia → Armenia	40.0	16.7	2.20	1
Armenia → Asia	30.0	19.6	2.00	1

Table G Destination Openings 2028-2032

Names retain their original spelling; an asterisk indicates conditional status under the original plan. The first 128 openings are reconstructed from the initial network; the next 176 form a proposed schedule. Inclusion does not imply obtained traffic rights, slots or confirmed demand.

Year	New count	New destinations
2028	50	London, Paris, Frankfurt, Munich, Berlin, Düsseldorf, Milan, Rome, Madrid, Barcelona, Amsterdam, Brussels, Copenhagen, Stockholm, Vienna, Zurich, Prague, Warsaw, Moscow, St Petersburg, Sochi, Yekaterinburg, Almaty, Astana, Tashkent, Tbilisi, Delhi, Mumbai, Bengaluru, Hyderabad, Chennai, Ahmedabad, Kochi, Dubai, Abu Dhabi, Riyadh, Doha, Tehran, Beijing, Shanghai, Guangzhou, Singapore, Cairo, Nairobi, Johannesburg, New York JFK, Toronto, São Paulo, Melbourne, Sydney
2029	38	Manchester, Birmingham, Edinburgh, Lyon, Marseille, Hamburg, Stuttgart, Venice, Budapest, Athens, Kazan, Samara, Novosibirsk, Bishkek, Baku*, Kolkata, Pune, Jaipur, Amritsar, Colombo, Jeddah, Dammam, Kuwait City, Beirut, Tokyo, Seoul, Hong Kong, Bangkok, Casablanca, Addis Ababa, Dar es Salaam, Lagos, Accra, Boston, Chicago, Los Angeles, Buenos Aires, Perth
2030	40	Glasgow, Dublin, Nice, Toulouse, Bordeaux, Cologne, Nuremberg, Bologna, Naples, Geneva, Bucharest, Ufa, Perm, Omsk, Krasnoyarsk, Dushanbe, Lucknow, Chandigarh, Surat, Coimbatore, Kathmandu, Muscat, Erbil, Amman, Shenzhen, Chengdu, Hanoi, Ho Chi Minh City, Kuala Lumpur, Entebbe, Kigali, Dakar, Abidjan, Luanda, Cape Town, Washington Dulles, San Francisco, Montreal, Rio de Janeiro, Santiago
2031	40	Valencia, Malaga, Lisbon, Oslo, Helsinki, Gothenburg, Krakow, Sofia, Belgrade, Basel, Larnaca, Mineralnye Vody, Krasnodar*, Rostov-on-Don*, Nizhny Novgorod, Chelyabinsk, Goa, Indore, Nagpur, Kozhikode, Dhaka, Sharjah, Medina, Tel Aviv, Chongqing, Hangzhou, Xiamen, Wuhan, Xi'an, Alexandria, Sharm el-Sheikh, Hurghada, Marrakech, Tunis, Algiers, Newark, Seattle, Bogotá, Adelaide, Brisbane
2032	40	Belfast, Bristol, Thessaloniki, Zagreb, Tirana, Riga, Vilnius, Tallinn, Chisinau, Cluj-Napoca, Tyumen, Surgut, Irkutsk, Volgograd, Shymkent, Thiruvananthapuram, Visakhapatnam, Karachi, Lahore, Bahrain, Baghdad, Basra, Nanjing, Qingdao, Kunming, Osaka, Nagoya, Tripoli*, Mombasa, Zanzibar, Djibouti, Abuja, Lomé, Douala, Yaoundé, Dallas/Fort Worth, Houston, Miami, Lima, Auckland

Table G Destination Openings 2033-2037

Names retain their original spelling; an asterisk indicates conditional status under the original plan. The first 128 openings are reconstructed from the initial network; the next 176 form a proposed schedule. Inclusion does not imply obtained traffic rights, slots or confirmed demand.

Year	New count	New destinations
2033	36	Newcastle, Leeds/Bradford, Nantes, Strasbourg, Hannover, Leipzig, Florence, Turin, Bari, Alicante, Seville, Aktau, Atyrau, Samarkand, Mangalore, Islamabad, Malé, Mashhad, Shiraz, Fukuoka, Busan, Taipei, Ulaanbaatar, Kinshasa, Durban, Maputo, Lusaka, Harare, Antananarivo, Mauritius, Atlanta, Philadelphia, Mexico City, Cancún, Panama City, Papeete
2034	28	Bilbao, Palma de Mallorca, Porto, Luxembourg, Eindhoven, Bergen, Billund, Stavanger, Reykjavik, Salzburg, Ashgabat, Minsk, Batumi, Bhubaneswar, Varanasi, Abha, Isfahan, Da Nang, Phnom Penh, Vientiane, Oran, Mogadishu*, Juba*, Cotonou, Ouagadougou*, Seychelles, Detroit, Havana
2035	18	Ljubljana, Sarajevo, Skopje, Podgorica, Split, Bukhara, Urgench, Patna, Guwahati, Salalah, Yangon, Jakarta, Bamako*, Conakry, Freetown, Monrovia, Banjul, Vancouver
2036	10	Palermo, Catania, Paphos, Osh, Raipur, Najaf, Manila, Brazzaville, Libreville, Calgary
2037	4	Aarhus, Bali (Denpasar), Lubumbashi, Windhoek

Table H Comparison of the Two Scenarios

Nominal amounts from the current annual model. Y25 excludes a complete new fleet-replacement programme. Contribution recovery is undiscounted; IRR uses annual investor cash flows. Both scenarios retain the same provisional passenger volume.

Indicator	Conservative	Optimistic
Passenger yield, US cents/RPK	8.71	10.40
Cumulative equity contributions, USD bn	16.50	7.27
First positive net-profit year	Y4 / 2031	Y2 / 2029
First positive cash flow after payments	Y8 / 2035	Y5 / 2032
Net profit Y11, USD bn	4.22	8.78
Cash flow after payments Y11, USD bn	1.93	6.49
Net profit Y12, USD bn	4.56	9.24
Cash flow after payments Y12, USD bn	2.39	7.06
Net profit Y25, USD bn	7.84	14.29
Cash flow after payments Y25, USD bn	9.24	15.69
Contribution recovery through cumulative distributions	Y15 / 2042	Y9 / 2036
Annual IRR over 25 years, without terminal sale	12.7%	29.1%