



BLACK WINGS AIRLINES



EXECUTIVE SUMMARY

FINANCIAL STATEMENT



JULY 26, 2025

BY DR. BOB BLACK, CEO & Major (Rtd) FAROUK ABUBARKAR,
COO SPV MANAGEMENT CONSULTANTS



BLACK WINGS Airlines in Partnership with BWARA Airlines (Lender / Investor Proposal)

BUSINESS PLAN

By: Dr. Bob Black & (Retired) Major Frouk Abubarkar

Black Wings Airlines and BWARA Airline (BWARA) plan to establish itself as a niche player in the domestic, west African/African regional, and continental long-haul market of business travel. By continuously focusing on the needs of the premium-class business traveler. BWARA will provide the best value proposition in the markets it serves. It will offer customers a compelling value proposition: a high level of service and comfort for the domestic, regional and continental experiences.

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EXECUTIVE SUMMARY

Purpose

FAFAMMEX Group Ghana (Promoters), BWARA is now looking to raise \$5 million from Equity investors who are interested in the opportunity presented by BWARA and believe in its growth potential. This is a unique opportunity to invest in a new concept in the aviation industry which offers attractive returns and a clear exit strategy in the public markets within 3 to 5 years.

Vision

BWARA' aim is to establish itself as a main contender in the Ghanaian domestic air travel, while establishing a niche in the African regional long-haul market of economy, business and first-class travel coming out of Ghana.

By continuously focusing on the needs of the premium-class business traveler, BWARA will provide the best value proposition in the markets it serves.

Overview

BWARA is the project name for a new airline company that will focus on multiple class domestic, regional and long-haul scheduled flights. BWARA will capitalize on the widening gap and lapses in the Ghanaian airline industry as well as Ghana based regional and long-haul travel between business and economy class.

To be based at Accra Kotoka International Airport (ACC), BWARA will initially focus on the busiest domestic route, Accra to Kumasi/Accra – Tamale, by offering a ACC-TML/KMS service. BWARA will operate De Havilland Dash 8-Q400 for the domestic routes but will use Embraer 195E aircraft (*see brochure*) for the West/Central/South Africa Regional Routes configured with 100-110 seats which will provide a very spacious and pleasant environment. The aircraft will be equipped with the latest technology in order to enable travelers to use their time efficiently and profitably with access to carry travelers loads/luggage while travelling. The company will start by leasing on a lease to own basis, two (2) De Havilland Dash 8-Q400, two (2) Embraer 195E aircraft and expand its fleet to 8 aircraft by introducing 4 Airbus A220 and A330 1 year after anticipated commencing in December 2025 and a total of 15 aircrafts by the second year of operation.

BWARA will be a "business to business" airline and will focus exclusively on the premium services and Ghanaian segment of the market. It will offer customers a compelling value proposition: a high level of service and comfort at 10% less of the current air fares. BWARA will charge \$850 for a roundtrip ticket from Accra to Sierra Leone as opposed to \$1,079 that other Airlines charges. Our Marketing and Advertising campaigns with high volume demand, BWARA will offer further discounts down to agents for bulk purchase. In addition to an attractive price, BWARA will offer passengers the highest comfort and safety, considerable time savings, convenience, and will focus on creating a lifestyle appeal.

The business model contemplated enables the company to reach a break-even point with 80 passengers per flight (over 50 percent load factor) which significantly reduces the risks associated with typical airlines that need a greater number of passengers to break-even. In many ways, the BWARA model replicates the benefits of the very successful regional jet model on a long-haul basis.

By the end of the fourth year BWARA will achieve sales of USD \$170,464,161) EBITDAR of \$145,627,613 million and Net income after taxes of \$132 million USD.

Market Potential

Year Domestic pax International pax

2019	690,314	2,110,593
2020	423,718	702,651
2021	722,721	1,269,898
2022	852,101	1,800,341


GHANA CIVIL AVIATION AUTHORITY
2022 GENERAL STATISTICS - DOMESTIC
 (ACTUAL)

YEAR 2022	AIRCRAFT MOVEMENTS			PASSENGERS		
	ANNUAL	Q1/2022	TOTAL	ANNUAL	Q1/2022	TOTAL
AVERAGE PER DAY	26.0	26.0	34.0	1,092.0	1,092.0	2,384.0
AVERAGE PER WEEK	182.0	182.0	238.0	7,644.0	7,644.0	16,684.0
AVERAGE PER MONTH	792.0	792.0	987.0	30,567.0	30,567.0	70,884.0
1ST QUARTER TOTAL	2,100.0	2,100.0	2,688.0	78,864.0	78,864.0	169,896.0
2ND QUARTER TOTAL	2,107.0	2,107.0	2,694.0	79,038.0	79,038.0	170,284.0
HALF YEAR TOTAL	4,207.0	4,207.0	5,382.0	157,902.0	157,902.0	340,180.0
3RD QUARTER TOTAL	2,114.0	2,114.0	2,697.0	79,116.0	79,116.0	170,644.0
4TH QUARTER TOTAL	2,109.0	2,109.0	2,714.0	78,966.0	78,966.0	170,564.0
TOTAL	16,812.0	16,812.0	21,473.0	617,958.0	617,958.0	1,361,368.0

Management

It is important to note that during the first 12 months the operations will be handled by professional airline management company to be appointed by the BWARA Airline as per SPV majority shareholders, thus taking away much of the operational burden from BWARA' management and ensuring a timely launch.

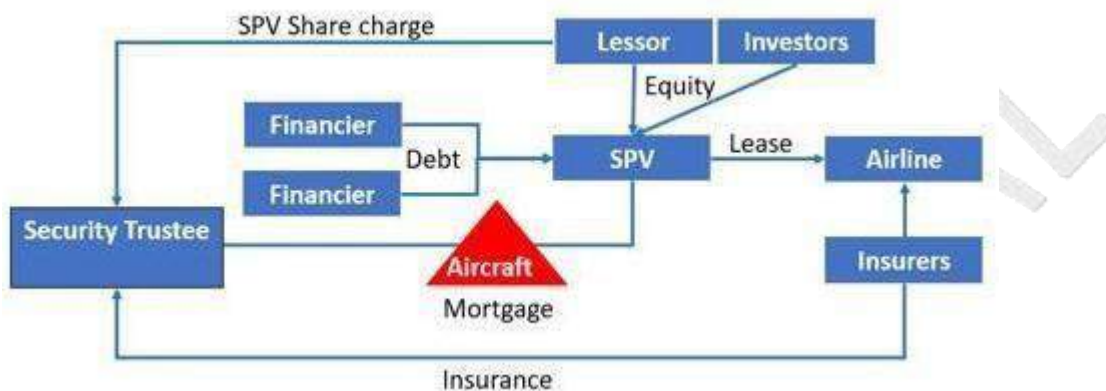
BWARA Airlines Special Purpose Vehicle (SPV)

1. BWARA Airlines SPV are
2. To be registered in USA or anywhere chosen by the investors as a PARENT Trust and in Ghana as a subsidiary of the PARENT, duly registered with GCAA, GACL etc as being operated by BWARA and BLACKWINGS Airlines.

BWARA Airlines special purpose vehicle (SPV) is a separate legal entity created to isolate risks and distribute them among investors.

2. Asset transfer

All Aircrafts procured and provided by Party “A” (Aircrafts, crews, maintenance, providers) are not transferable assets and remain property of the SPV (Party A) and cannot be withdrawn until after lifespan of the SPV.



Proposed Structures for BWARA Airlines SPV

Below is the company structure of BWARA Airlines SPV.

Limited liability Company:

PARTY “A” BLACKWINGS Airlines owns 65% Shares.

PARTY “B” (Ghana Registered Entity) owns 30% Shares.

PARTY “D” (Consultants) owns 5%

Party “A” responsibilities:

1. Provide all Aircrafts required for the business as below:
 - i. 1st set of four (4) units Embraer E195 & Dash 8 Q400 or a combination of either YOM aircrafts not above 2020 (4 years old), all aircrafts MSN numbers, Lease agreements copies, data sheet must be handed over to Party “B”, as it is required by GCAA for registration on register.
Paint aircrafts to BWARA Airlines® Logo, colours & call sign
1st set December 2025 (to commence domestic & regional flights) 2nd set -September/October 2026
four (2) units of Airbus A320 for regional and sub-Sahara Africa flights
3rd/final set -June 2027
Final set of 4 Airbus consisting of four (4) A330 for intercontinental flights
 - ii. Provide pilots (with Ghanian male & female pilots), cabin crew, maintenance staff

- iii. Accept and type rate BLACK WINGS Airlines personnel that would be introduced as part of pilots, cabin crew or maintenance staff as from October 2025
- iv. Provide Working capital and all forms of funding to deliver all requisite services functions, engagements at every stage and lifetime of the SPV.

Party “B” Ghana Owned Entity responsibilities:

1. Ensure licenses, certifications and all responsibilities with GCAA are updated
2. Ensure all registrations, approvals, taxes, GACL (Ghana Airport Company Limited) security and commercial registrations and activities, approvals, and all other local taxes and responsibility of BWARA Airlines are in order.
3. Propose & engage contractors with full support of Party “A” (BWARA SPV Board) for fueling, in-flight catering services, aircraft cleaning and all other hanger activities to be paid for and taken care of by SPV
4. Provide requisite necessary personnel together with Party “A” personnel to daily run, manage, security personnel for smooth operations at KIA (Kotoka International Airport).

Structured investment vehicle:

- A. SPV proposed Board of directors shall comprise of **3 directors from Party “A” and 2 directors from Party “B”, a nominated company secretary/lawyer, and Major (Rtd) Farouk Abubarkar** to ensure the investment plan, business plan implementation and compliance.
- B. SPV would maintain as below:
 - i. Operations/Ticket office at Terminal 1(Paid for by SPV)
 - ii. Maintenance office at cargo village (Paid for by SPV)
 - iii. Corporate Headquarters with close proximity to the airport and every other estates to be procured, rented or leased for the function of BWARA Airlines Limited (paid for by Party “SPV”)
- C. SPV shall operate & maintain a bank account with appointees from both Party “A” & “B” as co-signatories to the account. This account shall further be operated as agreed by the SPV board of directors

Use of Funds

S/No	Description	Unit Cost \$	Total USD \$
1	GCAA statutory pre-take off inspections (a) aircraft pre-delivery inspections (b) AMO Inspections © ATO Inspections Please note that all figures above are speculative GCAA will issue official invoices for every inspection	\$90,000 \$40,000 \$30,000	\$90,000 \$40,000 \$30,000
2	Offices Operational Office at Kotoka @\$60,000/year x 3 Maintenance Office at ACC @\$60,000/year x 3	\$60,000 x 3 \$60,000 x3 \$60,000 x3	\$180,000 \$180,000 \$180,000
3	Corporate HQ rent @ \$60,000 USD x 3 Hostesses/pilot/Staff residences rent @ \$45,000/year x3	\$45,000 x3	\$135,000

4	Car Pool		
	5 pickups (Airport operational vehicles)	\$55,000	\$220,000
	4 Saloon cars (Corporate/staff)	\$43,000	\$172,000
	(2) 25–30-seater executive bus	\$58,000	\$116,000
5	Others (Miscellaneous)		
	Uniforms, charges, catering, fueling, GACL commercial, all other statutory charges and lots		\$95,000
6	Statutory proof of operational capacity by GCAA Economic Team showing 2 years operational expenses		\$2,000,000
			<u>\$3,438,000</u>
	Take off Expenses from Business Plan Document		<u>\$990,000</u>
	Additional Provisions, interests, other charges		<u>\$500,000</u>
	<u>TOTAL INVESTMENT AMOUNT by Ghana Investors</u>		<u>\$4,928,000</u>
	USA investors Expenses from Business Plan:		\$6,000,000
	Lease deposits on 4 aircrafts at \$1,500,000 each		
	Other Expenses		\$420,000
	Legal		
	Miscellaneous & others		
	TOTAL INVESTMENTS BY USA GROUP		\$6,420,000
	Surplus provision		\$400,000
	Total Expenses as shown on Business Plan		<u>\$11,720,000</u>

Market Segmentation

A complete market analysis and segmentation will require a specific passenger and destination survey, the cost of which is included in the Start-up Costs for the airline.

Preliminary analysis (based on a variety of methods, including observation, interviews with travel- and airline-industry professionals, economic segmentation, future projections based on marketing plans, and experience with the region and market) for planning purposes, however, indicates the following approximate market segmentation overall (considerable variations, of course, would be anticipated depending on route, season, and other factors):

- Business - 15%
- Government and International Organizations - 10%
- Regional Resident Personal and Leisure Travelers - 20%
- Diaspora Personal and Leisure Travelers - 10%
- West African Personal and Leisure Travelers - 5%
- Seasonal Holiday Travelers - 10%*

* The seasonal/holiday travel segment of the market to some degree distorts the overall market percentages, but might initially be anticipated for two reasons: first, it compensates for the drop in business and government travel that can be expected during the peak summer holiday travel season; second, a significant portion of this traffic is likely to be carried on flights employing specially chartered or wet-leased supplemental aircraft.

The accompanying Market Analysis table and chart below show total potential markets based on estimated population in each segment, as well as potential growth rates in air travel in the Black-Wings airlines's target market region within those segments, but do not reflect the anticipated passenger demand from those markets. Overall make-up of the airline's anticipated passenger loads by market segment are presented above.

Black Wings Airlines -- A New Domestic, Regional & Intercontinental Airline

Chart: Market Analysis (Pie)

Market Analysis (Pie)



Table: Market Analysis

Market Analysis		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Reg Res Pers & Leis	20%	130,000,000	156,000,000	187,200,000	224,640,000	269,568,000	20.00%
Business	15%	5,000,000	5,750,000	6,612,500	7,604,375	8,745,031	15.00%
Government & IO	10%	1,500,000	1,650,000	1,815,000	1,996,500	2,196,150	10.00%
Diaspora Pers & Leis	10%	10,000,000	11,000,000	12,100,000	13,310,000	14,641,000	10.00%
Holiday Trav (seasonal)	10%	20,000,000	22,000,000	24,200,000	26,620,000	29,282,000	10.00%
W Europe Pers & Leis	5%	260,000,000	273,000,000	286,650,000	300,982,500	316,031,625	5.00%
Other	20%	5,000,000	6,000,000	7,200,000	8,640,000	10,368,000	20.00%
Total	10.82%	431,500,000	475,400,000	525,777,500	583,793,375	650,831,806	10.82%

4.2.1 Main Competitors

Black-Wings airline's main competitors are PASSION and AWA requirements will vary depending on market and route served, and the category of passenger. For the most part, competition can be expected as follows:

Black Wings Airlines -- A New Domestic, Regional & Intercontinental Airline

Business and Government/IO segments to and from Accra and other Regions	For West Africa Regional and Diaspora Personal and Leisure Travelers	For West Africa, sub-Saharan Africa Personal and Leisure Travelers, as well as Business and Government/IO Travelers between Western European destinations	For seasonal Holiday Travelers to Africa from Europe, USA, China and the globe
AWA	AWA	ASKY	Turkish
PASSION	ASKY	Egypt Air	Emirates
	AIR PEACE	Ethiopian Airlines	Qatar
	IBOM Air	Royal Air Marok	Delta
		Rwand Air	British Airways
		AWA	TAP Portugal
		Ibom Air	Swiss International
		Air Peace	Air France
-		others	Lufthansa
-			KLM
-	-		
-	-		
-	-		
-	-		
-	-		
-	-	-	

Here is an example of how this user-friendly fare system will work for the Accra-Kumasi route:

- Value Fare is \$140 for weekday round-trip travel.
- Value Fare is \$130 - 20 percent for Saturday stay over round-trip travel.
- Value Fare one-way is one-half the round-trip cost of \$80 + 10 percent.
- Premium Fare is Value Fare plus 30 percent (for any category. So you can stay over Saturday and travel Premium for only 10 percent more than the regular weekday Value fare - this will help fill Premium seats and get people used to the idea of traveling Premium during the rest of the week, too).
- Reserve and pay for your ticket on the airline's website, and receive a 5 percent discount on whatever the fare is (a lot cheaper than paying a 9 or 10 percent commission plus reservation-system handling charges, and it gets the customer to be e-ticketed, other advantages for the airline as well as the customer. And it beats operations like EasyJet that only offer a flat 2.50-British pound sterling discount, regardless of the fare).
- Reserve and buy your ticket up to 30 days in advance, and take another 15 percent discount. Or reserve and buy your ticket up to 14 days in advance, and take a 10 percent discount. Up to seven days in advance, and a 5 percent discount. So essentially, the maximum discount is 40 percent (20 percent for Saturday stay over, 15 percent 30-day-advance purchase, and 5 percent online reservations and ticketing. Predictable for the traveller, predictable for the airline). Fly Premium weekends and reserve 30+ days in advance online, and you fly at 10 percent less than weekday Value fare - another

marketing hook. And since the basic fare will be a "fair" one, the airline will not be staging loss-leaders even with the steepest discount. But no one is likely to complain about the fare, either.

- Go non-stop, or make connections if you need to - no penalty if you don't disembark at the interconnect and if the fare to the interconnect point is equal to or less than the fare to the passenger's stated destination, as it would be in most cases. Otherwise the higher fare is charged to eliminate the argument (it's all in the computer's database).
- And that's it. Unless there is an adjustment for seasonality or other special conditions. No impenetrable forest of fares. Few promotions needed (though they might be used from time-to-time). No reading the small print on the back of the ticket or trying to make out the "fare basis" (except maybe for those through tickets connecting to or from another carrier). How can the customer not love it? The only real danger is that it could set a new trend for the industry.

Promotion Strategy

The overall concept and design of the airline sets the stage for its promotion. Marketing and promotion will stress the unique qualities of the airline and the points that set it apart. Strong public relations combined with well-placed, well-designed, distinctive advertising appealing directly to people who are the airline's prospective customers will help get the word out.

Special effort must be made to develop and operate a highly functional, fast, rock-solid, and user-friendly website for online information, reservations, and e-ticketing. Internet marketing, combined with conventional non-Web marketing, will steer people to the website. The more customers use the website, the easier and more pleasant the experience will be for them, and the more economical and efficient, and predictable, will be the process for the airline.

Special attention will be made at the outset to reach the trend-setters and opinion-leaders in our various target markets, even going so far as to arrange personal meetings between airline executives and marketing directors and those opinion leaders, particularly either in Accra, Tamale, Kumasi, WA or who deal or otherwise have a close connection to the target region.

While in general, special promotional fares and the like will be limited, the airline may consider launching with a special promotion simply to get known and to "get off the ground" with planes that are not mostly empty, as is often the case with Black-Wings airliness. Overall, management and the sales and marketing department will coordinate closely and will employ outside consultants as need be to assure the most positive possible launch.

Sales Strategy

The airline's sales strategy will flow from its overall concept and marketing approach. Mass marketing, but with a personal touch utilizing airline employees as spokesmen and women to explain that "I have a job to do, and I do it everyday - for you!", will aim to steer as many people as possible either to the airline's website, or to its telephone-based customer-service representatives. While clients are free to utilize their own travel agents, and the airline may also want to be accessible through general travel sites such as Travelocity, the more customers that can be encouraged to use the airline's own reservations and ticketing services, the less revenue will have to be shared in the form of expensive commissions.

E-reservations and e-ticketing, combined with e-check-in, make the most sense for any customers who have online access, and also for the airline itself. But nonetheless, the airline must not lose sight of the fact that many people do not have access to the Internet, or do not care to use it to arrange their travel, or perhaps just prefer a more personal touch, and so other means of access must always be readily available.

The regional and specialized sales and marketing managers, as explained in the section on Personnel, will concentrate their effort on targeting specific clients that have the potential to offer corporate or group travel (including contract arrangements), or who are potential air-cargo customers. The airline will not have the resources to field a large sales team, and so these regional managers must target their efforts, and the airline must effectively utilize its mass marketing methods as well as the Internet to attract individual travelers who, once they

experience the Black-Wings airlines, hopefully will feel a close affinity toward it and will become loyal and happy customers.

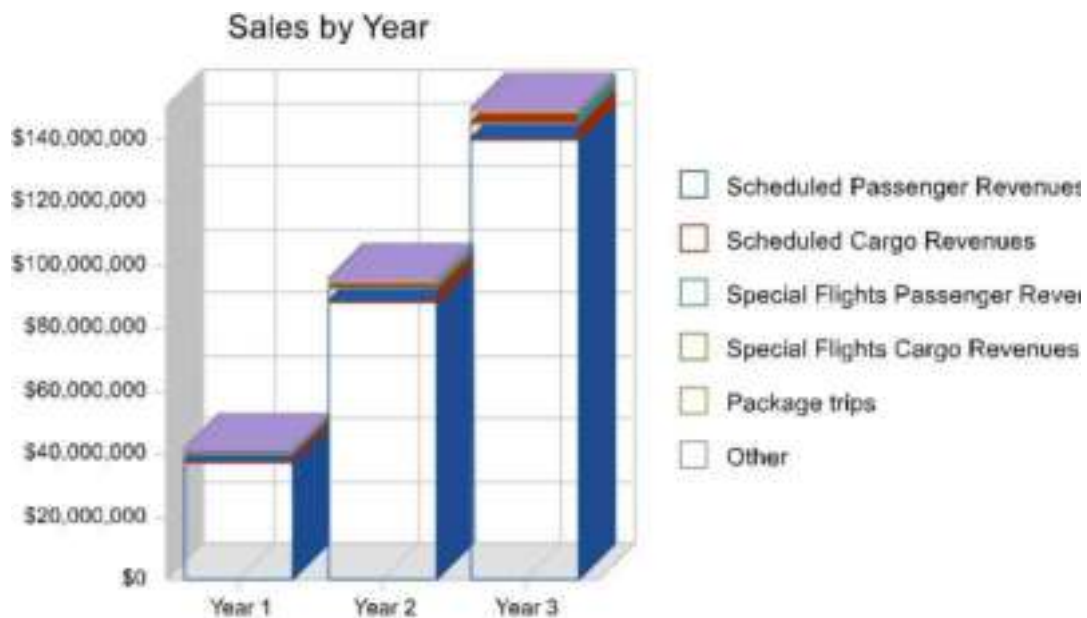
5.2.1 Sales Forecast

The following chart and table show the projected sales figures for BWARA

Chart: Sales Monthly



Chart: Sales by Year



Black Wings Airlines -- A New Domestic, Regional & Intercontinental Airline

Table: Sales Forecast

<i>Sales Forecast</i>	Year 1	Year 2	Year 3
Sales			
Scheduled Passenger Revenues	\$37,653,000	\$88,642,656	\$139,694,250
Scheduled Cargo Revenues	\$2,282,000	\$4,132,800	\$5,473,300
Special Flights Passenger Revenues	\$1,483,200	\$2,013,600	\$3,502,000
Special Flights Cargo Revenues	\$34,560	\$43,200	\$72,000
Package trips	\$79,000	\$270,000	\$405,000
Other	\$0	\$0	\$0
Total Sales	\$41,531,760	\$95,102,256	\$149,146,550
Direct Cost of Sales	Year 1	Year 2	Year 3
Scheduled Passenger Revenues	\$1,995,120	\$4,309,920	\$5,989,354
Scheduled Cargo Revenues	\$0	\$0	\$0
Special Flights Passenger Revenues	\$85,680	\$104,340	\$167,300
Special Flights Cargo Revenues	\$0	\$0	\$0
Package trips	\$31,600	\$108,000	\$162,000
Other	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$2,112,400	\$4,522,260	\$6,318,654

PAYROLL

Table: Personnel

<i>Personnel Plan</i>	Year 1	Year 2	Year 3
Production Personnel			
Captains (3 per aircraft)	\$585,000	\$1,018,500	\$1,448,175
First Officers (3 per aircraft)	\$468,000	\$814,800	\$1,158,540
Flight Attendants (9 per aircraft)	\$526,500	\$916,650	\$1,303,360
Other	\$59,062	\$557,794	\$856,370
Other	\$0	\$0	\$0
Subtotal	\$1,638,562	\$3,307,744	\$4,766,445
Sales and Marketing Personnel			
Director of Sales & Marketing	\$60,000	\$66,000	\$69,300
Regional Sales & Marketing Mgrs (3)	\$132,000	\$157,200	\$165,720
Special Sales & Marketing Manager	\$40,000	\$52,400	\$55,240
Air Cargo Sales & Marketing Manager	\$40,000	\$52,400	\$55,240
Sales & Marketing Assistants (6)	\$97,500	\$117,600	\$124,515
Cust. Service/Reservations Assts (12)	\$108,000	\$141,000	\$149,700
Other	\$0	\$0	\$0
Subtotal	\$477,500	\$586,600	\$619,715
General and Administrative Personnel			
President & CEO	\$180,000	\$198,000	\$207,900
Vice President & General Manager	\$144,000	\$158,400	\$166,320
Vice President Commercial	\$126,000	\$115,500	\$121,275
Vice President Finance	\$126,000	\$115,500	\$121,275
Vice President Operations	\$126,000	\$115,500	\$121,275
Other	\$0	\$0	\$0
Subtotal	\$702,000	\$702,900	\$738,045

Other Personnel			
Director of Communications	\$54,000	\$59,400	\$62,370
Director of Human Resources	\$54,000	\$59,400	\$62,370
Director of Flight Safety	\$54,000	\$59,400	\$62,370
Director of Flight Maintenance	\$54,000	\$59,400	\$62,370
Director of Ground Operations	\$54,000	\$59,400	\$62,370
Director of Information Systems	\$54,000	\$59,400	\$62,370
Station Managers (1 per major station)	\$140,000	\$374,000	\$404,200
Ground Service Pers (3 per maj station)	\$315,000	\$837,925	\$909,450
Maintenance Engineers (8)	\$200,000	\$260,000	\$275,200
Bookkeeping & Finance Personnel (3)	\$64,000	\$78,400	\$81,920
Information Systems Personnel (5)	\$120,000	\$132,000	\$138,600
Professional Support Personnel (3)	\$68,000	\$78,800	\$82,960
Secretarial/Admin Asst Personnel (3)	\$51,000	\$59,100	\$62,220
Customer Relations Personnel (2)	\$40,000	\$52,000	\$55,040
Other	\$0	\$0	\$0
Subtotal	\$1,322,000	\$2,228,625	\$2,383,810
Total People	84	90	94
Total Payroll	\$4,140,062	\$6,825,869	\$8,508,015

OPERATING EXPENSES EXPLAINED

Operating Assumptions	FY 2025	FY 2026	FY 2027
Aircraft in service (FTE)	2.83	5.33	7.33
Aircraft in service at end of FY	5	7	9
Cost per aircraft if purchased	\$26,000,000	\$26,000,000	\$26,000,000
Annual leasing cost per aircraft	\$3,120,000	\$3,120,000	\$3,120,000
Insurance rate % of aircraft cost	1.5%	1.5%	1.5%
Annual insurance cost per aircraft	\$390,000	\$390,000	\$390,000
Captain's Annual Salary	\$60,000	\$66,000	\$69,300
First Officer's Salary % of Captain	80%	80%	80%
Flight Attendant's Salary % of Capt	30%	30%	30%
Salary Burden as percent of Salary	20%	20%	20%
Crew members per flight	Flight-2/Cab-3	Flight-2/Cab-3	Flight-2/Cab-3
Crew contingents per aircraft	3	3	3
Total crew per aircraft (min.)	Flight-6/Cab-9	Flight-6/Cab-9	Flight-6/Cab-9
Flight Hours/Month for Crew	80	80	80
Average Total Salary Cost/Hour	\$202.50	\$222.75	\$233.89
Total aircraft maint. cost/hour	\$800	\$800	\$800
Fuel burn kg/hour	2,100	2,100	2,100
Fuel cost per kg	\$.35	\$.35	\$.35
Handling cost/segment (ave.)	\$360	\$400	\$440
ATC cost/segment (ave.)	\$120	\$130	\$140
Land/depart charge per seg. (ave.)	\$150	\$180	\$210
Parking fee/aircraft/night	\$150	\$170	\$190
In-flight items/pax -- Value	\$6	\$7	\$8
In-flight items/pax -- Premium	\$8	\$9	\$10
Percent/revenues commissionable	40%	35%	30%
Commission payable	9%	9%	9%
Ave. reservations cost/pax/seg	\$2	\$2	\$2
Average segment (hours)	1.25	1.30	1.35
Annual segments	6,520	11,808	15,638
Ave. total capacity/segment (pax)	99	99	99
Ave. Annual Load Factor (%)	50%	65%	75%
Ave. split Value/Premier	79/20	79/20	79/20
Average fare per Value pax/seg.	\$110	\$110	\$110
Average fare per Premier pax/seg.	\$143	\$143	\$143
Cargo per segment (kgs)	700	700	700
Ave. cargo tariff per segment/kg.	\$.50	\$.50	\$.50
Ave. cargo tariff per segment	\$350	\$350	\$350
Average pax revenues/segment	\$5,775	\$7,507	\$8,933
Average cargo revenues/seg.	\$350	\$350	\$350
Total ave. revenues/segment	\$6,125	\$7,857	\$9,283
Total ave. costs/segment	\$4,972	\$5,449	\$5,741
Total ave. net yield/segment	\$1,153	\$2,408	\$3,542
Total revenues/year	\$39,935,000	\$92,775,456	\$145,167,550
Total operating costs/year	\$32,417,440	\$64,341,792	\$89,777,758
Total net oper. revenues/year	\$7,517,560	\$28,433,664	\$55,389,792

Peak-demand special flights on key regional/seasonal/intermittent routes

The figures provided in this section represent a "best estimate" calculation of the costs and revenues expected to be derived from special peak-demand flights on key regional, seasonal, and intermittent routes. These figures, which also were approached conservatively, though realistically, supplement the figures derived from the assumptions concerning regular scheduled service.

The following assumptions were applied for these special flights:

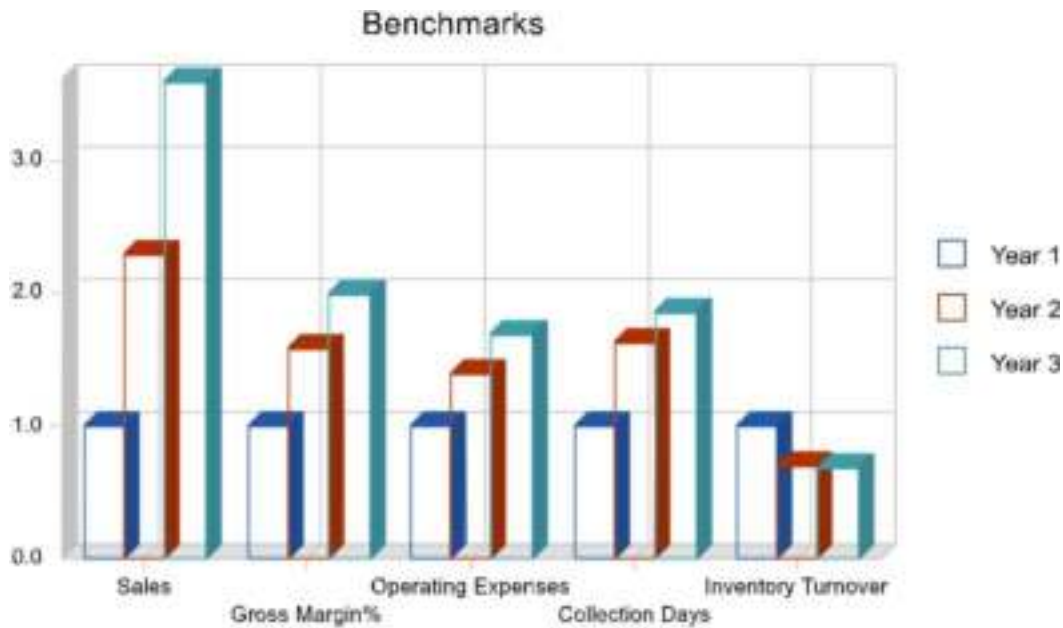
	FY 2025	FY 2026	FY 2027
Flight Segments	48	60	100
Average length of segment (hrs)	4.0	4.0	4.0
Ave. wet-leasing cost of aircraft/hr.	\$4,000	\$4,000	\$4,000
Ave. cost per flight segment	\$16,000	\$16,000	\$16,000
Handling cost/segment (ave.)	\$360	\$400	\$440
ATC cost/segment (ave.)	\$120	\$130	\$140
Land/depart charge per seg. (ave.)	\$150	\$180	\$210
Parking fee/aircraft/night	\$150	\$170	\$190
In-flight items/pax -- Value	\$12	\$14	\$16
In-flight items/pax -- Premium	\$16	\$18	\$20
Percent/revenues commissionable	50%	45%	40%
Commission payable	10%	10%	10%
Ave. reservations cost/pax/seg	\$2	\$2	\$2
Ave. total capacity/segment (pax)	160	160	160
Ave. annual load factor (%)	75%	80%	85%
Ave. split Value/Premier	90/10	90/10	90/10
Average fare per Value pax/seg	\$250	\$250	\$250
Average fare per Premier pax/seg	\$325	\$325	\$325
Cargo per segment (kgs)	600	600	600
Ave. cargo tariff per segment/kg.	\$1.20	\$1.20	\$1.20
Ave. cargo tariff per segment	\$720	\$720	\$720
Average pax revenues/segment	\$30,900	\$33,560	\$35,020
Average cargo revenues/segm.	\$720	\$720	\$720
Total ave. revenues/segment	\$31,620	\$34,280	\$35,740
Total ave. costs/segment	\$20,053	\$20,462	\$20,883
Total ave. net yield/segment	\$11,567	\$13,818	\$14,857
Total revenues/year	\$1,517,760	\$2,056,800	\$3,574,000
Total costs/year	\$962,544	\$1,227,720	\$2,088,300
Total net revenues/year	\$555,216	\$829,080	\$1,485,700

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7.2 Key Financial Indicators

The accompanying chart, which is based on the actual financial projections for the proposed airline, clearly shows a pattern of solid growth over the first three years of the operation (and which would continue into the future), which the financials consider in depth. There is a good balance between revenues and costs, yielding healthy gross margins, and in a predictable, steady pattern of growth. Financial turn-over also is in good balance and, as other tables and charts show, with careful planning of expenditures cash flow is maintained in good balance throughout the life of the plan.

Chart: Benchmarks



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7.3 Break-even Analysis

As the accompanying chart demonstrates, the break-even point comes at a relatively modest monthly passenger load, under 19,120 passengers per month, which represents an average passenger load factor of only about 40 percent with a fleet of two Dash -8 Q400s operating about four segments each per day. It is anticipated that this load will be reached fairly early in Black-Wings airlines's life and, in practice, much higher loads - into the 65 - 75 percent range during the first year of operations - can be anticipated based on the overall business and marketing plans for the airline.

Chart: Break-even Analysis

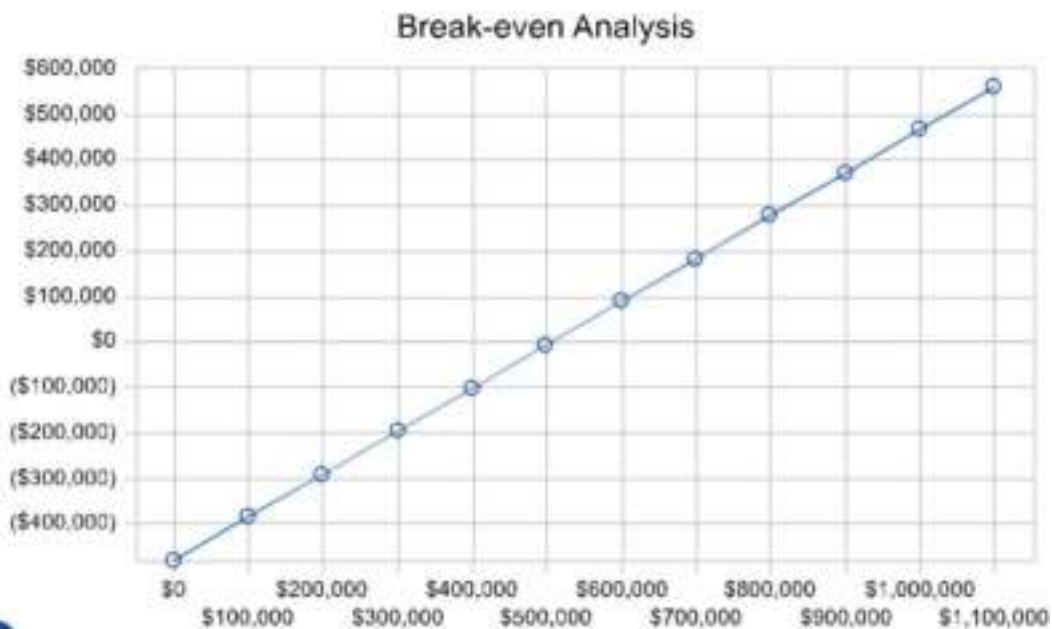


Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$507,571
Assumptions:	
Average Percent Variable Cost	5%
Estimated Monthly Fixed Cost	\$481,754

7.4 Projected Profit and Loss

As the accompanying Profit and Loss chart clearly demonstrates, the proposed airline has the potential to achieve profitability, on a month-by-month basis, by as early as the third month of operations, and to end the first year comfortably in the black - an indication of the strength of the market and the marketing plan for the venture, given the conservative nature with which the numbers were calculated.

All cost items are covered in this Profit and Loss chart and, while the organization and salary and cost items presented are not lavish, they both cover the needed functions adequately and also allow some margin for movement. Given the business plan's stress on utilizing technology to control staffing and related support and marketing costs - big problems for many airlines - the plan presented here should enable this airline to accomplish far more with less, and simultaneously to present less of a "command-and-control" problem to the management team.

All flight and cabin crew salaries are included in the line designated "Operational" in the top section of the chart, with all non-salary aircraft operational costs included in the same section. All revenues, which derive almost entirely from airline operations (both scheduled and special flights) are also provided in the top area, along with a deduction for the direct cost of sales, such as reservations fees and commissions (an area that hopefully can be reduced even further through e-reservations and e-ticketing, though it probably cannot be eliminated altogether. Clearly the affect of these charges on the bottom line can be seen in this chart, even figuring that 60 percent and more of airline clients will utilize electronic means for ticketing). The rest of the chart is broken down by functional area, outside of direct flight operations (which also include aircraft acquisition costs).

Chart: Profit Monthly



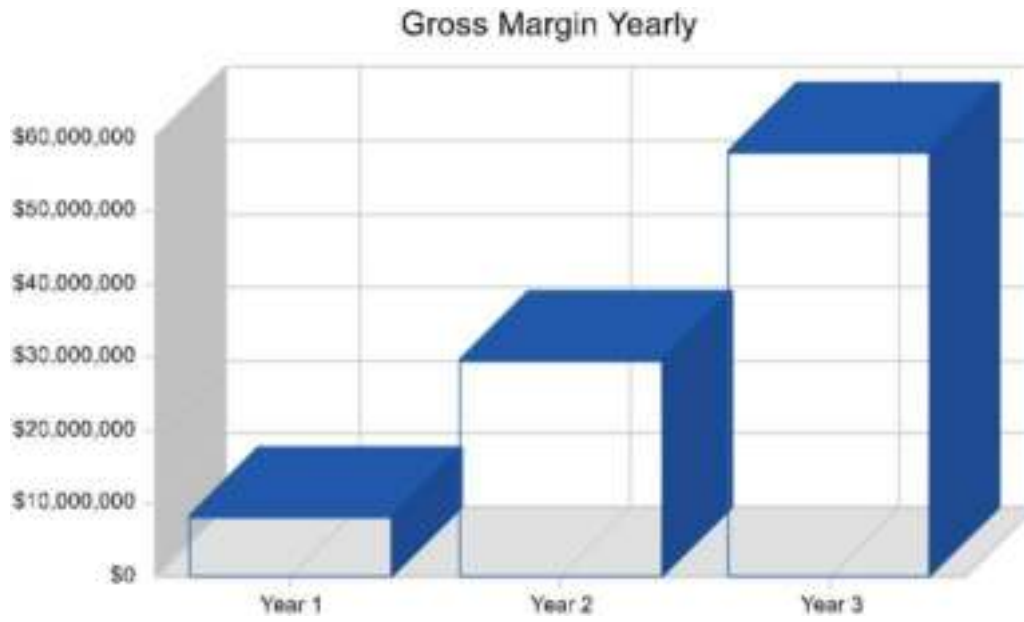
Chart: Profit Yearly



Chart: Gross Margin Monthly



Chart: Gross Margin Yearly



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Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>			
	Year 1	Year 2	Year 3
Sales	\$41,531,760	\$95,102,256	\$149,146,550
Direct Cost of Sales	\$2,112,400	\$4,522,260	\$6,318,654
Production Payroll	\$1,638,562	\$3,307,744	\$4,766,445
Non-Salary Aircraft Operational Costs	\$29,642,941	\$57,732,304	\$80,052,471
Total Cost of Sales	\$33,393,903	\$65,562,308	\$91,137,570
Gross Margin	\$8,137,857	\$29,539,948	\$58,008,980
Gross Margin %	19.59%	31.06%	38.89%
Operating Expenses			
Sales and Marketing Expenses			
Sales and Marketing Payroll	\$477,500	\$586,600	\$619,715
Advertising/Promotion	\$1,500,000	\$2,000,000	\$3,000,000
Travel	\$32,000	\$54,750	\$82,125
Public Relations Consultants/Activities	\$16,000	\$25,000	\$35,000
LD toll-free reservations telephone serv	\$66,000	\$72,000	\$80,000
Other	\$24,000	\$26,400	\$29,040
Total Sales and Marketing Expenses	\$2,115,500	\$2,764,750	\$3,845,880
Sales and Marketing %	5.09%	2.91%	2.58%
General and Administrative Expenses			
General and Administrative Payroll	\$702,000	\$702,900	\$738,045
Sales and Marketing and Other Expenses	\$0	\$0	\$0
Depreciation	\$120,000	\$120,000	\$120,000
Leased Equipment	\$24,000	\$30,000	\$36,000
Telephone	\$32,600	\$48,900	\$73,350
Utilities	\$15,300	\$18,000	\$22,000
Insurance (Non-Aviation)	\$10,000	\$30,000	\$35,000
Headquarters Office Rent	\$220,000	\$220,000	\$242,000
Field Office Rental	\$98,000	\$180,000	\$198,000
Vehicle Operating Expenses	\$8,640	\$8,640	\$9,500
Computer Hardware/Software Development	\$56,000	\$80,000	\$120,000
Cockpit/Cabin Crew Training/Simulator	\$185,000	\$150,000	\$165,000
Crew/Staff Uniforms & Grooming	\$44,000	\$88,000	\$95,000
Payroll Taxes	\$828,012	\$1,365,174	\$1,701,603
Other General and Administrative Expenses	\$0	\$0	\$0
Total General and Administrative Expenses	\$2,343,552	\$3,041,614	\$3,555,498
General and Administrative %	5.64%	3.20%	2.38%
Other Expenses:			
Other Payroll	\$1,322,000	\$2,228,625	\$2,383,810
Consultants	\$0	\$0	\$0
Contract/Consultants	\$0	\$0	\$0
Total Other Expenses	\$1,322,000	\$2,228,625	\$2,383,810
Other %	3.18%	2.34%	1.60%
Total Operating Expenses	\$5,781,052	\$8,034,989	\$9,785,188
Profit Before Interest and Taxes	\$2,356,805	\$21,504,959	\$48,223,792
EBITDA	\$2,476,805	\$21,624,959	\$48,343,792
Interest Expense	\$45,536	\$27,837	\$9,369
Taxes Incurred	\$917,055	\$7,516,993	\$16,674,155
Net Profit	\$1,394,214	\$13,960,129	\$31,540,268
Net Profit/Sales	3.36%	14.68%	21.15%

7.5 Projected Cash Flow

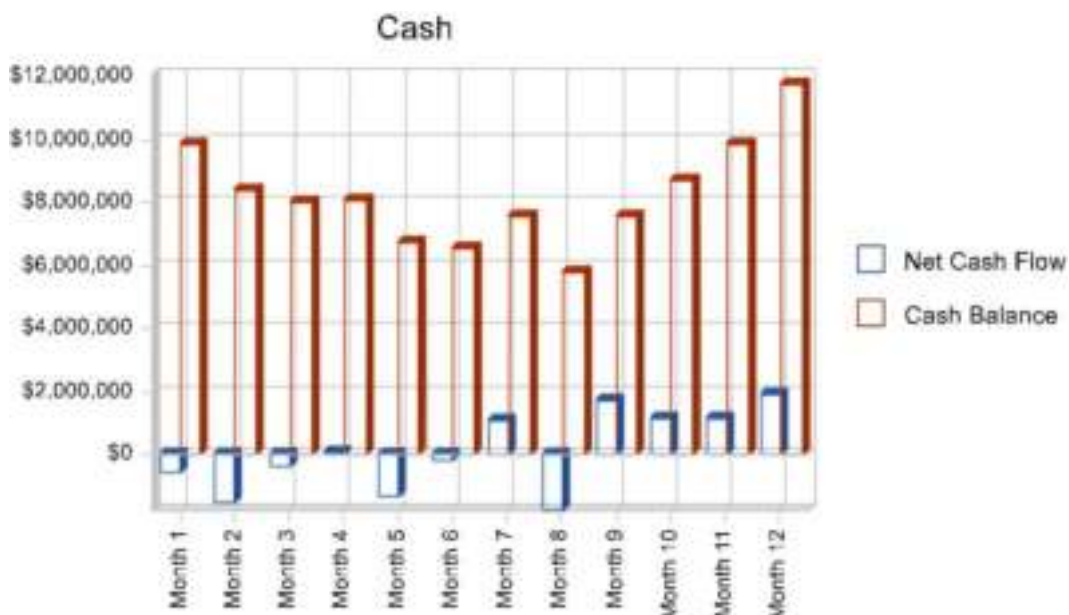
Cash flow is probably the factor that makes or breaks more businesses than any other, and it is even more critical to consider in a venture as capital-intensive as is an airline.

As the accompanying chart and table readily show, with careful planning and control of resources and expenses, cash flow crises should not pose a threat to the Black-Wings airlines. Even allowing for a [XYZ] million USD up front deposit on aircraft leases (which would be charged against operational expenses as the airline begins flying) and other significant up-front costs, as shown in the accompanying illustrations, at no time does cash on-hand become a major issue during the first year, and even less so in the follow-on years.

While an investment of about [XYZ] million USD is modest by regional airline standards, the financial and business planning done here should indicate that the venture is quite feasible in the market. Nevertheless, it would offer an extra cushion of safety to arrange for availability of additional credit facilities or cash reserves, or equity investment, to be called up only as needed in the short-run should cash demands out strap expectations, immediate revenues, and on-hand cash on a temporary basis.

It should be noted that a 30-day accounts payable repayment schedule is included in the planning for the financials. However, a majority of the airline's revenues will come from online sales, with payment by credit cards and generally rapid settlement, and also from ticket sales from travel agencies that are required to make payments usually in half the accounts payable schedule used in the assumptions for this plan. Given the large fluxes of cash, even these payment methods allow for significant amounts of funds to be receivable at any given time but, again, the financial calculations indicate that this should pose no significant problem to the airline's financial management or cash liquidity.

Chart: Cash



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Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$26,995,644	\$61,816,466	\$96,945,258
Cash from Receivables	\$9,626,176	\$26,952,615	\$45,812,104
Subtotal Cash from Operations	\$36,621,820	\$88,769,081	\$142,757,362
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$36,621,820	\$88,769,081	\$142,757,362
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$4,140,062	\$6,825,869	\$8,508,015
Bill Payments	\$30,946,389	\$74,284,142	\$106,090,971
Subtotal Spent on Operations	\$35,086,451	\$81,110,011	\$114,598,986
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$188,100	\$205,200	\$205,200
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$35,274,551	\$81,315,211	\$114,804,186
Net Cash Flow	\$1,347,269	\$7,453,870	\$27,953,176
Cash Balance	\$11,747,269	\$19,201,139	\$47,154,316

Black Wings Airlines -- A New Domestic, Regional & Intercontinental Airline

7.6 Projected Balance Sheet

As the accompanying Balance Sheet indicates, the proposed venture will maintain a healthy position, even with limited hard assets other than cash and leased aircraft, and the company's net worth is projected to grow beginning from the end of the first year from about [XYZ] million USD to [XYZ] million USD by the end of the second year, and to more than [XYZ] million USD by the end of the third year, with continued growth at about the same remarkable rate beyond that. [Where XYZ is to be provided]

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$11,747,269	\$19,201,139	\$47,154,316
Accounts Receivable	\$4,909,940	\$11,243,115	\$17,632,303
Inventory	\$364,453	\$1,073,380	\$978,841
Other Current Assets	\$50,000	\$50,000	\$50,000
Total Current Assets	\$17,071,662	\$31,567,634	\$65,815,459
Long-term Assets			
Long-term Assets	\$200,000	\$200,000	\$200,000
Accumulated Depreciation	\$120,000	\$240,000	\$360,000
Total Long-term Assets	\$80,000	(\$40,000)	(\$160,000)
Total Assets	\$17,151,662	\$31,527,634	\$65,655,459
Liabilities and Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$5,535,548	\$6,156,590	\$8,949,347
Current Borrowing	\$411,900	\$206,700	\$1,500
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$5,947,448	\$6,363,290	\$8,950,847
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$5,947,448	\$6,363,290	\$8,950,847
Paid-in Capital	\$10,800,000	\$10,800,000	\$10,800,000
Retained Earnings	(\$990,000)	\$404,214	\$14,364,343
Earnings	\$1,394,214	\$13,960,129	\$31,540,268
Total Capital	\$11,204,214	\$25,164,343	\$56,704,612
Total Liabilities and Capital	\$17,151,662	\$31,527,634	\$65,655,459
Net Worth	\$11,204,214	\$25,164,343	\$56,704,612

Key Success Factors

BWARA believes that the following factors will be key to the company's success:

Management and Culture

BWARA has hired experienced airline professionals in order to ensure the operations are well managed. Blending experienced airline professionals with a young creative management team will be a successful combination which will continuously look for innovation while maintaining a high level of professionalism. Getting the right combination will be key in executing this venture successfully. The company will also focus on building a strong corporate culture that will help to differentiate itself from the competition and sustain a high level of motivation while maintaining cost control.

More than just an airline, a lifestyle – *redefining the airline industry*

BWARA will differentiate itself as much as possible from the traditional airlines. BWARA will be to the airline industry what the boutique hotels (Marriot, Raddison, Royalton, Windam Hotel, Mercer Hotel, etc.) are to the hotel industry. Passengers flying on BWARA will identify to a lifestyle. BWARA has hired industrial designer Ric Sloan to work on the interior of the aircraft. Ric Sloan is one of the leading contemporary industrial designers and is viewed by many as one of the world's most fashionable.

Superior Product and Service

With a 100-passenger configuration, the cabin of the Embraer 195 will look more like a private jet than like a large mass transportation aircraft. Boarding and disembarking will be much faster given the low number of passengers. Providing a personalized and comfortable experience is key in retaining customers and getting repeat business. A strong emphasis will be placed on this aspect of the business: particular attention will be paid to the design of the cabin, the technology available, efficiency of processes, and quality of service offered by the cabin crew. BWARA will continuously innovate and having the ability to introduce new products to market in a shorter timeframe than its competitors.

Strong Sales team

BWARA will market its services to companies directly. Its ability to acquire corporate clients will be extremely important to the success of the venture. BWARA will offer discounts for volume travel and will also partner with select hotels in order to offer all-in packages.

Low Cost Operation

As a new airline, BWARA will have a significant cost advantage over the existing airlines that have large overhead expenses. By focusing on a single type of aircraft, a multiple class of travel, and initially domestic route, systems will be simple and costs will be kept to a minimum. BWARA will continuously focus on maintaining a low cost base in order to keep this advantage.

Low Break-Even Point

By operating the Embraer 195, BWARA will have lower operating costs and a low break-even point (50 passengers/50 percent load factor) significantly reducing the risks associated with traditional airlines. With such a low break-even point, BWARA will be able to make it through economic downturns with less pain than its competitors. It will also enable BWARA to consider medium and low density routes on a long-haul basis offering more point to point services.

The Internet

Maximizing the potential of the Internet and our Kiosks will be key in keeping low distribution and administrative costs. BWARA will have a strong Internet and Kiosk presence and will use the Kiosks and Internet for customer interaction as well as internal functions.

Strategy

Operating Strategy: One type of aircraft, multiple class of service

Pricing Strategy: Simple, Highly attractive yet competitive pricing.

Sales, Marketing, and Distribution Strategy

1. *Corporates*: BWARA is a business to business airline. It will focus its efforts on targeting corporate travel managers directly through a strong sales force, partnerships with credit card companies, or other entities that have access to corporate clients. BWARA will offer flexible pricing to suit companies' travel requirements.

2. *End-users*: In order to attract the traveler directly, BWARA' marketing strategy will focus on the lifestyle and convenience rather than price because in many cases price is not the primary issue for the business traveler. BWARA will only use Kiosk and electronic tickets which will be distributed through agents, the Internet, and our call center. BWARA will also distribute through travel agents as they still have a significant position in the corporate market.

Growth Strategy

BWARA will initially commence with the Ghanaian domestic routes while targeting the high volume African regional routes in which it will only be a small player and not be perceived a real threat to the larger airlines.

Financial Summary and Funding Requirement

Management currently estimates the total funding requirements at USD \$ 11,700,000+ Million This takes into account the start-up costs, the on-going operating costs, the costs of Lease-to-Own aircraft, and the minimum cash requirements to satisfy the GCAA.

Please see attached Income Statement

THE COMPANY

Vision

BWARA' aim is to establish itself as major player in the domestic, Regional, long-haul market of all classes of travel.

By continuously focusing on the needs of the premium class traveler, BWARA will provide the best value proposition in the markets it serves.

Values

Safety
Technology
Change

Safety
Technology
Change

People and People
Success Is in Details
Innovate

People and People
Success Is in Details
Innovate

Simpler
Professional Service

Simpler
Professional Service

We exist to provide a valuable service to our customers, a rewarding opportunity for our employees, and profitability to our shareholders. We believe that success in this endeavor depends on our employees. Satisfied employees lead to satisfied customers, which lead to satisfied shareholders. To achieve this, we enable our employees to act with an entrepreneurial spirit, and we value those willing to take responsibility for their actions and the consequences of those actions. We treat employees as family, which fosters intimacy, informality, strong relationships, caring attitudes, and it makes work more fun. We give employees the opportunity to become shareholders and to participate in the financial benefits of ownership. People take better care of things they own. We treat employees with respect, which encourages them to treat each other and every customer with respect. We want our customers to experience legendary service that makes a lasting impression. Providing exceptional value to customers requires hard work and concentration. Hard work is most effective when processes are simple. Simplicity reduces costs and speeds processes. We do not cut corners. We believe in doing things right the first time. We take pride in our efforts as well as the rewards. Throughout this endeavor, safety will be the overriding force behind any decision.

