
From: Dutta, Rahul <Rahul.Dutta@Evercore.com>
Sent: Thursday, June 28, 2018 9:53 AM
To: Jim Davidson; Theo Kruijssen; Sue Carter; Edna Lopez; Tim Reiz
Cc: Reisenberg, Jeff; Project Firebird
Subject: Final Presentation Versions
Attachments: Farelogix Near Term Pipeline vF.pdf; 2018 06 [REDACTED]_On-Site QA_vF.pdf;
Farelogix Near Term Pipeline vF.pptx; 2018 06 [REDACTED]_On-Site QA_vF.pptx

These are the files to be used to project (ppt and pdf versions attached)

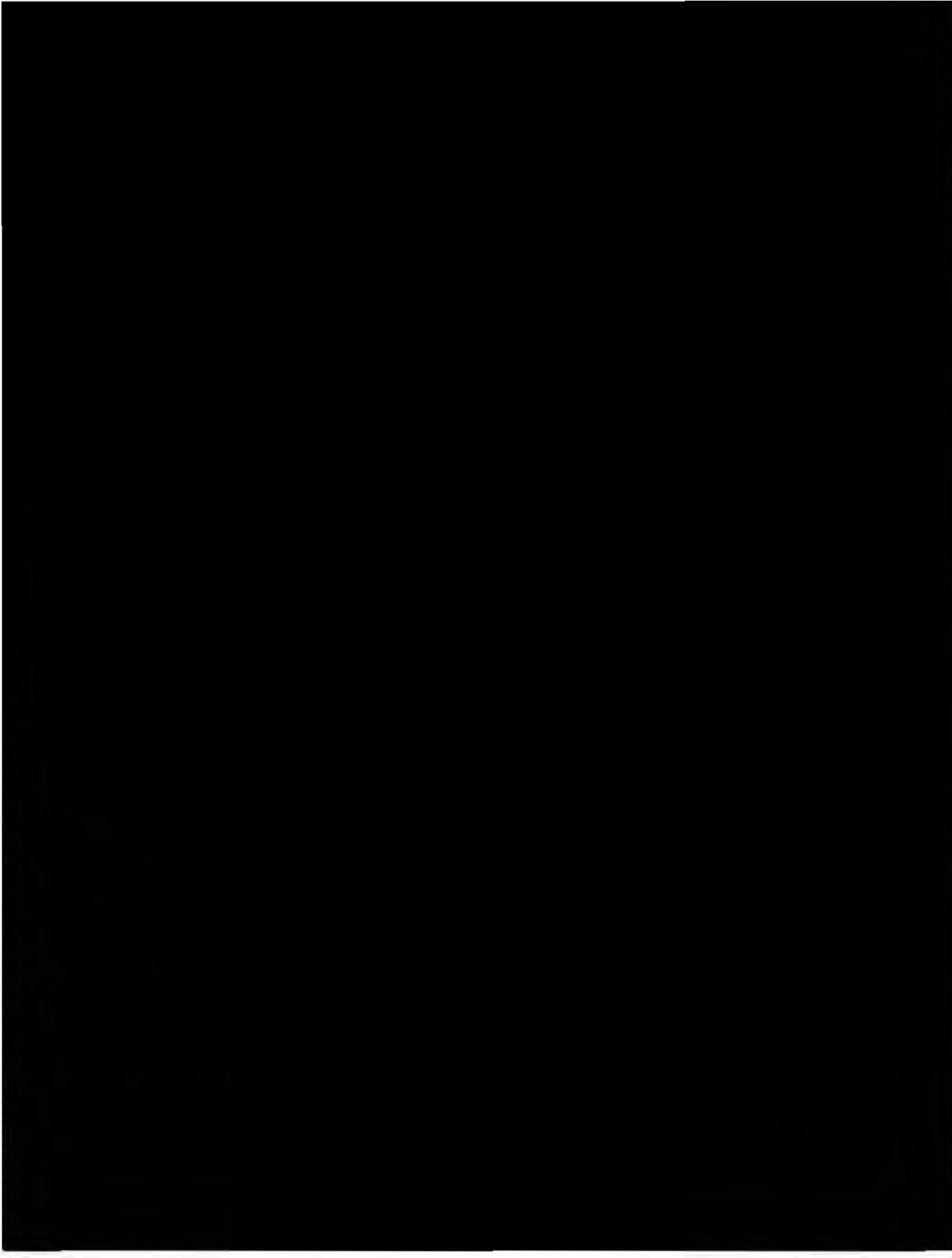
- Full Deck
- Standalone pipeline slide

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○ Farelogix Near-Term Pipeline





On-Site Meeting Agenda
June 27th – 28th, 2018



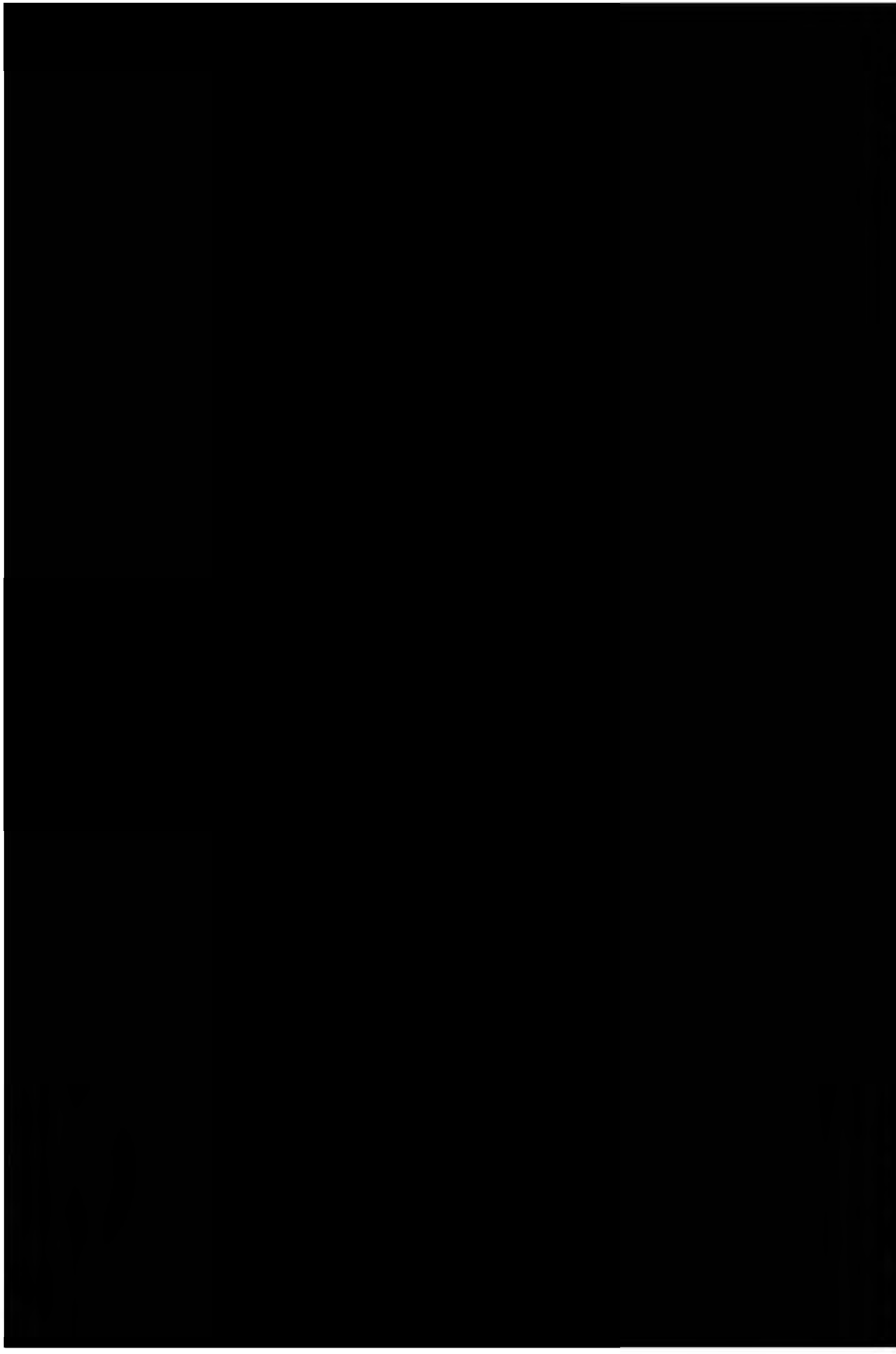
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I. Market

○ Market



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FLX-000874217

○ Market (Cont'd)

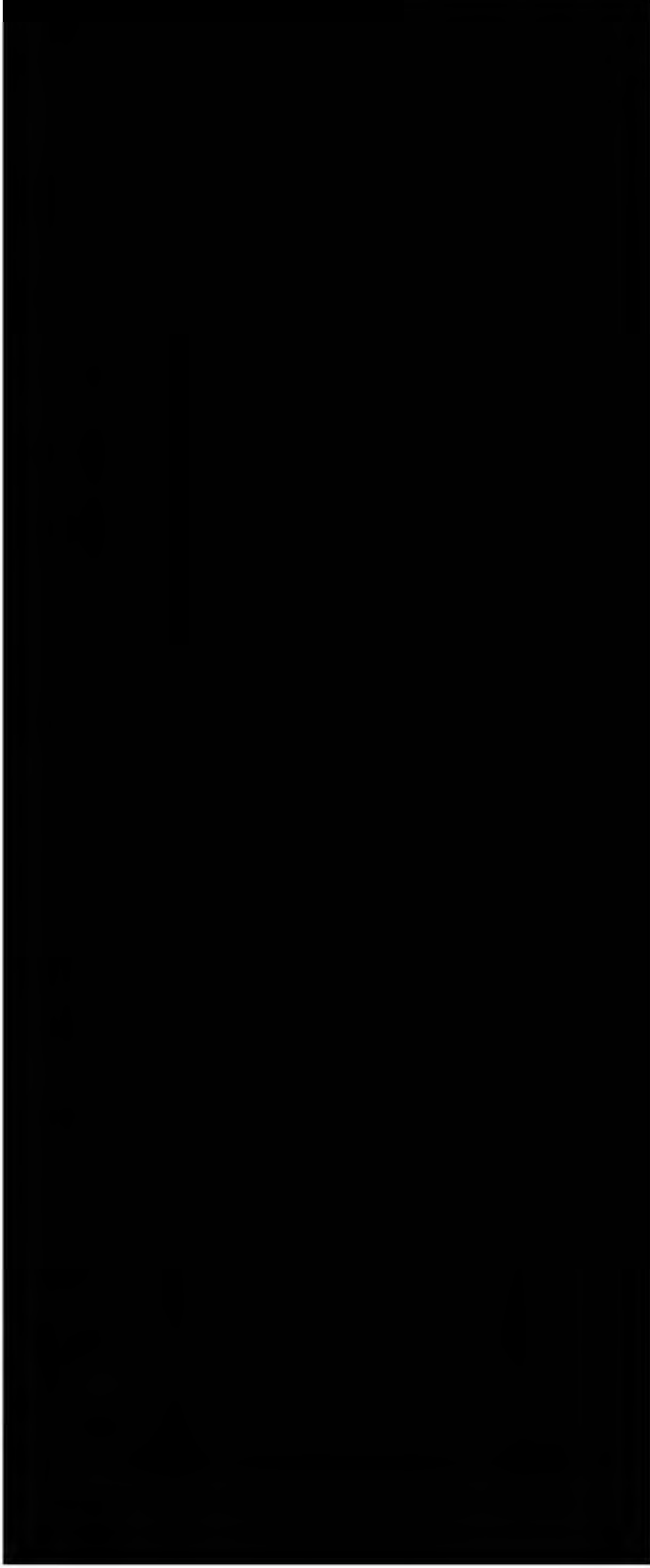
- Your current list of customers are mostly traditional/legacy carriers with few LCCs/Hybrids (page 9)

Pg. 9 of CIM / Pg. 8 of Document

Historically, Farelogix has focused on direct connect/GDS alternative distribution for airlines. As such, the LCC market, which has very limited dependency on the GDS, was not a market Farelogix addressed. With the Farelogix Offer Management suite of products, which is relevant for any airline, the LCC market is now becoming a target from an ecommerce enterprise position

- How do you think about the addressability and new business potential from LCC /Hybrid (Offer Management)?

See above





Market (Cont'd 2)

- Competition: For each product, who do you see as the key competitors and why do you feel you are differentiated?

Pg. 28 of CIM / Pg. 9 of Document

Order Delivery: Competitors - Sabre and Amadeus PSS as both have articulated plans for offer NDC APIs as part of their PSS offering. Also traditional GDS distribution until NDC is fully adopted

FLX Advantage:

- Superior technology
- Neutrality and independence as airlines have a strong fear of putting all their "distribution eggs" in their PSS, which, for most cases is also the GDS
- Speed to market with enhancements and innovation
- Price

Offer Management engines: Competitors - PSSs, (primarily Sabre and Amadeus), [REDACTED]

FLX Advantage:

- Neutrality and independence against Sabre, Amadeus, [REDACTED]
- Merchandising - better functionality over everyone
- Schedule Builder - better functionality over everyone
- Control and hosting option for all engines
- Availability Calculator - better performance over everyone
- More robust and common rules engine over everyone
- Engine optimization using AI, ML over Sabre and Amadeus

○ Market (Cont'd 3)





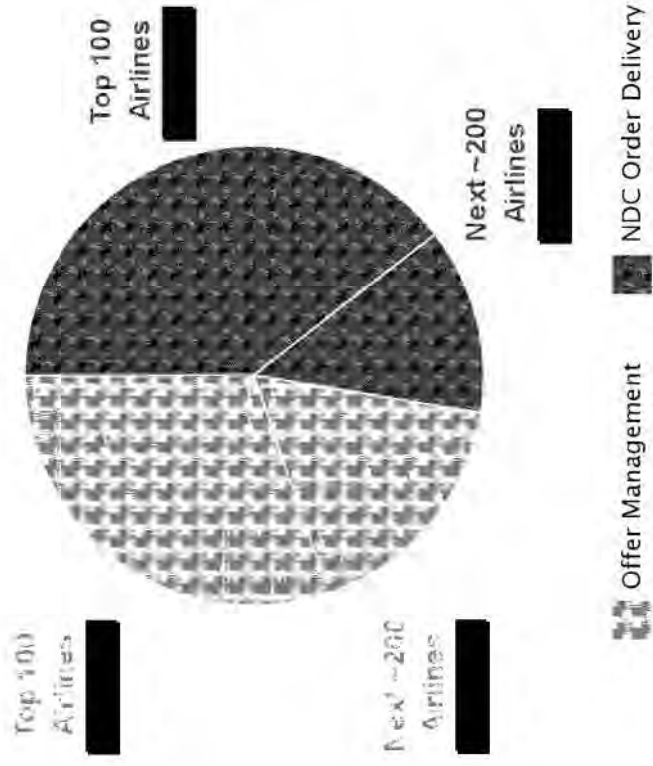
3 Large and Growing Market for Airline-Controlled Retailing and NDC Distribution Software

Farelogix Products Today Address a [redacted] Annual Revenue Opportunity

Today airlines spend over \$13 billion on GDS and PSS solutions for retailing and distribution

Farelogix products today represent a [redacted] opportunity across the world's 500 largest airlines?

The [redacted] opportunity compares to airline ancillary revenues of \$57bn in 2017?



Top 100 Airlines & Next ~200 Airlines?

CO spend on GDS and PSS solutions for retailing and distribution is \$13 billion, comprising of Amadeus and Sabre. Source: IATA, 2017. Farelogix is based on 2017 Revenue. © 2017, FW.



4 Global, Blue Chip Customer Base

Farelogix serves many of the largest airlines in the world, and has never lost a customer in production.

Offer Management



NDC Order Delivery





○ Farelogix Holds a Unique and Deeply Rooted Position in a Market with High Entry Barriers

- 1. 15+ years of expertise with large airline customer relationships
- 2. Offer Management and Cifex Delivery technology that delivers increased speed, functionality and scalability at a lower cost of ownership than legacy PSS / GDS systems
- 3. Futureproof technology built for the evolution of dynamic pricing and revenue management
- 4. Unique connectivity across leading PSSs and numerous airline systems
- 5. Neutral 3rd party solution that gives airlines control and avoids lock-in with PSS vendor with predictable annual pricing schemes
- 6. NDC market leader, BSP certified in over 100 countries and ARC certified in the US
- 7. Dedicated Farelogix technology teams tailor solutions for each airline customer

How Farelogix Wins

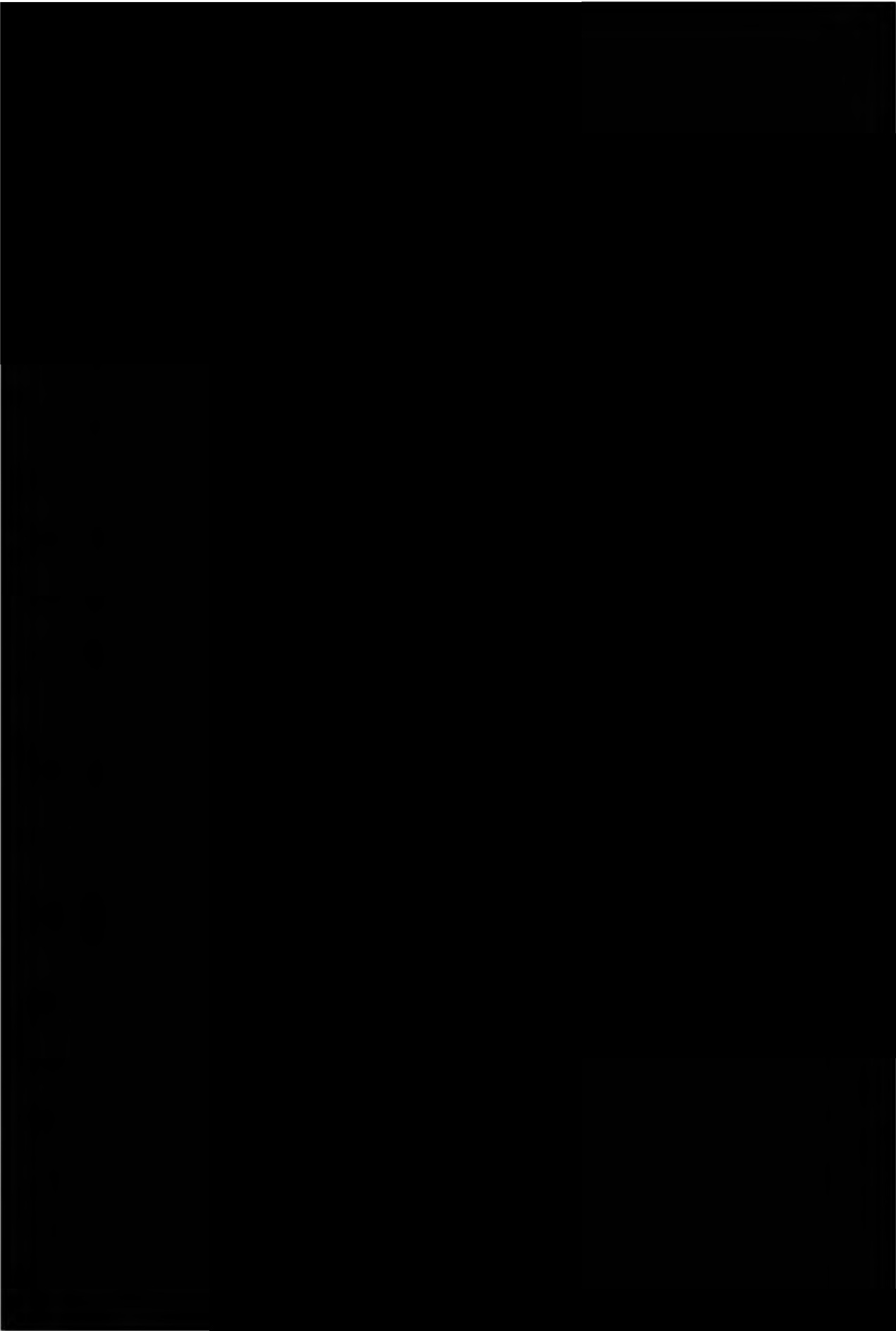


Other Industry Players



II. Business Model and Overview of Products / Modules

Business Model and Overview of Products / Modules





Business Model and Overview of Products / Modules (Cont'd)

Please comment on the maturity of products in effect, below, version, implementations, fit, follow, competitor, mad, nap!

Order Delivery (FLX Open Connect and NDC API)

Both are quite mature and have been in production for over 10 years. The primary change is the NDC Schemas, which are not that mature and require fairly intensive support due to IATA's continuous changing of the schema. Incidentally, this is also a competitive advantage for Farelogix as we donated the original schema to IATA and continue to utilize the Farelogix schema to supplement the gaps in the current IATA schema. Farelogix is the only company that does this at scale and also the only one that supports a generic travel agency user interface (SPRK)

- Offer Management

FLX Merchandise is mature and has a solid production history with some of the world's largest airlines. The other offer products are less mature but are also being used by several significant airlines

What are the current modules being used by the airlines? (SPRK, Offer, etc.)

Pg. 35, 39 of CIM / Page 22, 27 of Document

What are the current modules being used by the airlines? (SPRK, Offer, etc.)

Our belief is that over time, all of our customers are candidates for all of our products, as we see airlines moving in the direction of adopting NDC API for both indirect and direct channels (web, mobile, call center), and the Offer Management engines are designed for enterprise applications supporting all airline distribution channels. Our upsell strategy of getting into an airline with any one of our products and then upselling other products is very deliberate and compelling. The only exception would be NDC API for the indirect channel, products for airlines that sell little or nothing through that channel. Even these airlines are candidates for NDC API delivery for their direct channels

Please explain your thinking on One Order and what role FLX can play in this

We believe Farelogix will play a very significant role in developing and implementing One Order as a new product offering or "module" within our FLX Open Connect product. We currently have a R&D effort identified for One Order and actively participate in IATA One Order working groups



The Farelogix Airline Commerce Gateway is the Leading SaaS Solution for Airline-Controlled Offer Management and NDC Order Delivery

Offer Management

FLX Offer Engines

- FLX** Schedule Builder: Dynamic schedule building outside of the PSS
- FLX** Availability Calculator: High performance availability calculation outside of the PSS
- FLX** Shop & Price: Both traditional (AFCO) and dynamic shopping / pricing
- FLX** Merchandise: Merchandising of any type of ancillary or bundled offer

NDC Order Delivery

FLX NDC Distribution Solutions

- FLX** Open Connect: Connectivity to any PSS with orchestration for shopping, booking and servicing of airline reservations
- FLX** NDC API: NDC API for the indirect channel (travel agency / GDS)

Farelogix Offer Engines are fully interoperable, can be sold separately or bundled, and can be hosted by Farelogix or by the airline. This is a significant differentiator for the Company's platform.



FLX Schedule Builder

FLX Schedule Builder Optimizes Routes, Timing and Value

- ✓ Supports large data range processing, affinity and attribute shopping
- ✓ Millisecond response times
- ✓ Low cost of ownership, economically and linearly scalable, runs on commodity hardware
- ✓ Purpose-built proprietary Network Graph Algorithm
- ✓ Creates personalized, dynamic schedule routes in real time based on data and rules
- ✓ Enables airlines to define and manage rules using FLX Rules & Offer Designer UI
- ✓ Available as a stand-alone module or integrated with FLX Availability Calculator and/or FLX Shop & Price



Real World Challenges

- Airlines are challenged to handle an exponentially growing volume of schedule building requests, which is cost-prohibitive on the FS
- Airlines seek to grow revenue and maximize yield by optimizing the most profitable schedules / routes which is not possible using incumbent solutions
- Airlines want to support affinity and attribute shopping, e.g., search by sku locations



FLX Availability Calculator

FLX Availability Calculator Returns Innovative Control to the Airline with Reduced Costs and Improved Performance

- ✓ Designed for high transaction volumes, including large date ranges, affinity and attribute shopping
- ✓ Dramatic PSS cost savings as well as new revenue from optimization of search results
- ✓ Unlimited linear and economic scalability, runs on commodity hardware (benchmarked at 250K TMs/sec/server)
- ✓ No cache: all offers created in real time for accuracy
- ✓ Dynamic, rules-based availability searching with unlimited query capabilities
- ✓ Fully airline controlled, airline owns the IP for their Availability algorithm
- ✓ Support for CU and Journey controls, as well as "stop-and-dice", as required for some markets
- ✓ Available as a stand-alone module or integrated with FLX Shop & Price

Real World Challenges

- ✗ Airlines are challenged to handle an exponentially growing volume of availability searches
- ✗ Airlines seek to capture and apply business intelligence to search data
- ✗ PSSs are already slow and expensive, cannot support their requirements and often force airlines to rely on inaccurate cache-based solutions



FLX Shop & Price

FLX Shop & Price Supports both Traditional and Dynamic Airline Shopping Requirements with Low Cost of Ownership

- ✓ Full ATPCO shopping and pricing capability
- ✓ Dynamic pricing capabilities, with option to ease price on ATPCO, RMK price or other airline fare
- ✓ Low cost of ownership, economically and linearly scalable, runs on commodity hardware
- ✓ No cache, all offers created in real time with millisecond response times
- ✓ Rules engine capable of accepting inputs based on human, big data or AI-driven inputs
- ✓ Large data range processing, affinity and attribute shopping
- ✓ Available as a stand-alone module or integrated with FLX Availability Calculator or FLX Schedule Builder

Real World Challenges

- ✗ Airlines seek shopping/pricing technology that supports exponential growth in search volumes and dynamic pricing as required by retailing and NDC
- ✗ Incumbent solutions are limited to traditional (ATPCO) pricing and unable to accommodate high volumes
- ✗ Dynamic pricing capabilities are viewed by airlines as a way to increase revenues and improve customer experience¹

1. [Airline Sales Growth](#)
[Revenue Acceleration](#) - dbr



FLX Merchandise

FLX Merchandise Enables Dynamic Retailing Across Channels

- ✓ Extremely high speed to market for ancillary products / bundles, fully under the airline's control
- ✓ No hard coding, easily integrated with airline systems: PSS, channel and IBE - agnostic
- ✓ Serves multiple sales channels, including airline.com, mobile, check-in, kiosks, call centers and travel agencies
- ✓ Rules engine capable of accepting inputs based on human, big data or AI-driven inputs
- ✓ Additional seat revenue opportunity with optional interoperable Seat Manager engine (off-MSB seat inventory)
- ✓ Includes a developer tool fully integrated into an airline's proprietary technology stack

Real World Challenges

- Airlines seek to implement omni-channel merchandising strategies that enable fast speed to market for product updates and new product offers
- Airline revenue management leaders seek to dynamically price merchandising offers in real time based on a range of criteria such as frequent flyer status, corporate identity, channel, buying history and more
- Incumbent technologies do not enable these capabilities in a timely or cost-effective manner, nor are they fully under the airline's control

1. IBE - In-house Booking Engine for carrier use only (not for travel)



FLX Open Connect

FLX NDC API

- ✓ FLX Open Connect and NDC API Deliver Dynamic Content and Merchandising to the Indirect Channel
- ✓ Makes and manages bookings and reservations out of the PSS
- ✓ Manages all required orchestration, including integration with the airline PSS and other systems
- ✓ ARC1 and BSP2 certified in over 100 countries
- ✓ Provides airlines with an NDC API with the option to brand it (e.g., Emirates B2X Online, American AANDC)
- ✓ Includes Developer Support program to promote and facilitate NDC API integrations with third party integrators

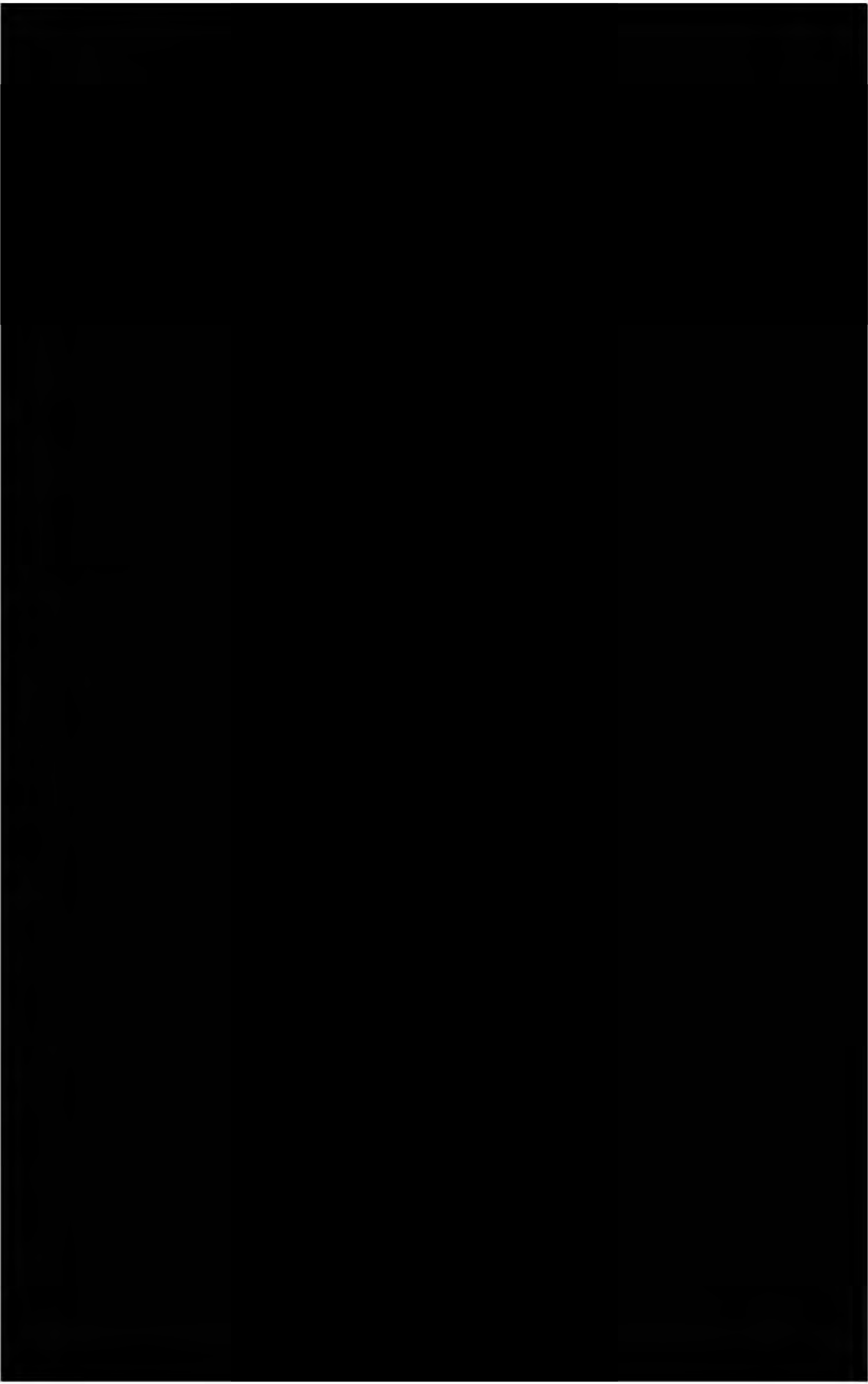
Allows the airline to control content delivery through both direct and indirect channels

Real World Challenges

- o Airlines seek to deliver ancillary services and differentiated content in the Indirect Channel
- o NDC requires proven technology expertise integrated with the airlines' systems and with functionality required for agency adoption
- o Airlines wish to deploy a single, next generation, and cost-effective API for all indirect distribution channels

1. All other Rights Reserved. Published by the International Air Transport Association (IATA) on behalf of the IATA Indirect Channel Working Group. All rights reserved. IATA is a not-for-profit organization. IATA is not responsible for the content of this document. IATA is not liable for any loss or damage arising from the use of this document.

Customer Milestones Over the Last 18 Months





The Fully Integrated and Flexible Design of the Airline Commerce Gateway Limits Risk of Customer Churn




Built for
Airline Control
and Low Cost of
Ownership

- Limited PSS / CMS dependency
- Cloud and at-line hosting option
- Unlimited scalability using commodity hardware
- Ability to off-load costly legacy transactions (availability, search/price)




Flexible and
Futureproof

- Create, modify, and test new offers instantly
- Transactional support for traditional pricing and next generation dynamic / NDC offers
- PSS-agnostic enabling easier PSS change
- Functions as an API ready layer platform supporting airline-initiated innovation



Passionately
Performant

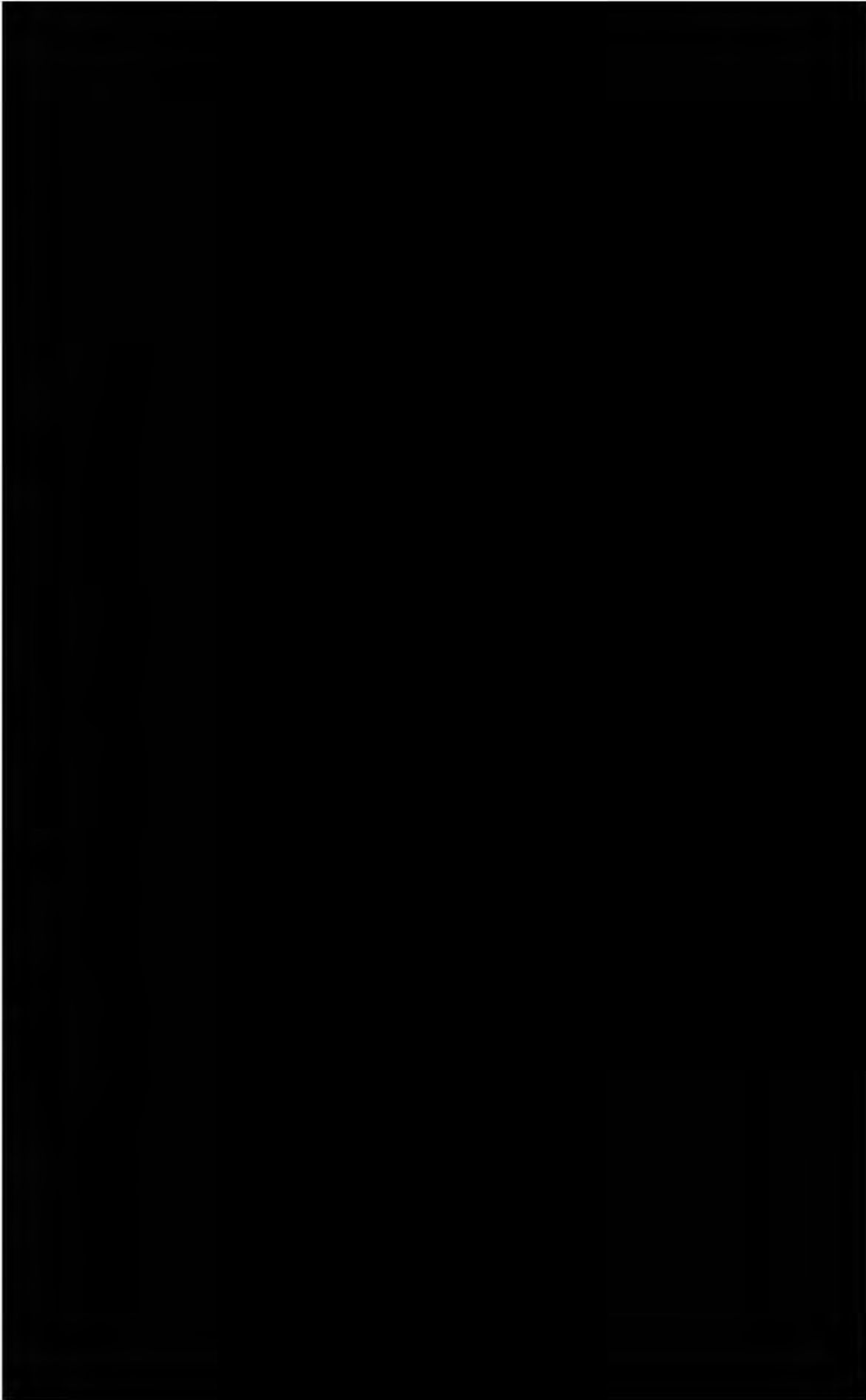
- Millisecond transaction response time
- Single Platform supports NDC, volumes, affinity, & Large Date Range search
- Results never cached, always calculated for accuracy
- No look-to-look limitations



Fully
Interoperable

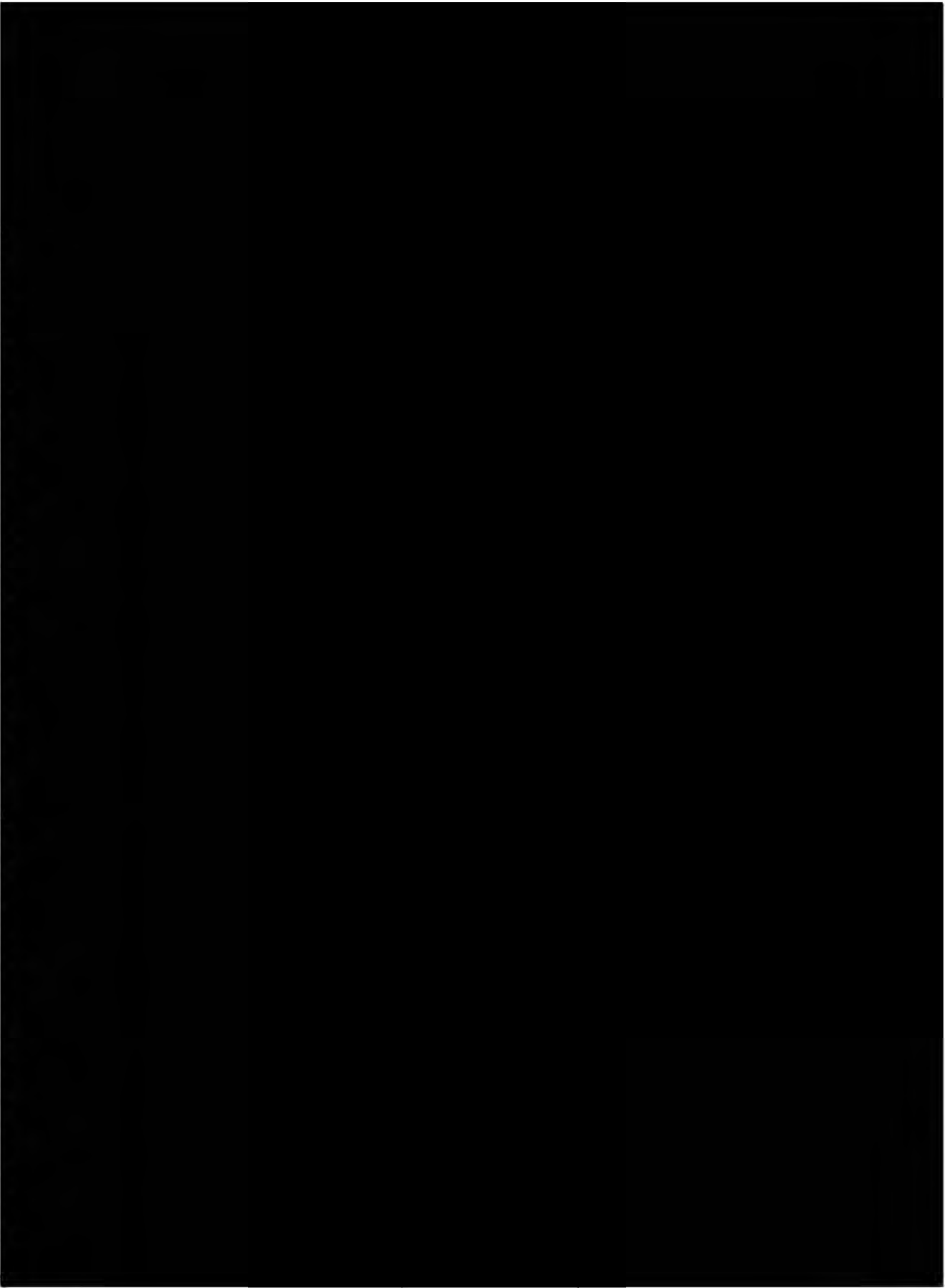
- Engines work stand-alone or optimally together – expand at airline's timeline
- Common B2B2C User Interface, and API module to engage with airline platform
- Services-based connectivity for easy application extension and integration
- Easily integrated with existing airline technology stack

 Farelogix Airline Commerce Gateway has Unmatched Flexibility
through a PSS-Agnostic, Scalable Architecture





Track Record of Recurring Revenue Growth and Profitability





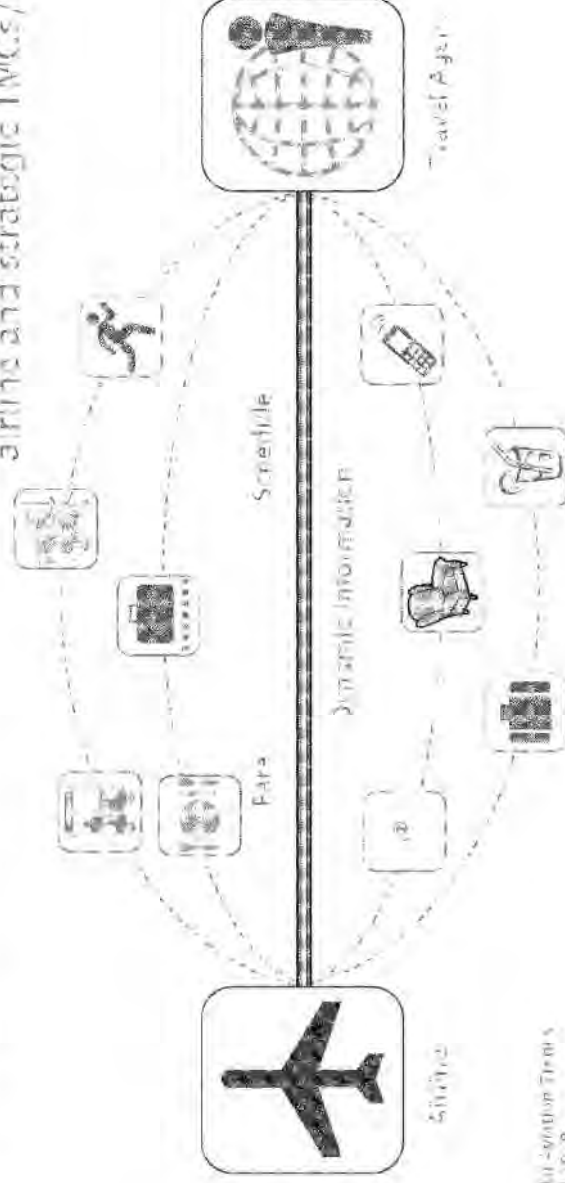
2 Airlines are Seeking to Take Control of Offer Management and NDC Order Delivery to Become Effective Retailers

The Case for Airline-Controlled Offer Management

- Travelers seek custom travel experiences (Seat upgrades, In-flight Purchases, Priority Boarding, Premium Meals, Door-to-Door Service, etc.)
- Today, 33% of airline executives report that personalized offers are critical to their strategy; this number is forecast to grow to 70% by 2021¹
- Airlines are looking to utilize retailing sciences, machine learning and artificial intelligence to better optimize their offers

The Case for Airline-Controlled NDC Order Delivery

- Airline industry initiatives such as NDC are driving essential "Distribution Freedom"² to drive the ability of airline retailing and increasing airline revenue and profitability
- Engagement with hyper-connected, mobile travelers requires the airline to deliver a consistent offer ubiquitous across channels
- Deleverages the traditional GDS-Airline commercial relationship
- Enables content differentiation by channel, e.g., leisure vs. corporate
- Strengthens commercial relationship between airline and strategic TMCs/OTAs/Corporations



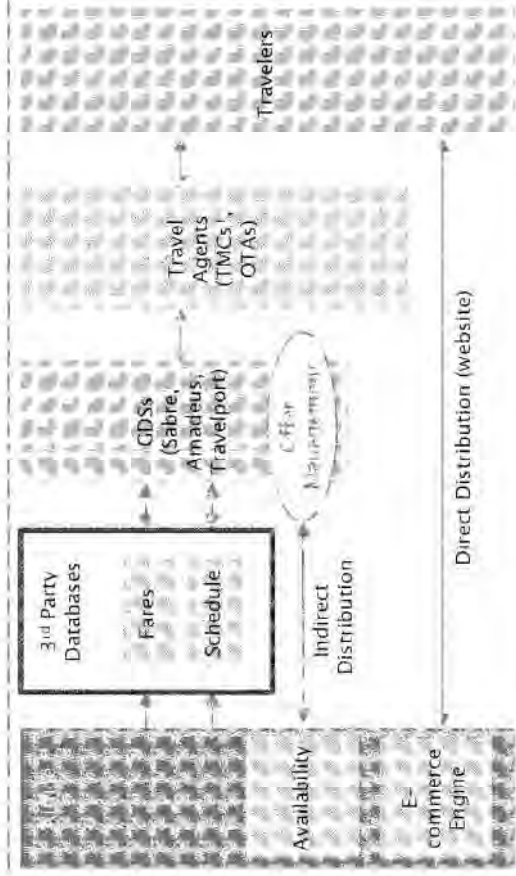
1. PwC 2017 Commercial Aviation Trends
2. Distribution April 2018



3 NDC Addresses Longstanding Distribution Limitations that Have Prevented Airlines from Retailing in the Indirect Channel

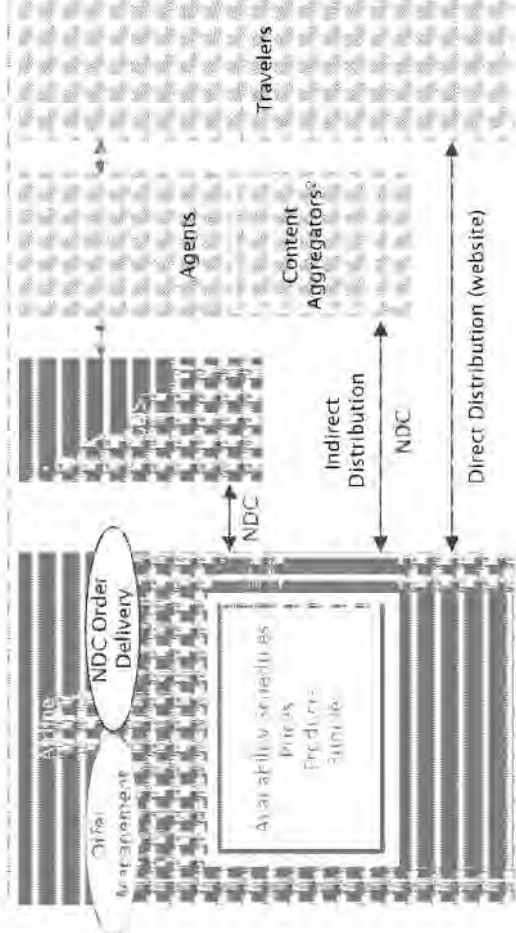
20% of passenger bookings are completed through indirect channels, primarily using GDS systems for editors and carriers.

Traditional Airline Distribution



- Airlines forced to outsource offer management to the GDS that can only generate commodity offers using static fares and schedule information in the indirect channel
- Airlines unable to generate ancillary revenue via indirect channels
- Airlines unable to leverage their own data in real time to optimize and personalize their offer
- In time opportunity to engage travelers during the trip cycle, e.g., post booking ancillary sales

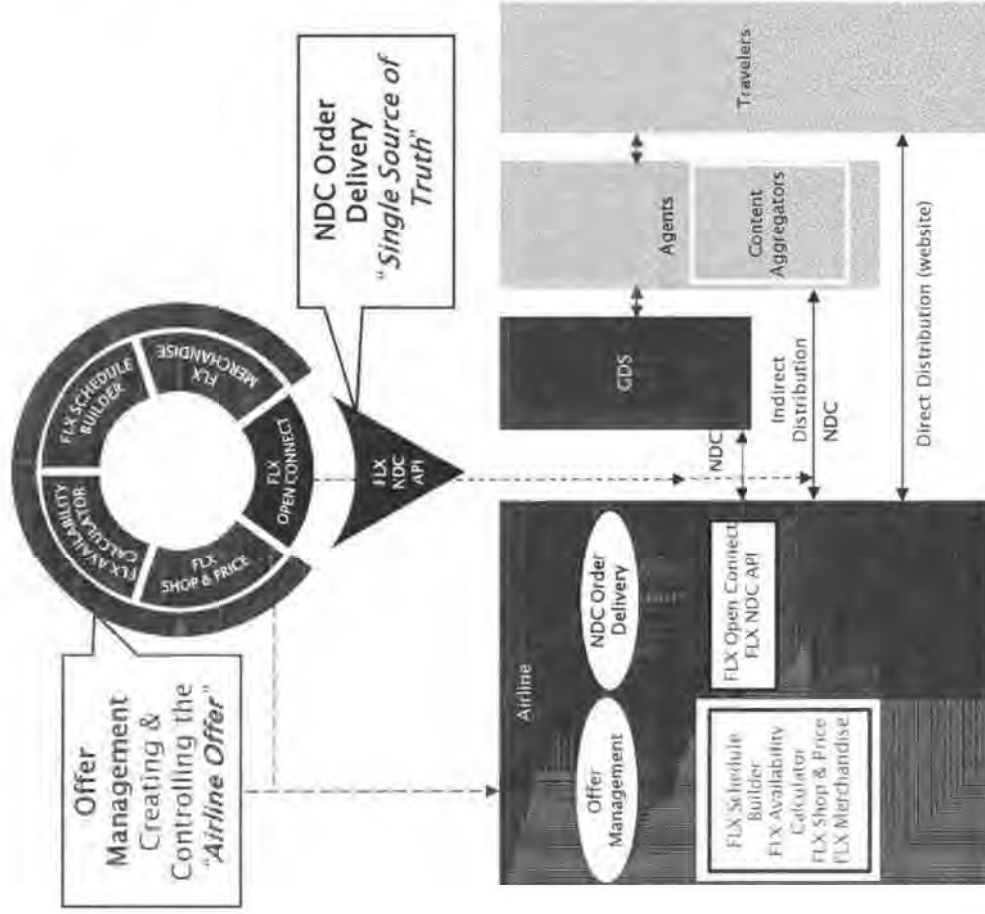
New Distribution Capability (NDC)



- Airlines control the technology to create and deliver customized offers to all channels
- Offers are customized and based on demand, real-time inventory, customer and airline data
- Airlines can collect personalized offers throughout the trip cycle, including post-booking ancillary sales
- Enables airlines with two distinct distribution paths:
 - FLX NDC Connect enables airlines to connect their NDC API directly to aggregators, OTAs and agencies
 - FLX NDC GDS Connect enables airlines to connect their NDC API to the GDS

1. Travel Management Company (TMC) is a type of travel agent that specializes in retailing travel for large corporations.
 2. Content Aggregators are third-party intermediaries that use their technology to help airlines create and optimize their offers.

4 Farelogix is the Leading Platform for Offer Management and NDC Order Delivery, Enabling Next Generation Retailing Across All Channels



- Airlines have flexibility to create and distribute offers consistently across all channels based on demand and real-time inventory
- NDC standards enable airlines to make offers to sellers via the GDSs or directly to travel agencies/OTAs and independent third party content aggregators
- Airlines are in control to:
 - Personalize offers to reach customers through multiple touchpoints via single NDC API
 - Rebook complex itineraries, interlining and back-end functions
 - Advance merchandising capabilities delivered using a multi-channel business-rules engine
 - Issue documents and respond with guaranteed confirmations
 - Introduce fare and product bundles
 - Incorporate AI/predictive analytics for offer optimization

GDSS are Now Endorsing NDC and are Implementing 8 Airlines with 11 NDC API Integrations with Farelogix Accelerating NDC Order Delivery Transactions

Public Statements on NDC

amadeus

- ✗ "We are happy to support IATA in involving the field of distribution. Still, it's very early stages" November 2012
- ✓ "Over the years, Amadeus has actively contributed to evolving IATA NDC...it is our aim to deploy NDC..." November 2017

Sabre

- ✗ "We don't see how it would work without sacrificing fare transparency, limiting comparison shopping and compromising data privacy rights" November 2017
- ✓ "Let me make it very clear. We're in complete support of New Distribution and we're supportive of next-generation retailing" December 2012

Travelport

- ✗ "Much of the IATA NDC statement appears only conceptual in nature, based on high level principles that do not necessarily incorporate the input of all the critical components" August 2017
- ✓ "We are grateful to IATA for this recognition and delighted to be the first travel commerce platform to now be fully NDC-Certified" October 2012

December 2017



© NDC Order Delivery Revenue

NDC Order Delivery Revenue Growth Driven Primarily by TMC Adoption of GDS NDC Enabled Platforms from Existing Farelogix Customers

(\$ in millions)





III. Revenue Generation Models & Drivers

Revenue Generation Models & Drivers



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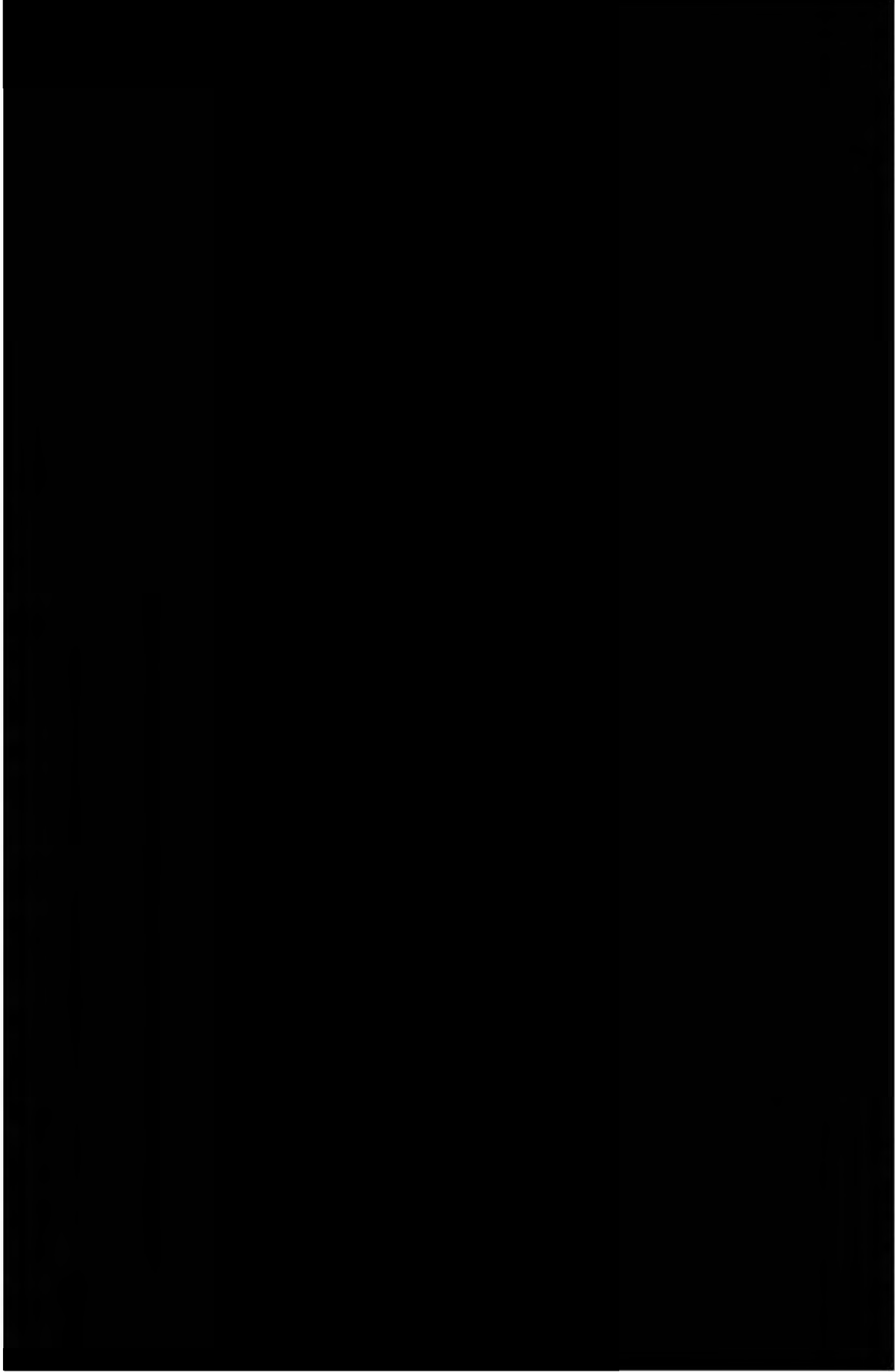
- o What has caused the slow adoption historically? What do you see as main barriers to NDC adoption?
We did not have the new Offer Management engines for sale (except FLX M) until 2017. For Order Delivery, the slow adoption was solely and unarguably due to the blocking and pressure GDSs put on Farelogix, airlines and travel agencies to not adopt NDC. More can be discussed as needed
- o There really are no barriers now as all the GDSs have openly adopted NDC and it is being deployed by large global airlines. Airlines will obviously adopt NDC on their own timeframes, but market pressure for airlines to adopt is growing as new revenues (from dynamic pricing and ancillary sales) is being attributed to NDC distribution
- o Why do you expect these to change over the next three years?

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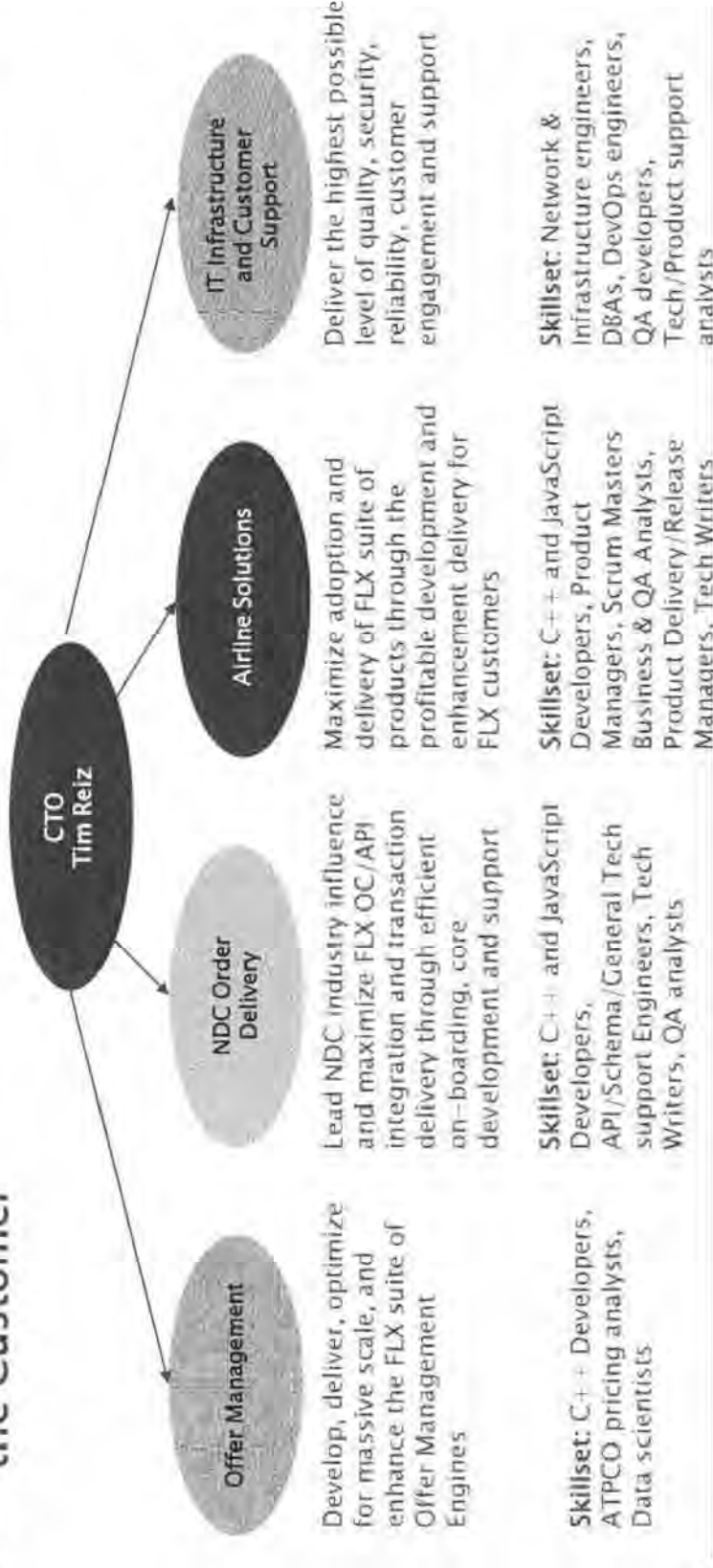
GDS adoption is the biggest change. This will embolden travel agencies and OTAs to move NDC adoption forward without fear of repercussion or retaliation. Many of our airline FLX OC customers tell us that they envision a new indirect distribution mix (GDS and non GDS) with a higher percentage of NDC Direct Connect primarily with OTAs and specialty TMCs (consolidators) and "home market" travel agencies



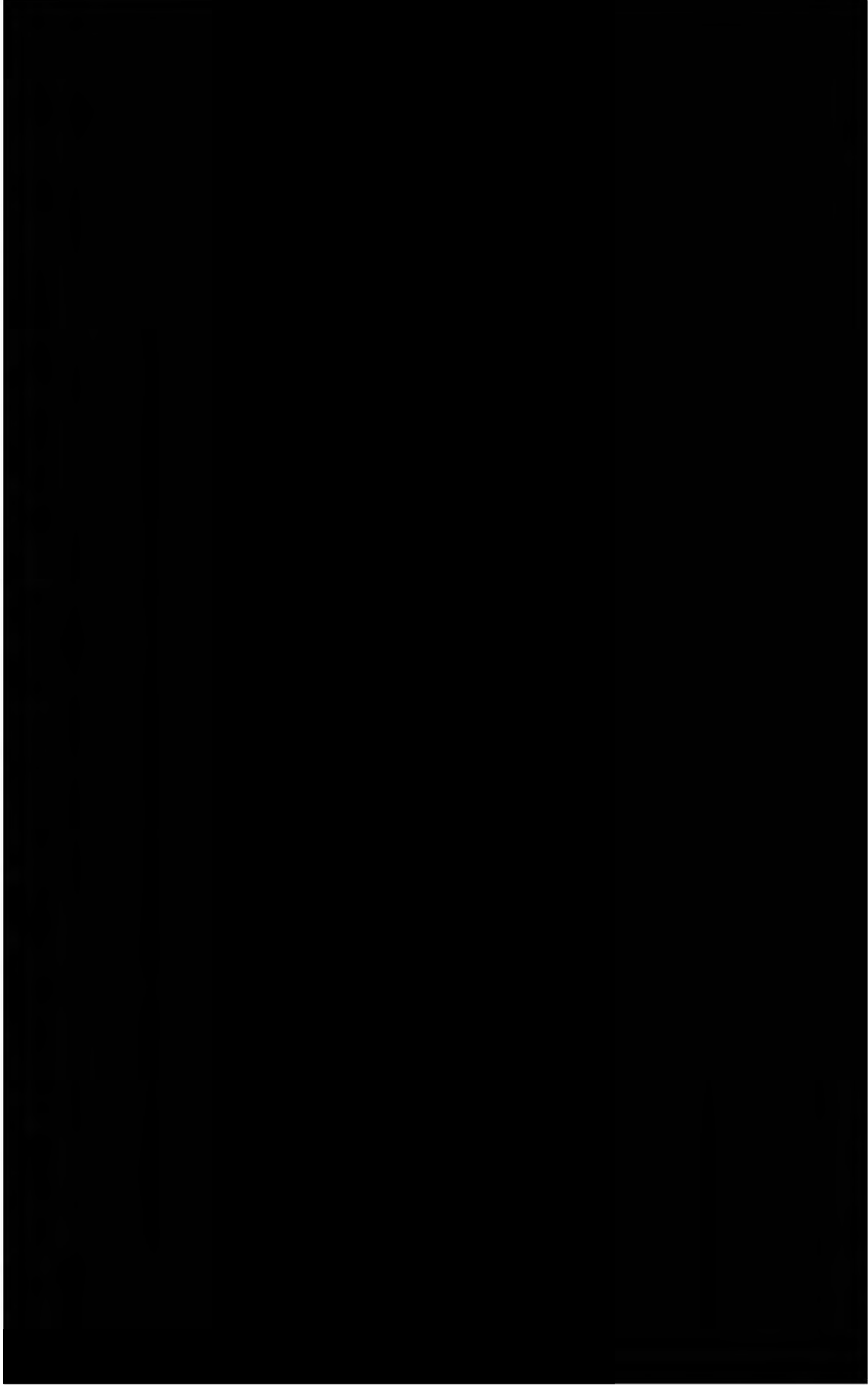
○ Revenue Generation Models & Drivers (Cont'd)



Technology Driven Organization, with ~90% of Employees Dedicated to Delivering FLX Airline Commerce Gateway Solutions to the Customer



Farelogix Offer Management and NDC Order Delivery Products



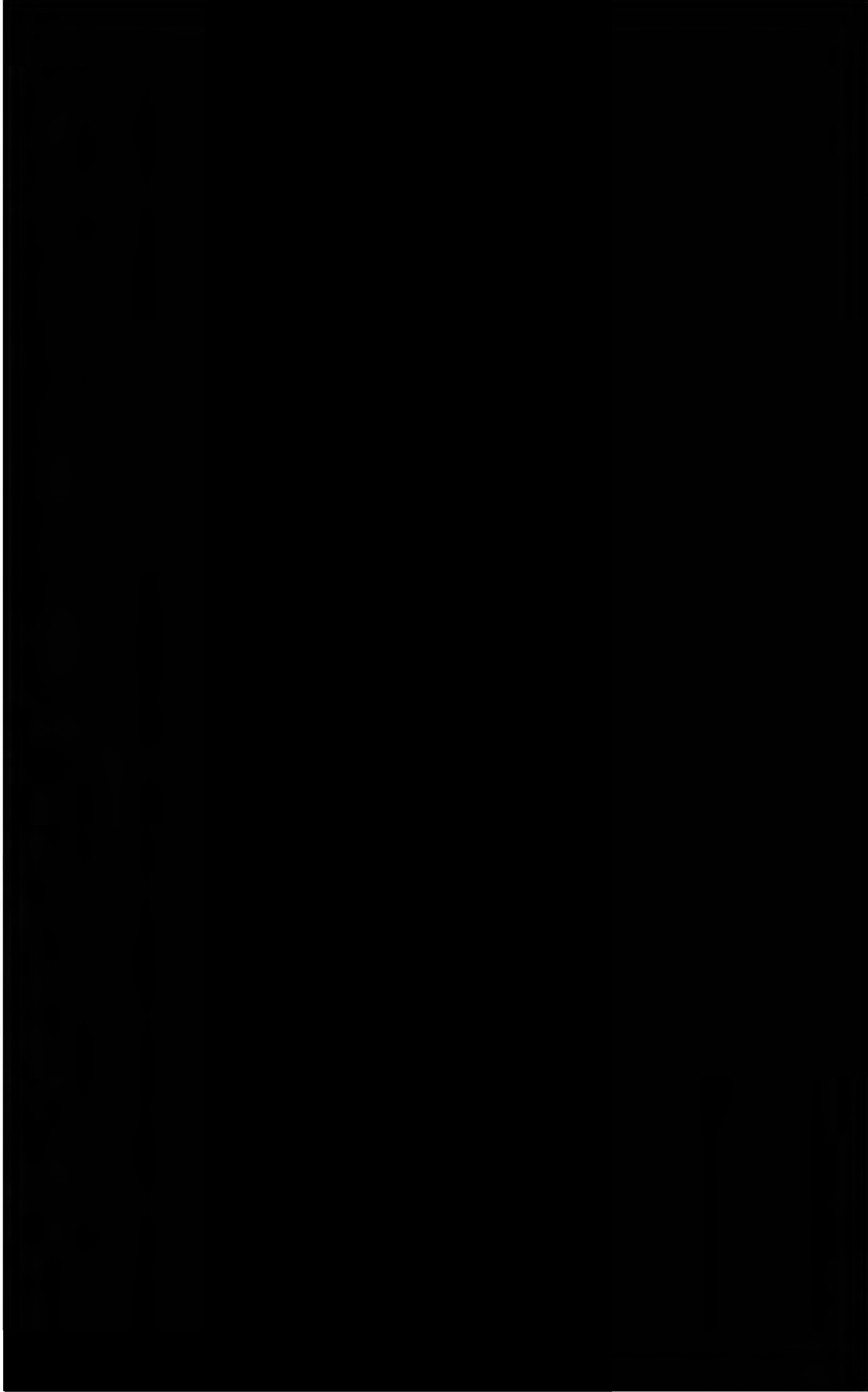
Track Record of Recurring Revenue Growth and Profitability

(\$ in millions)



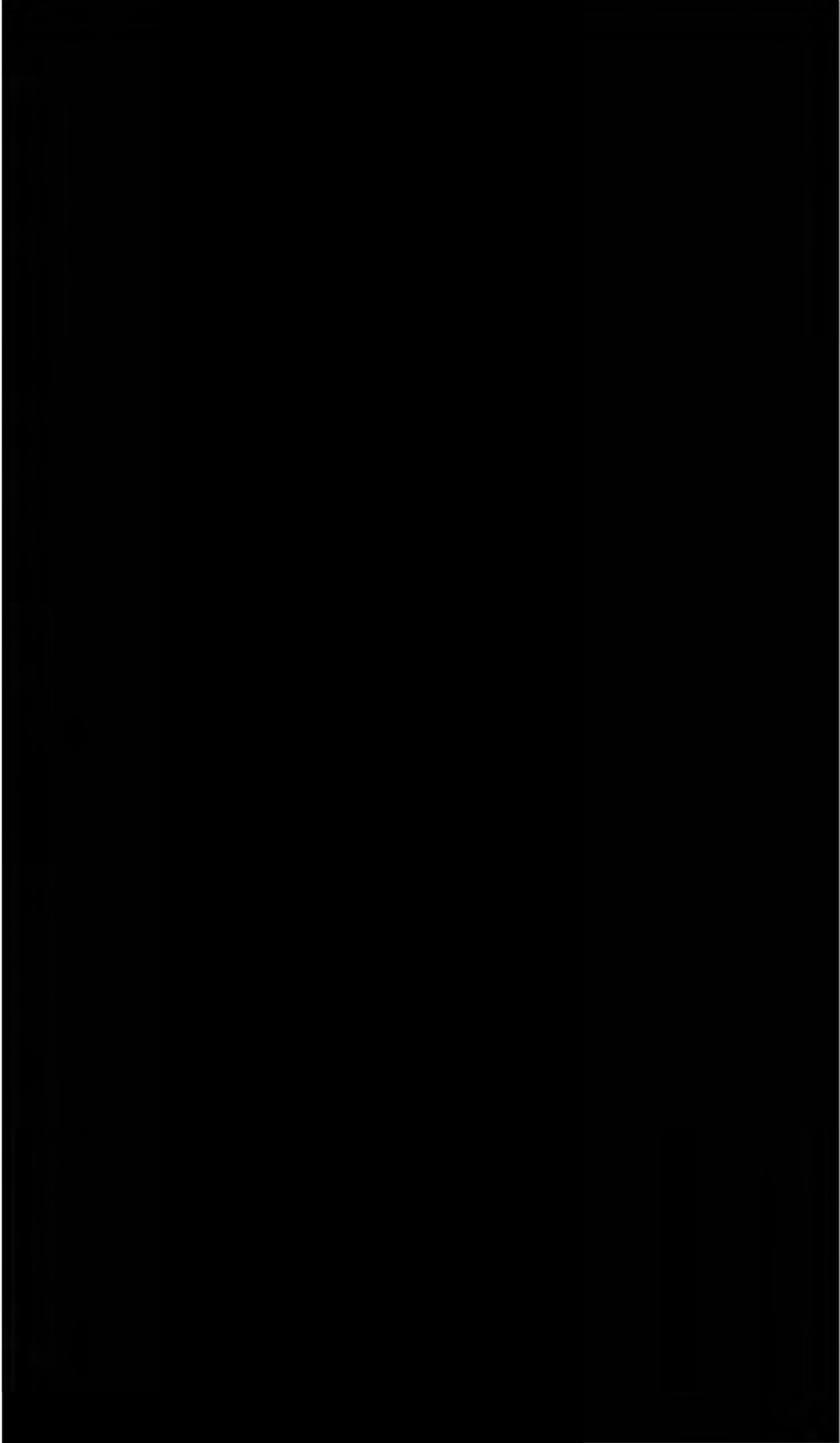
○ Attractive Financial Profile: High Growth and High Margin, with Significant Operating Leverage

(\$ in millions)



A Product Sales

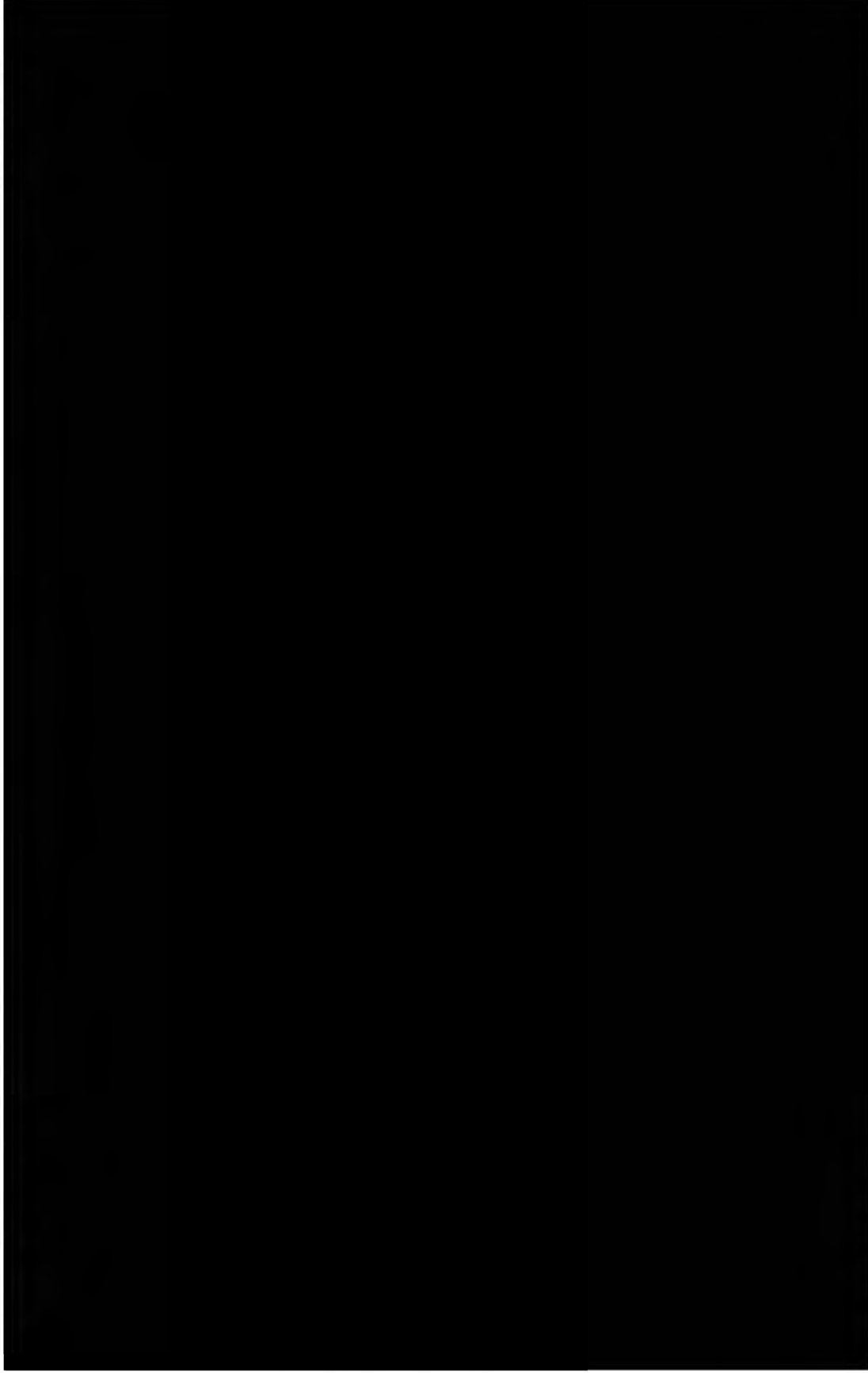
Increased Breadth of Products Across a Growing Customer Base Drives Farelogix's Near-Term Product Sales



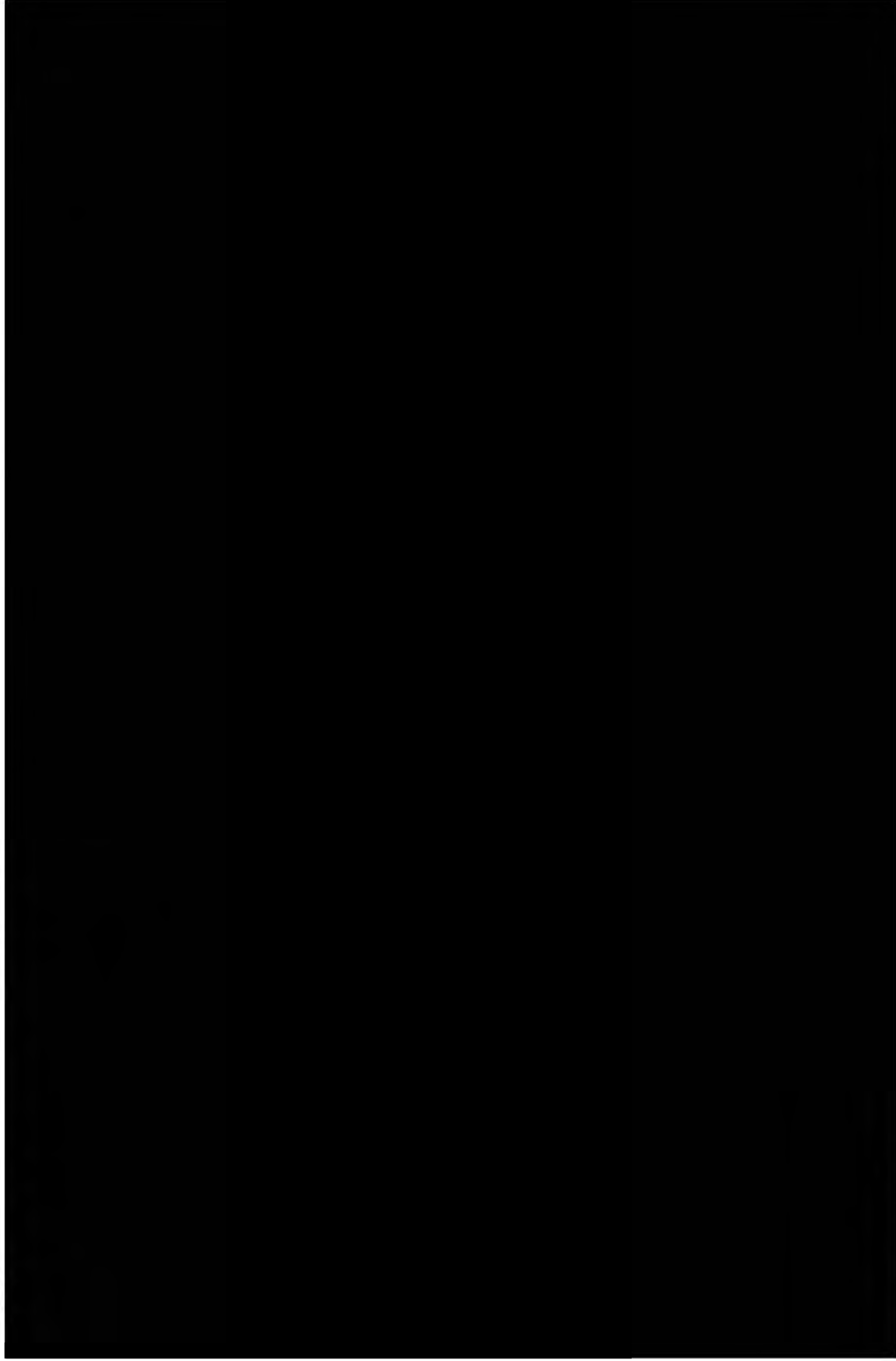
B Offer Management Revenue

Highly Visible Offer Management Revenue with Consistent Growth Driven by New Product Sales to Existing and New Customers

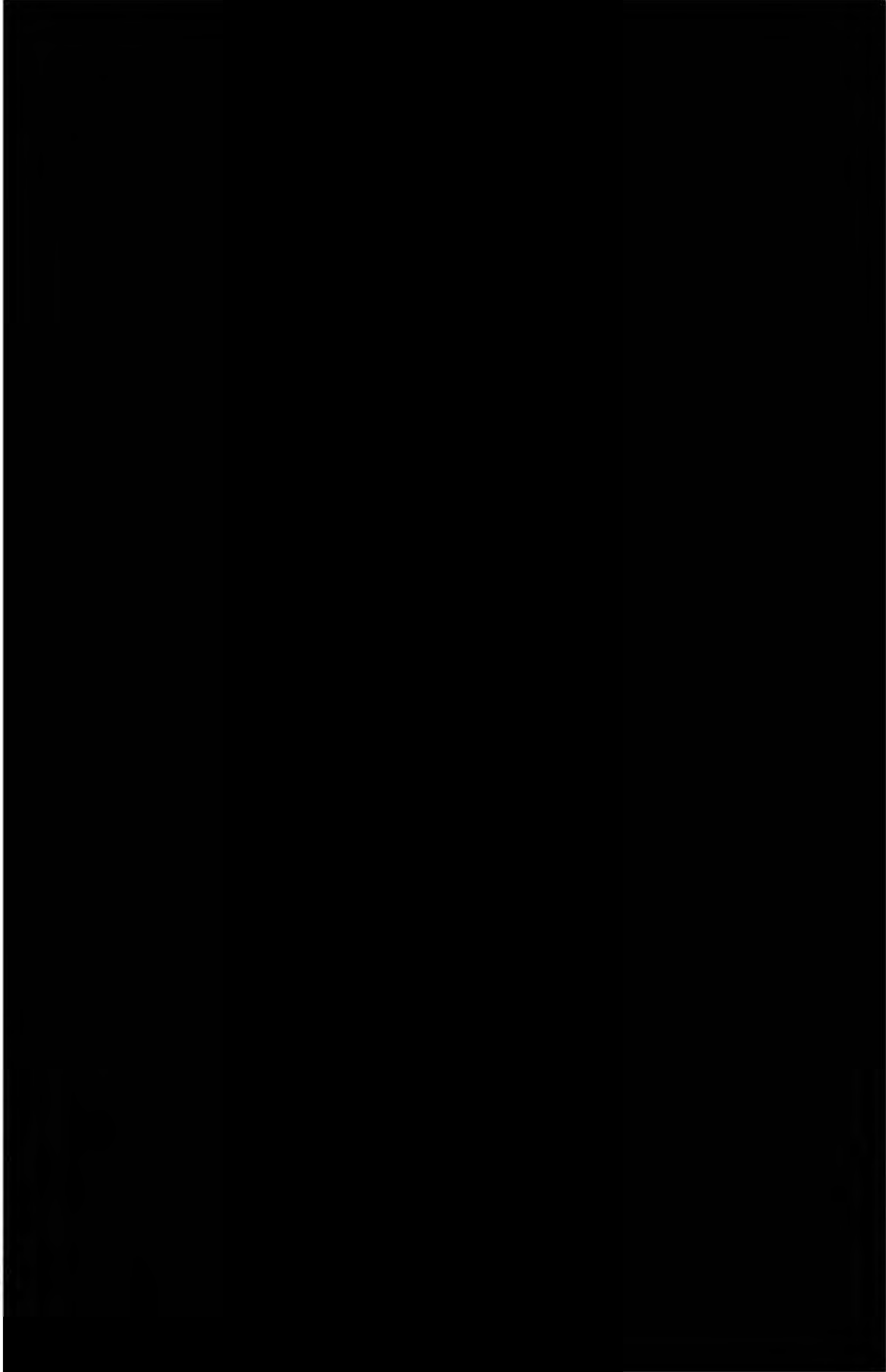
(\$ in millions)



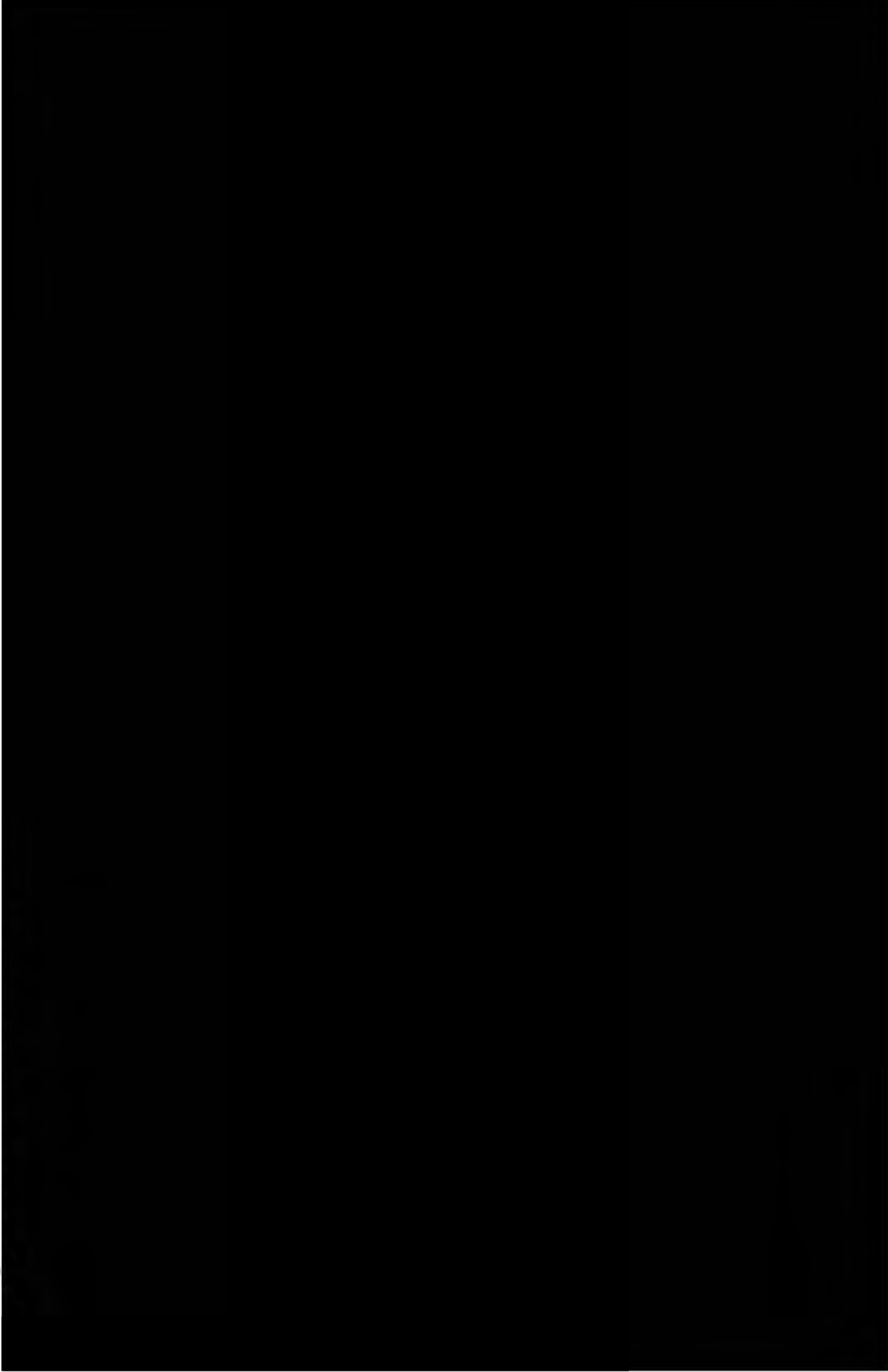
© NDC Order Delivery Revenue



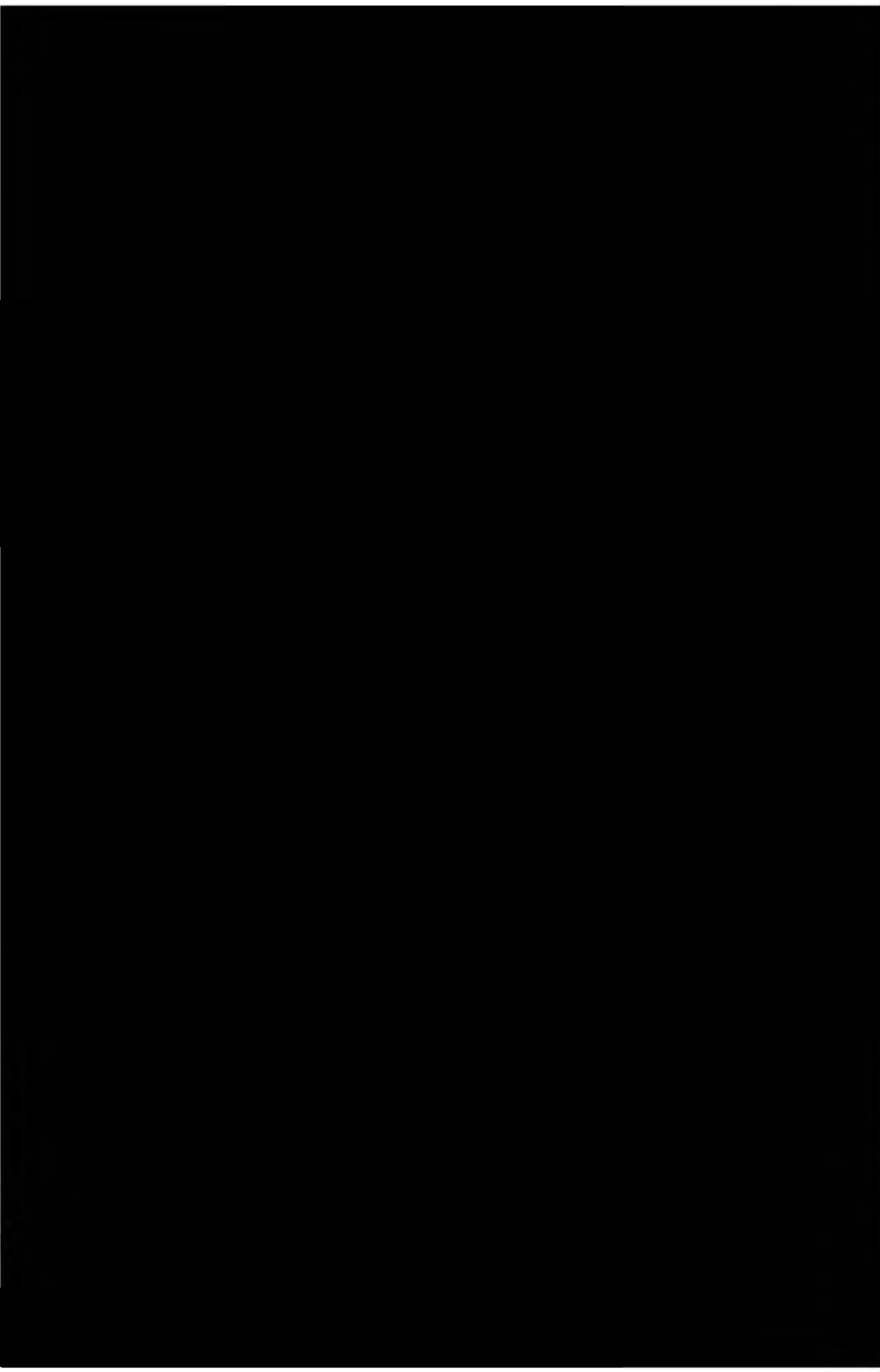
(D) Net Revenue



(E) Operating Expenses



(F) Headcount



GDSs are Now Endorsing NDC and are Implementing 8 Airlines with 11 NDC API Integrations with Farelogix Accelerating NDC Order Delivery Transactions

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✗ "We are happy to support IATA in involving the field of distribution. Still, it's very early stages"

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October 2012

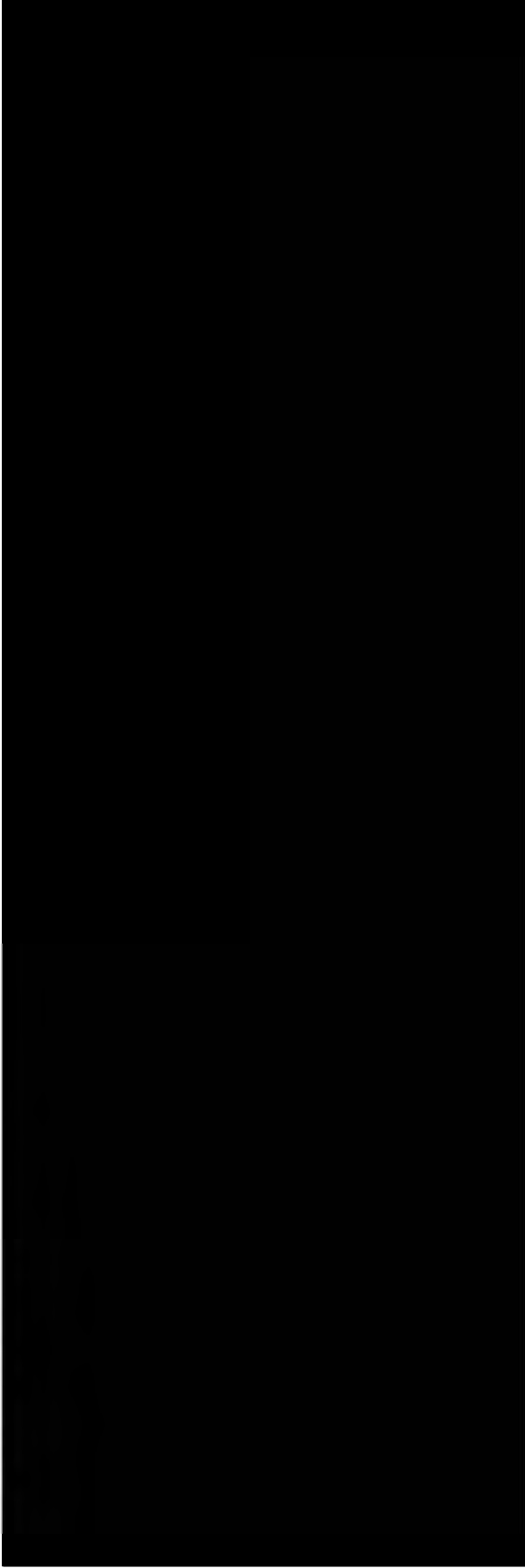
✓ "We are grateful to IATA for this recognition and delighted to be the first travel commerce platform to now be fully NDC-Certified"

December 2017

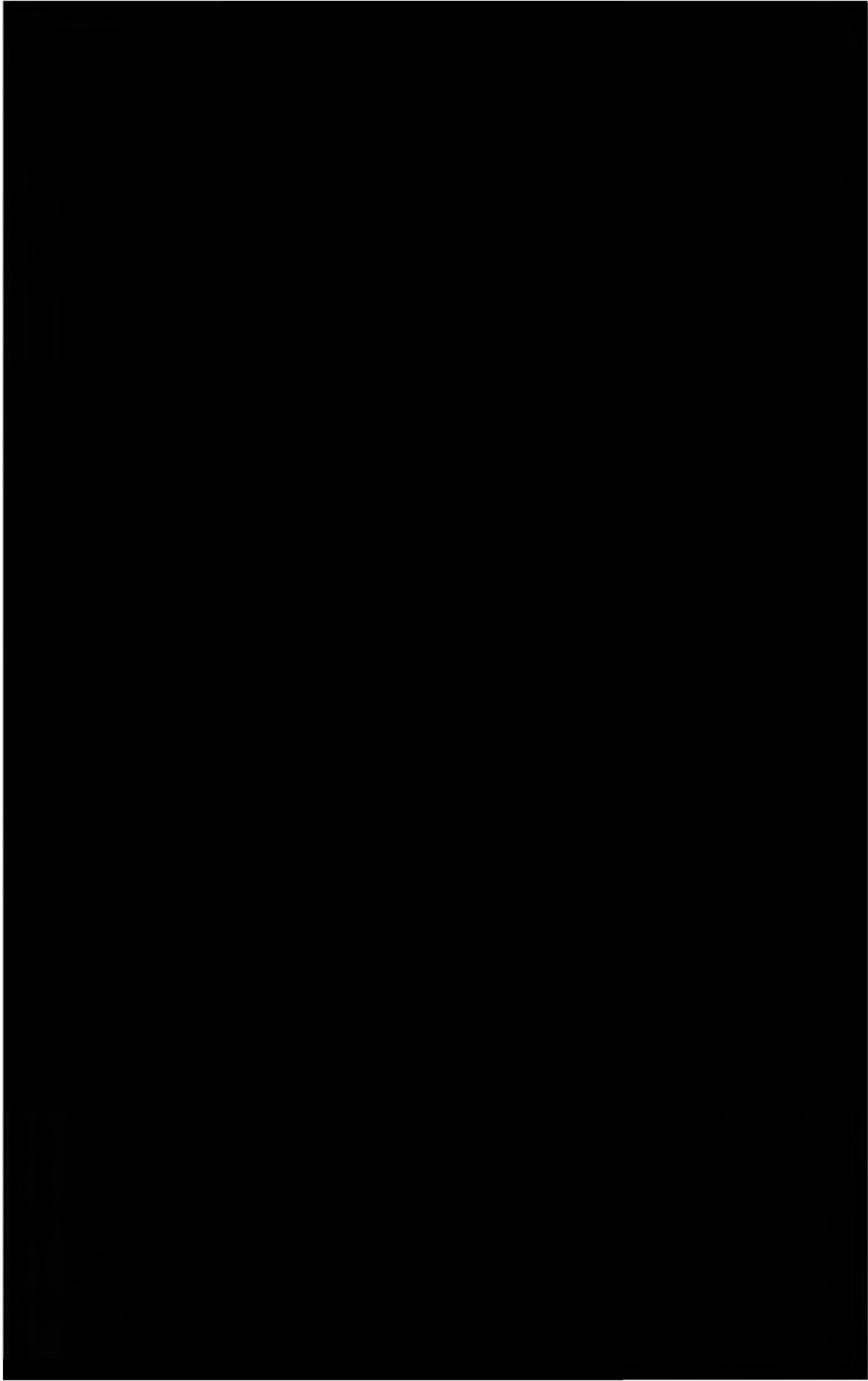


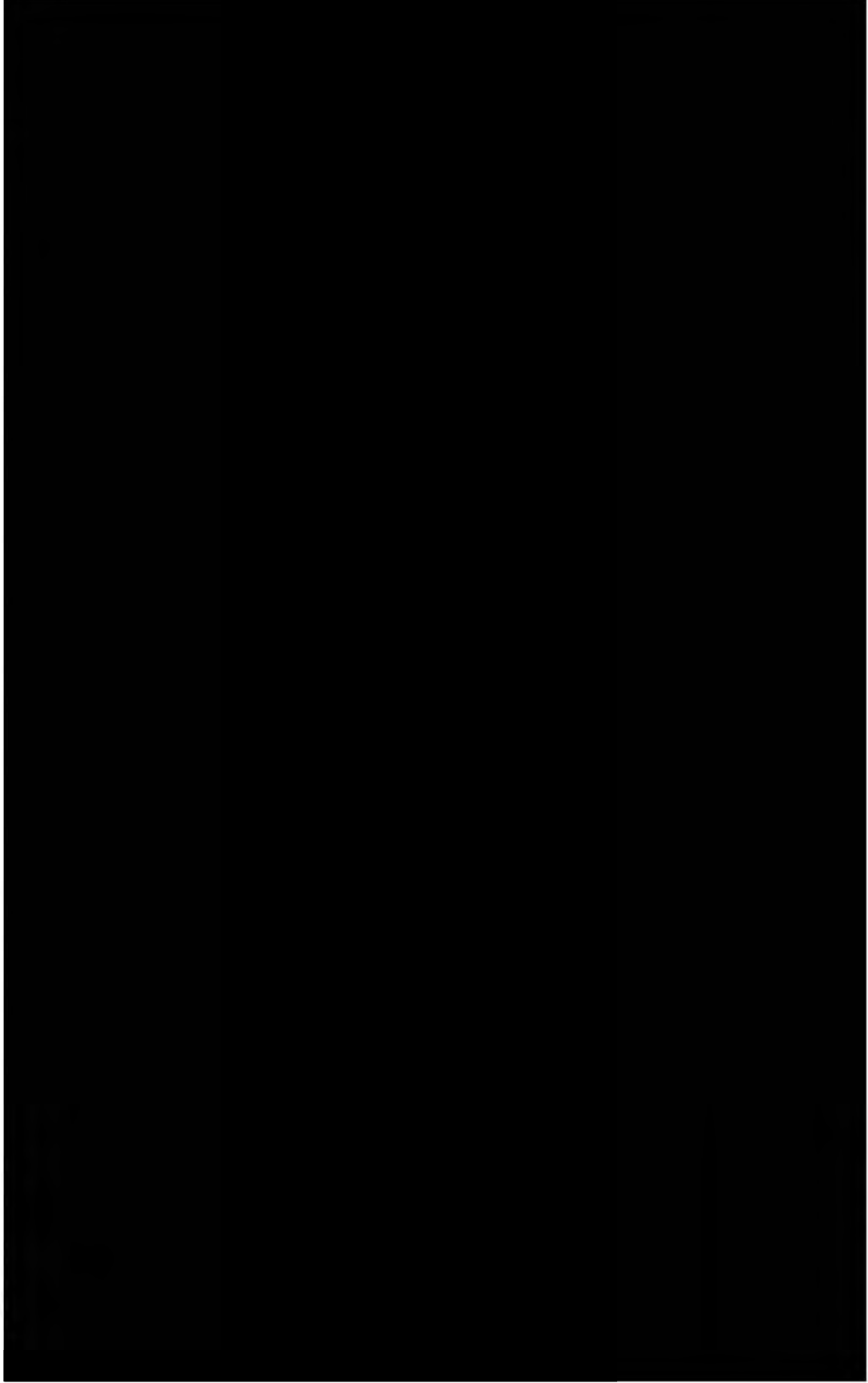


IV. Unit Economics



© EBITDA

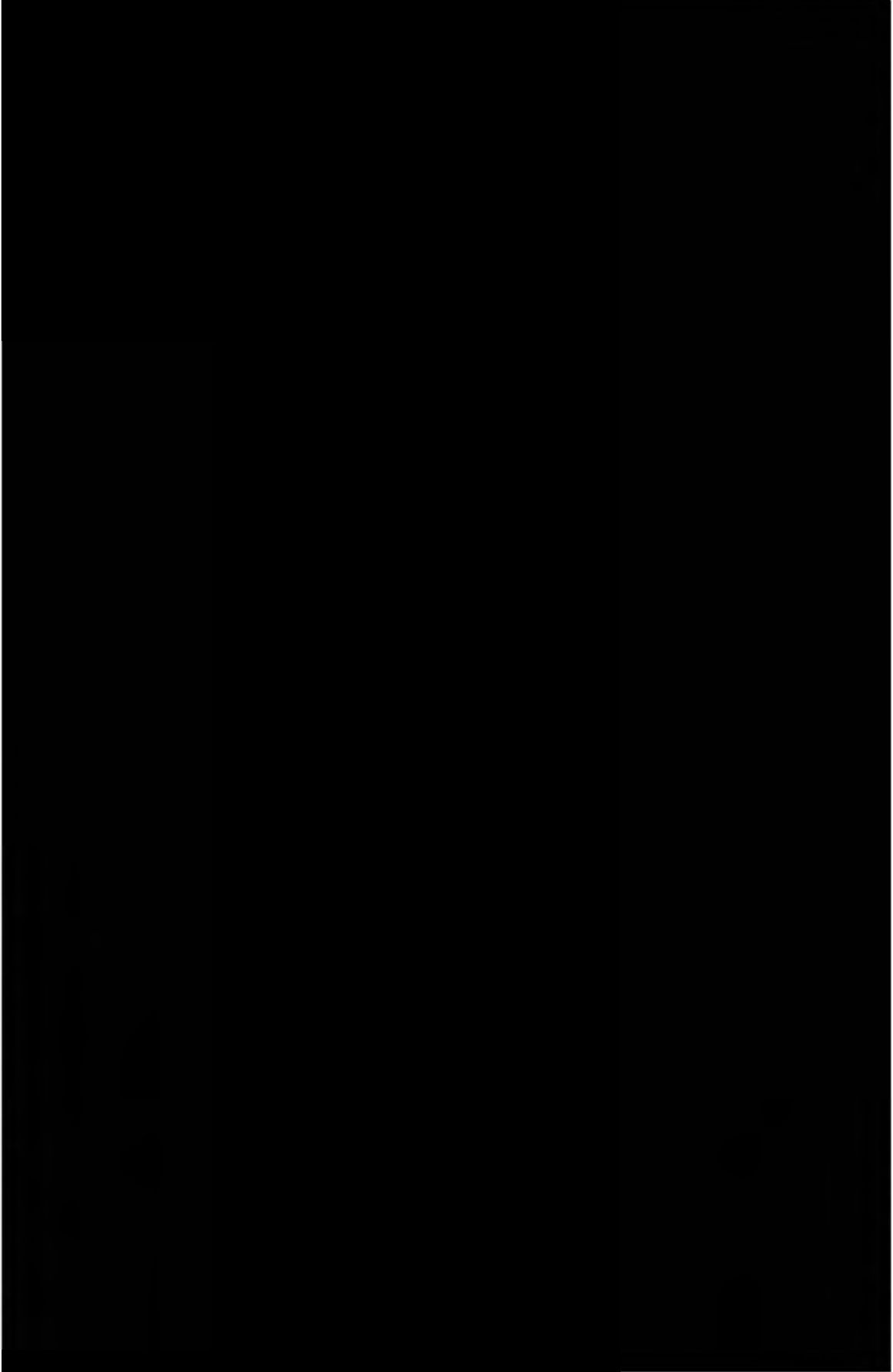


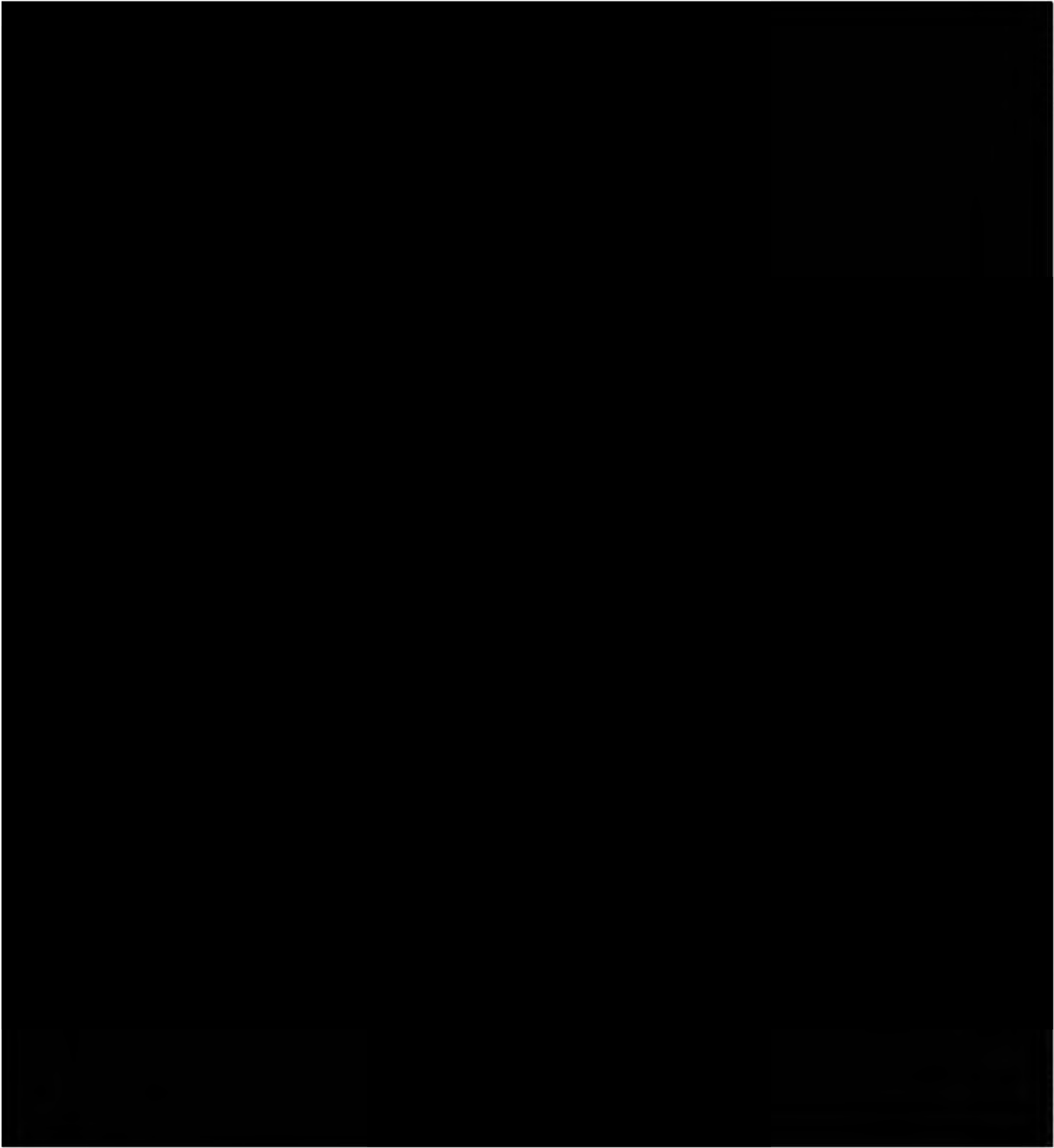




V. Client and Product Pipeline

○ Client and Product Pipeline





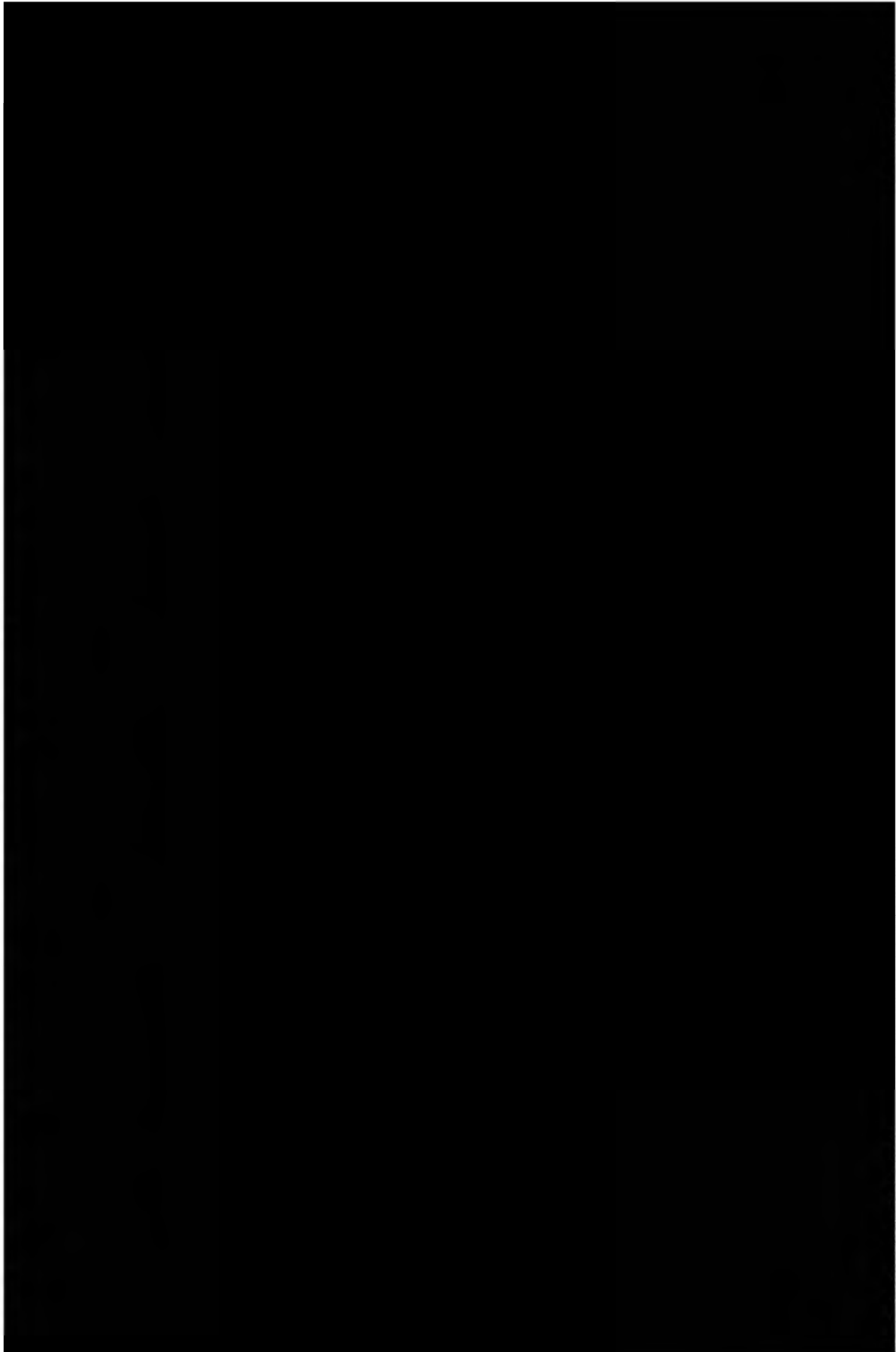
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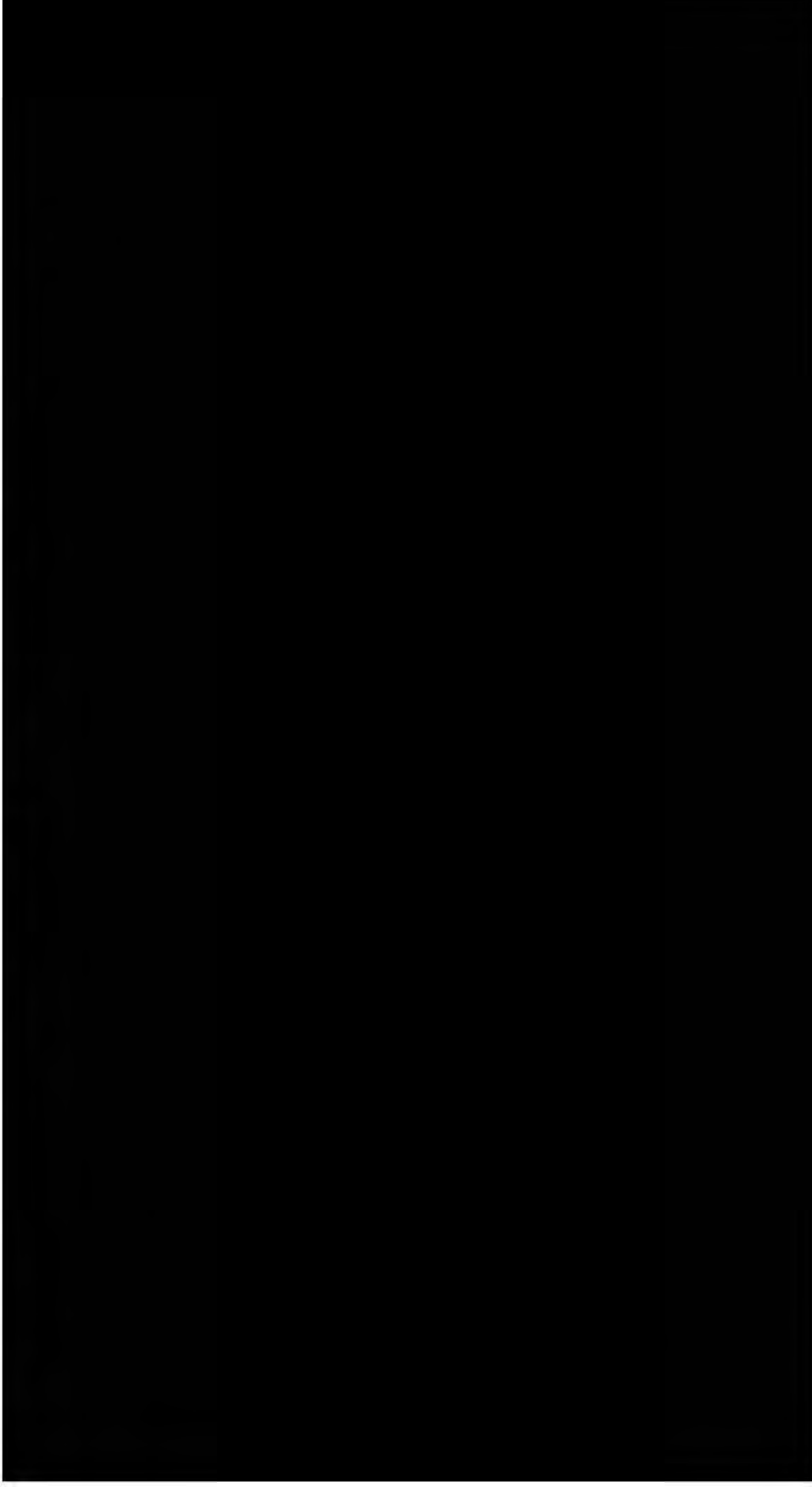


VI. Further Questions – Historical and Projected Financials

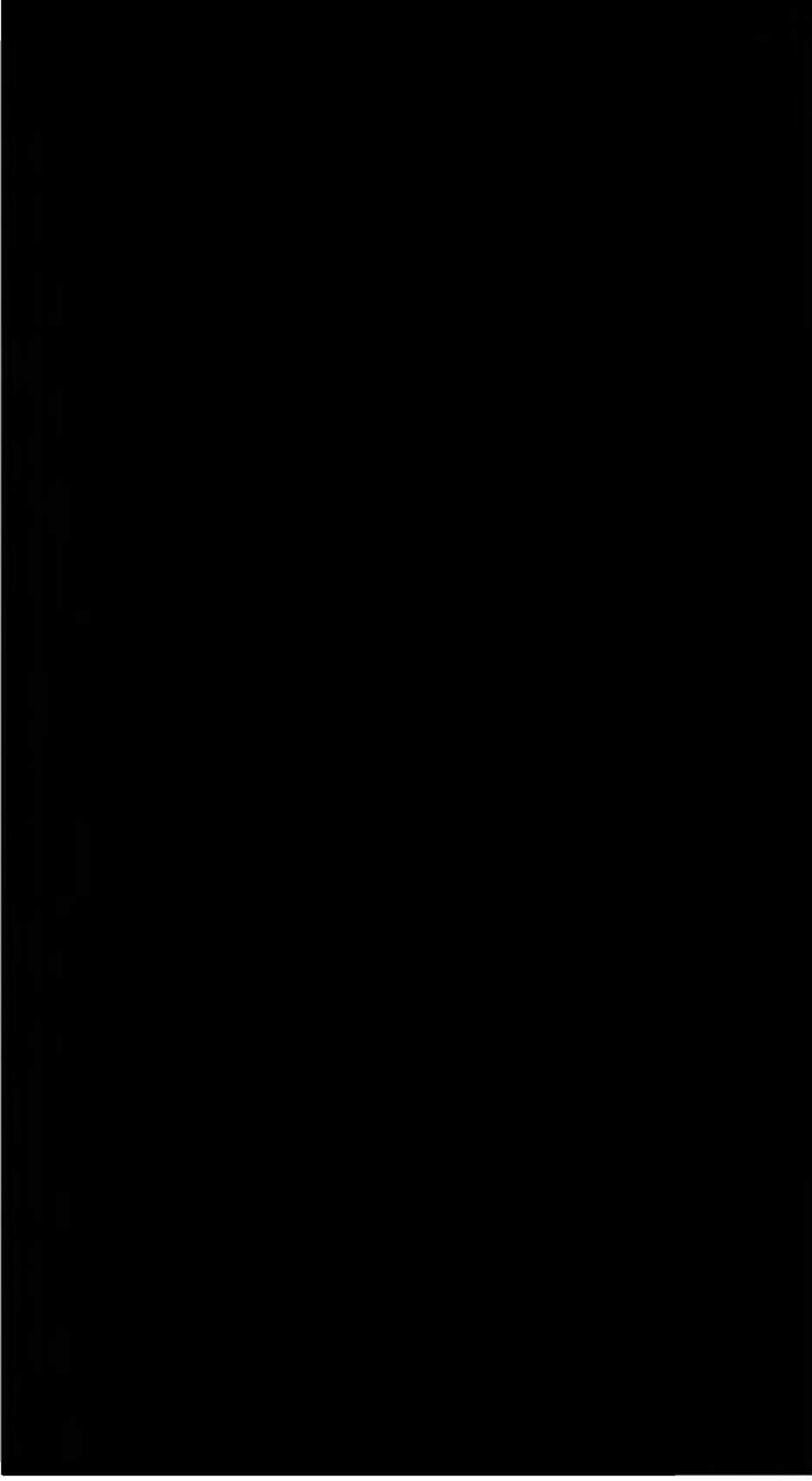
○ Further Questions – Historical and Projected Financials



○ Further Questions – Historical and Projected Financials (Cont'd)



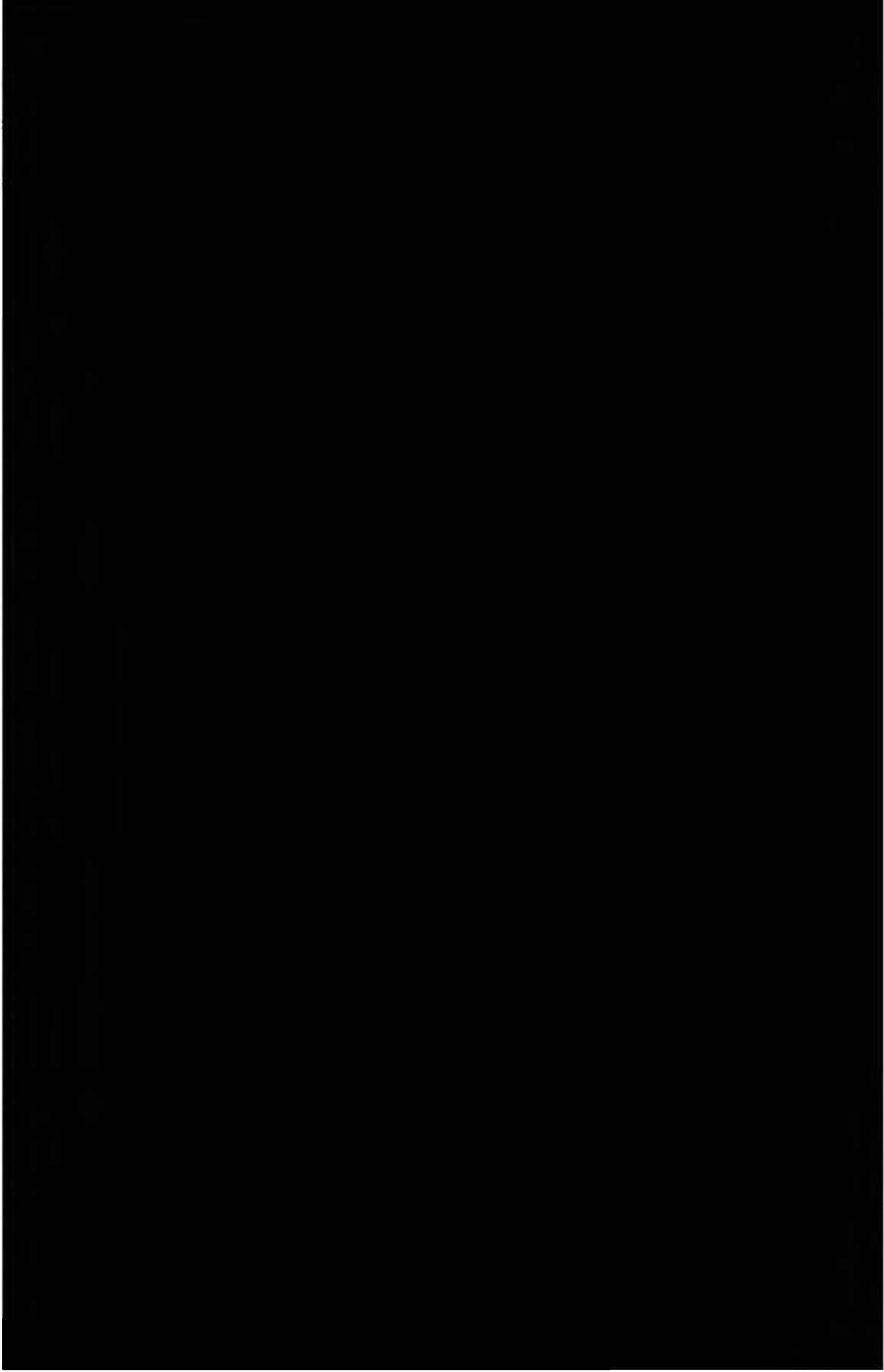
○ Further Questions – Historical and Projected Financials (Cont'd 2)



5

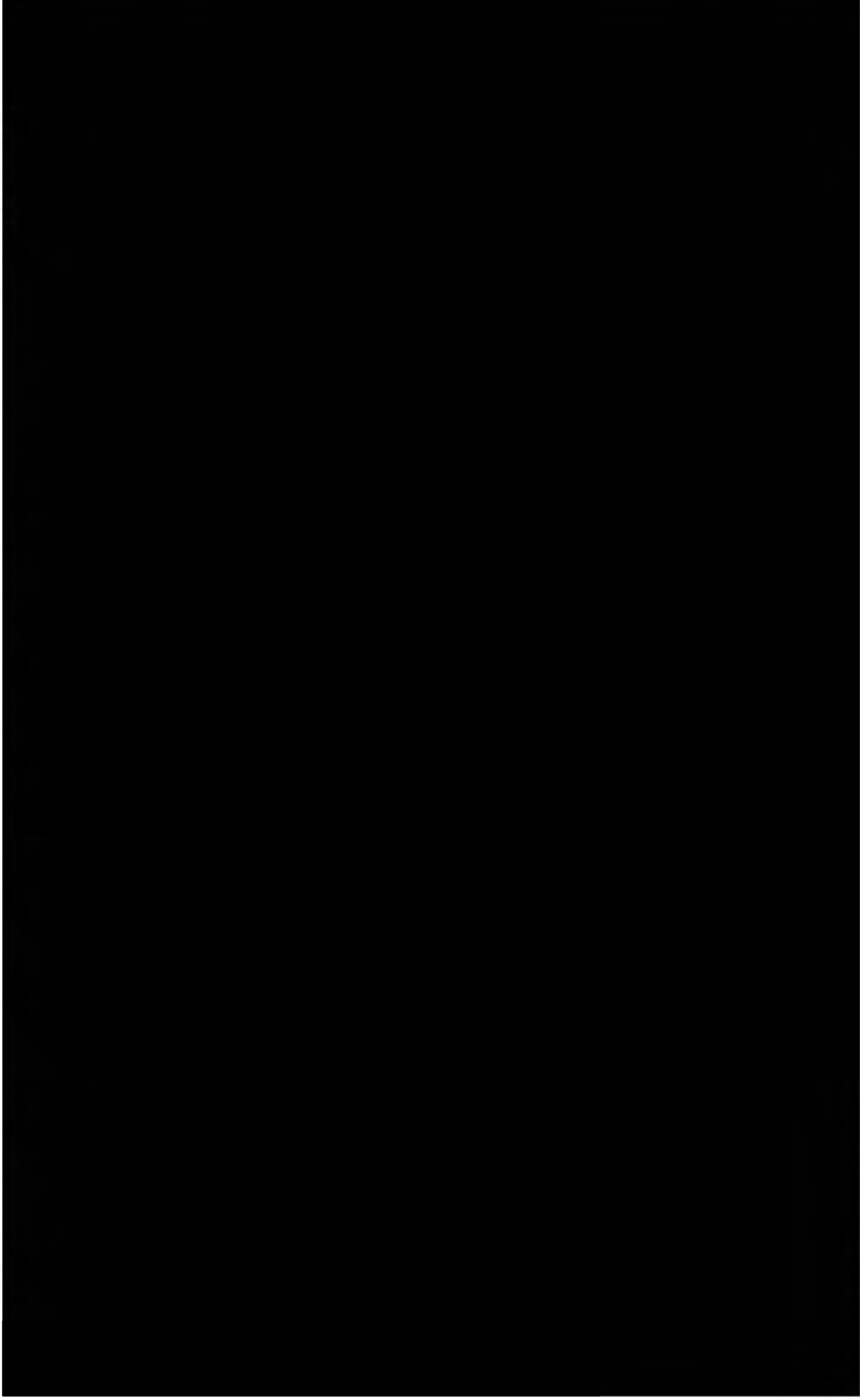
High Growth, High Margin SaaS Platform with Significant Operating Leverage Driven by Accelerating Customer Adoption

10

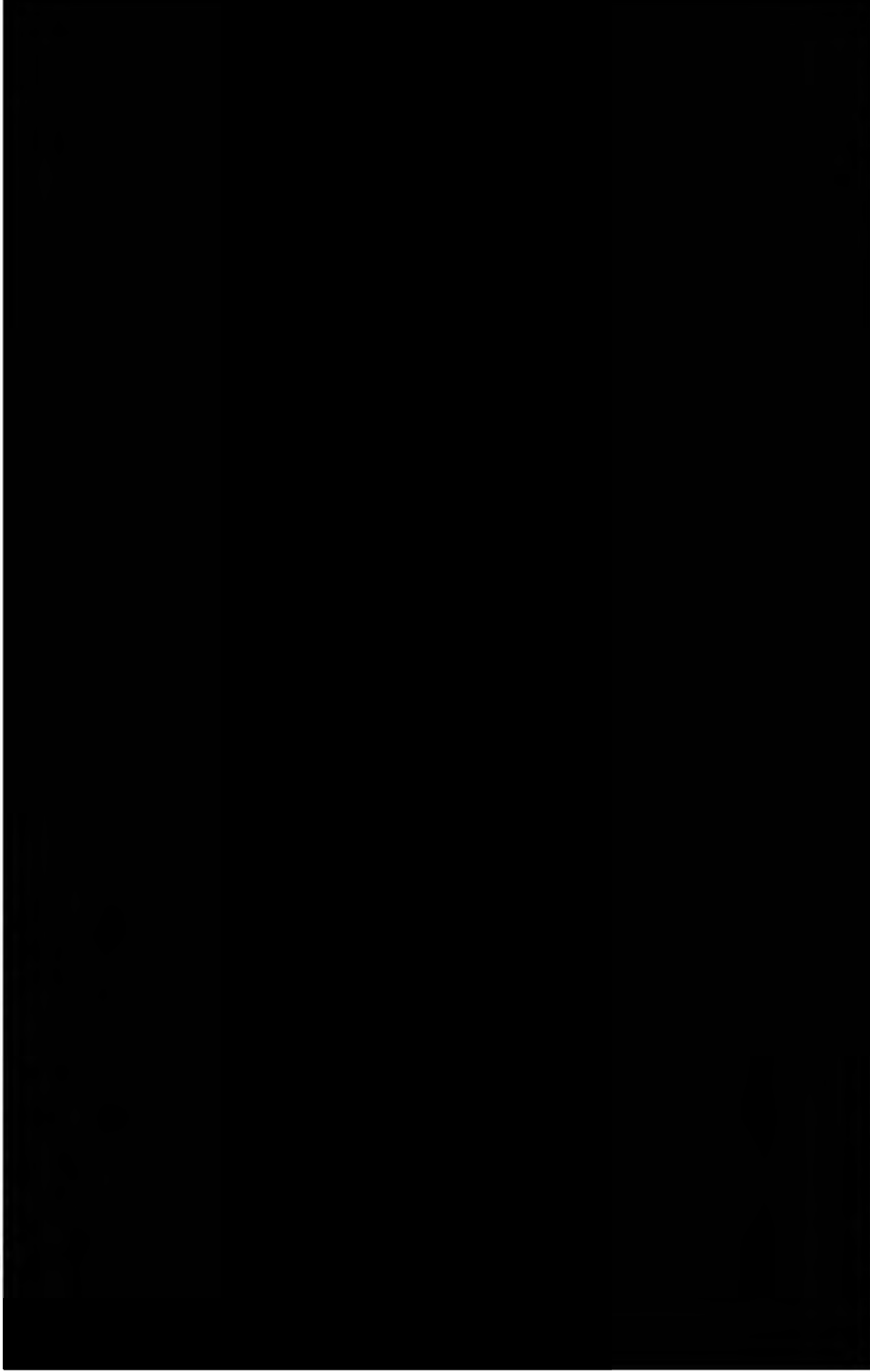


○ Track Record of Recurring Revenue Growth and Profitability

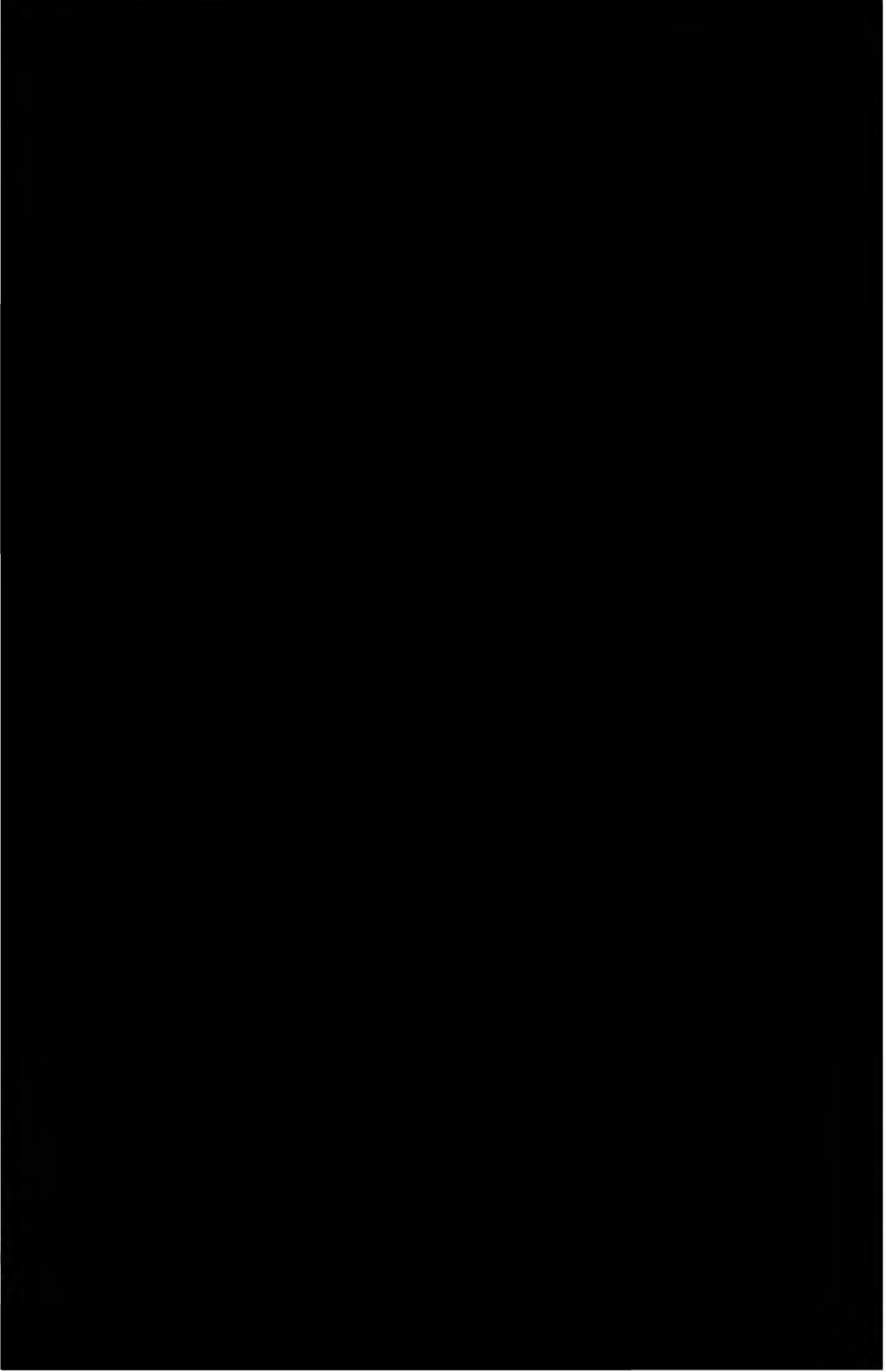
(\$ in millions)



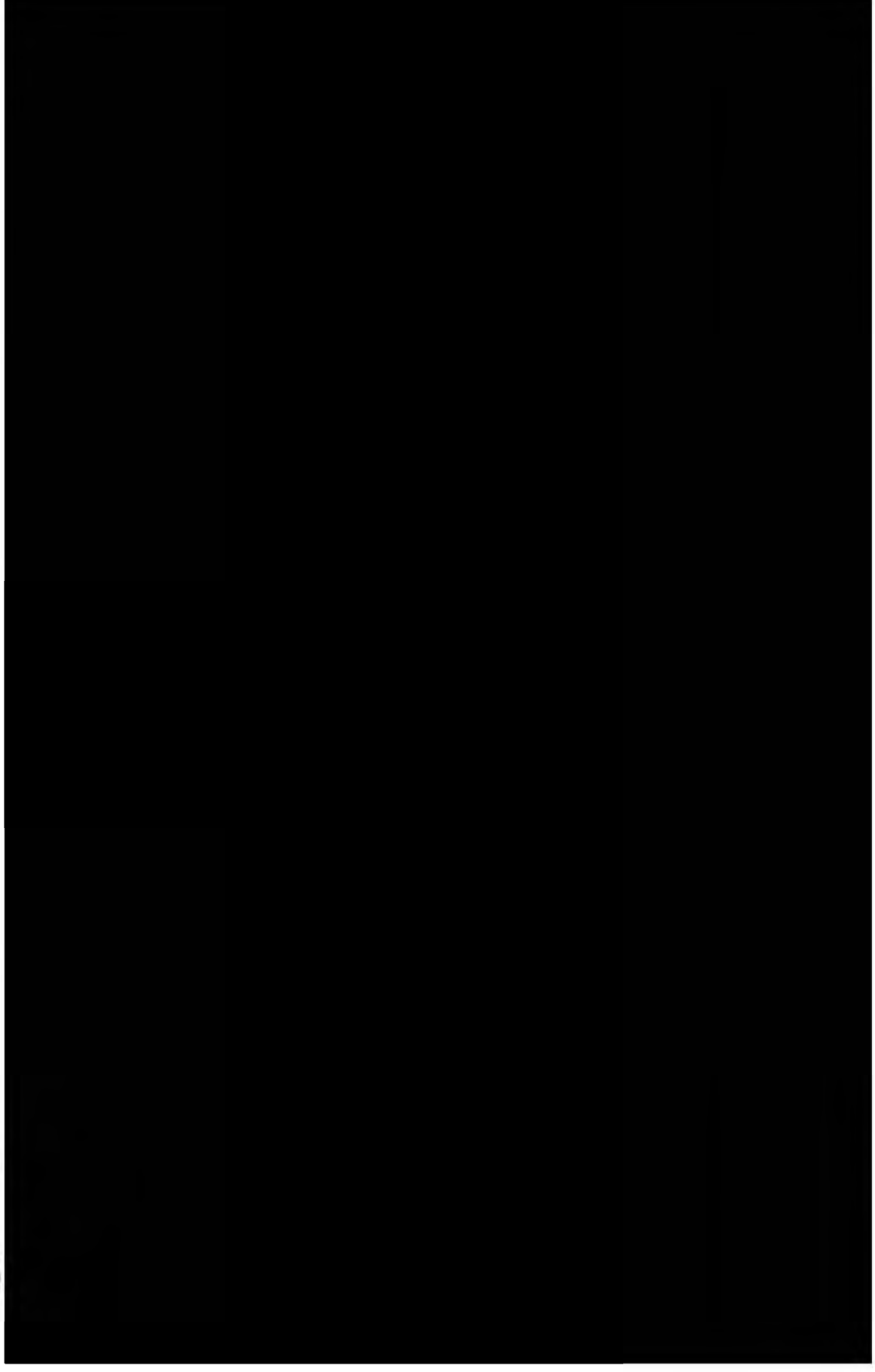
(E) Operating Expenses



(F) Headcount



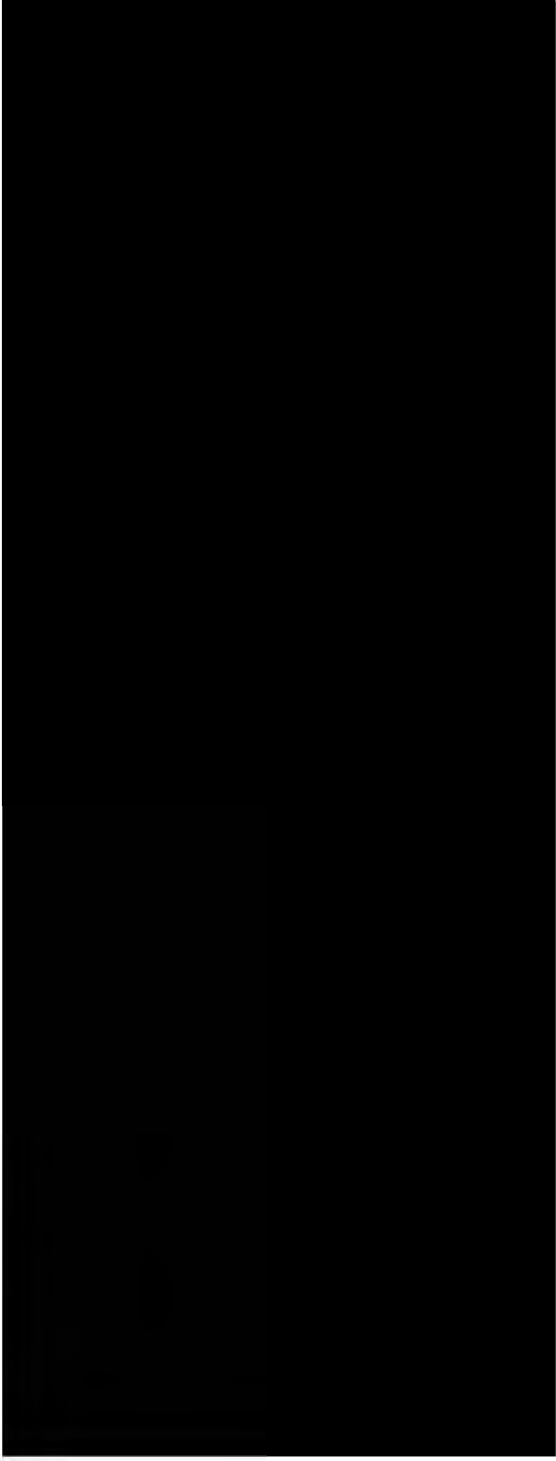
© EBITDA



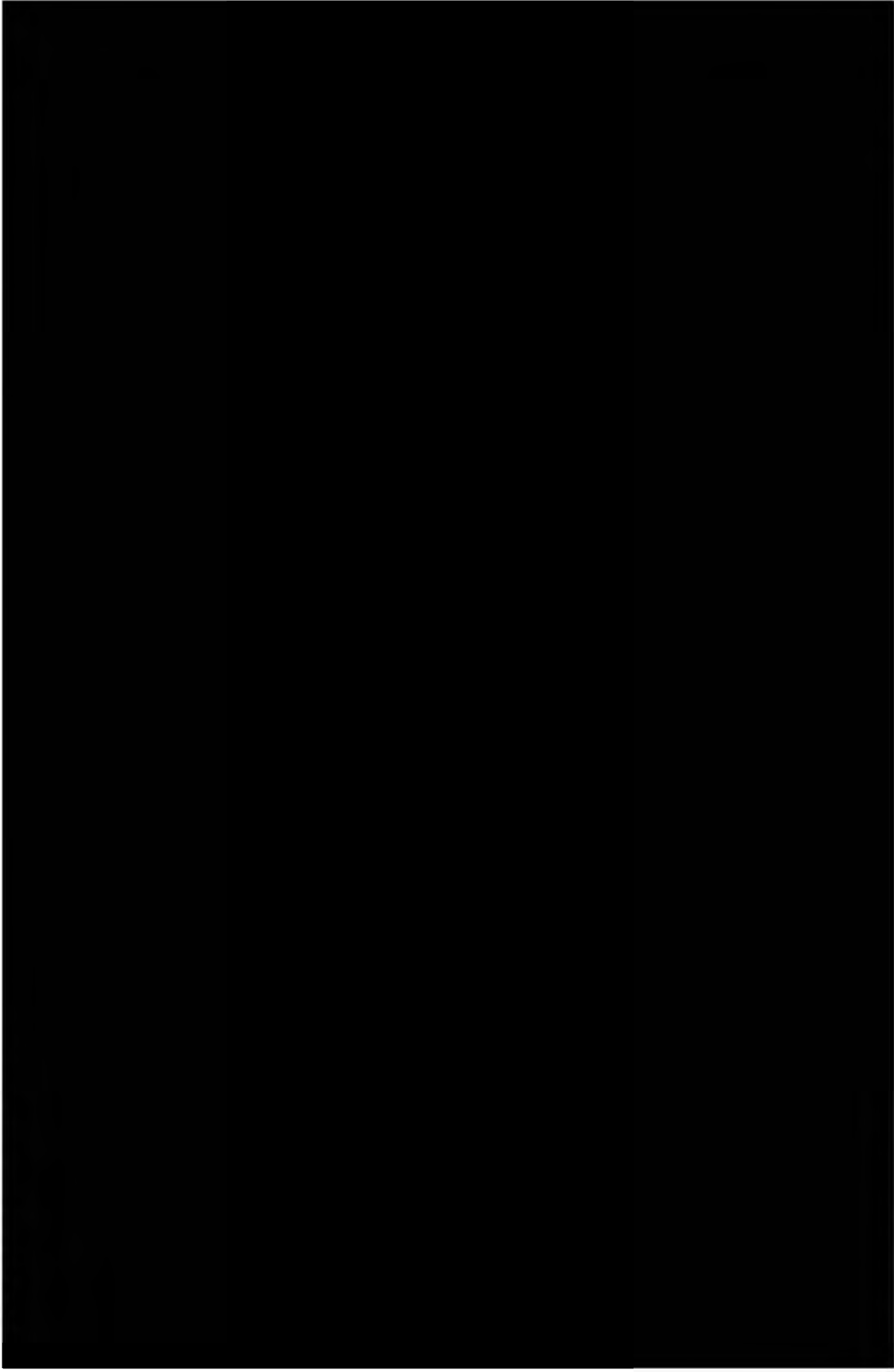
○

VII. Cash Flow

○ Cash Flow



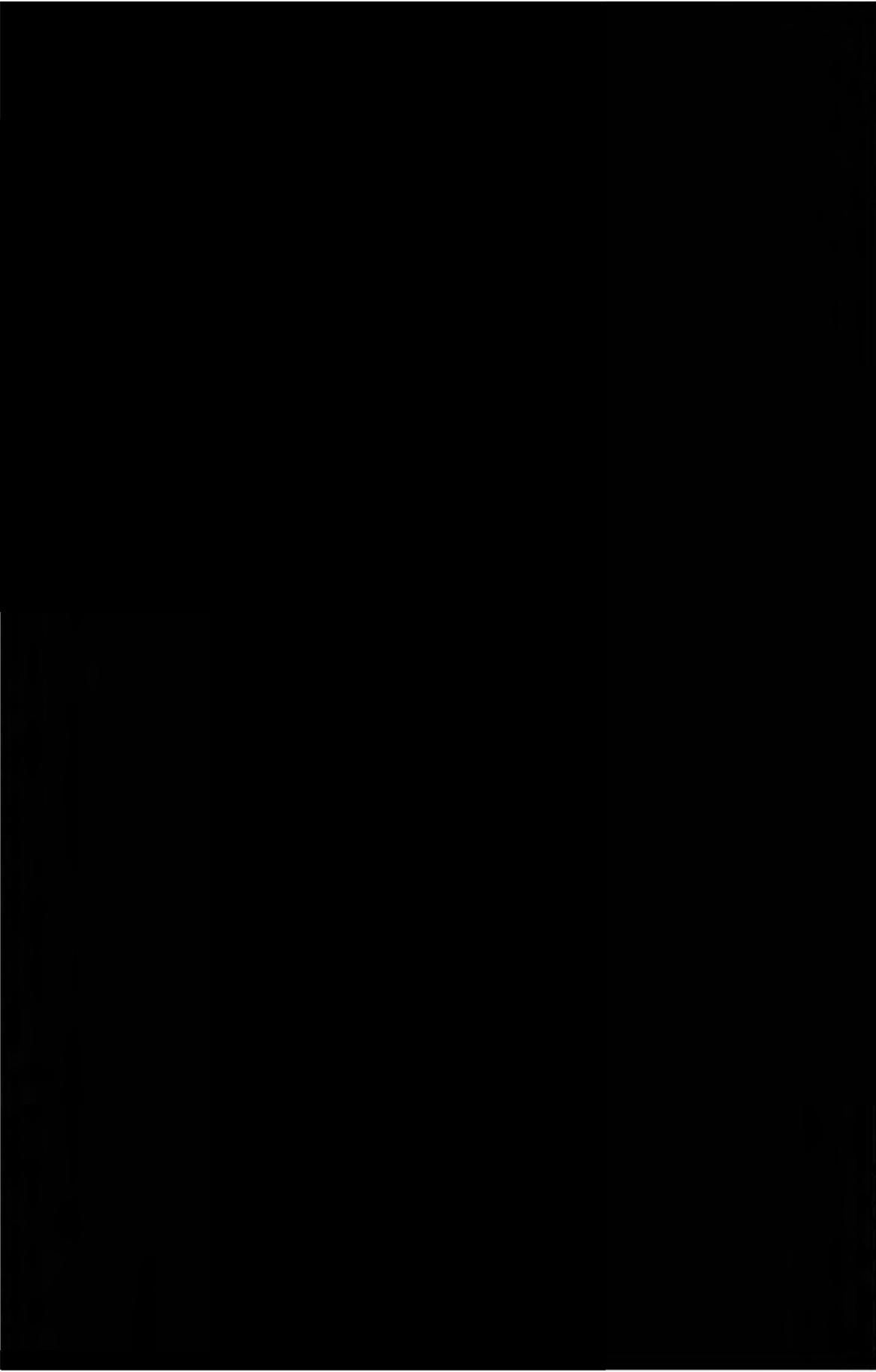
(H) Free Cash Flow



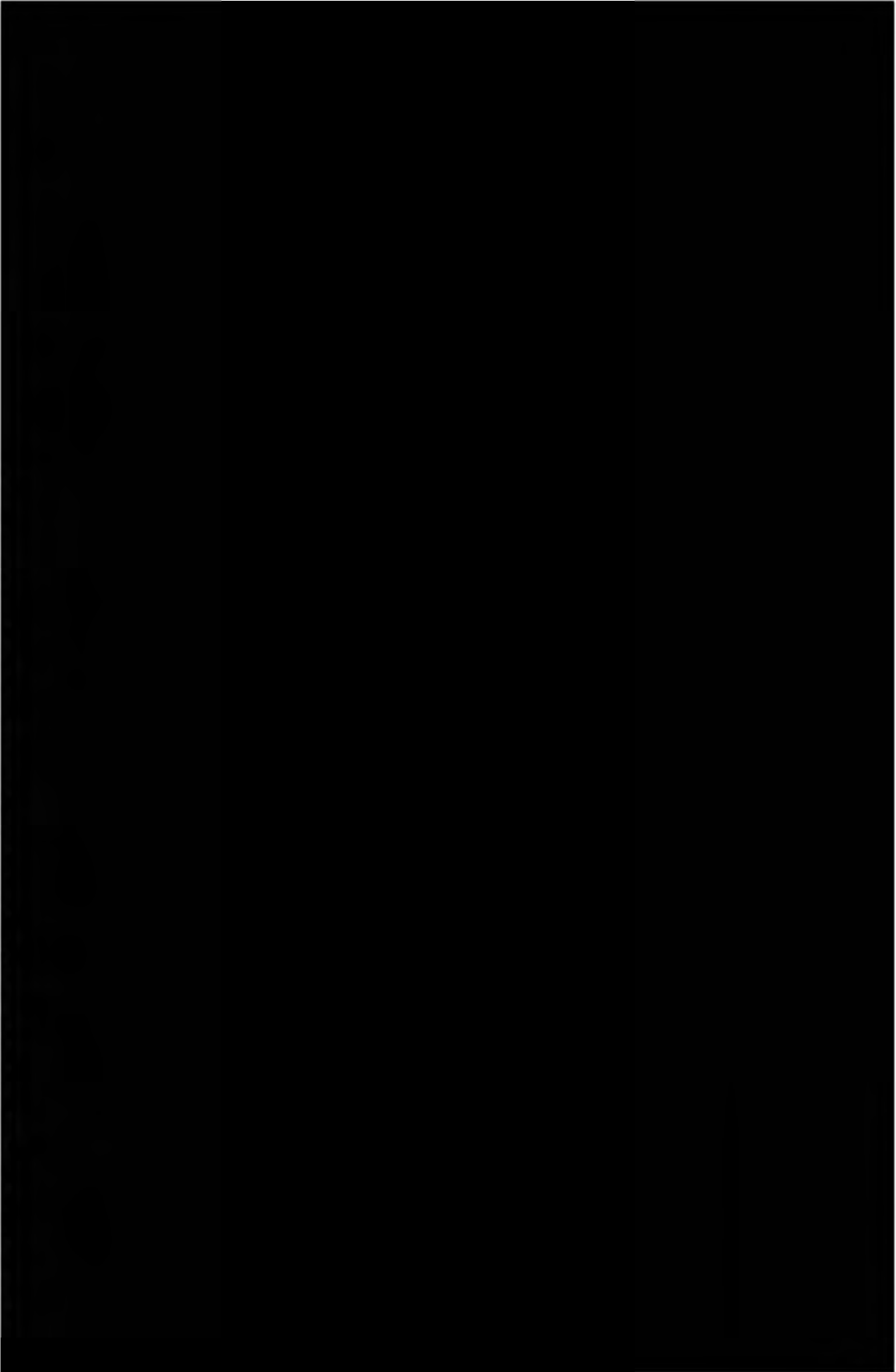


VIII. Technology & Product Development

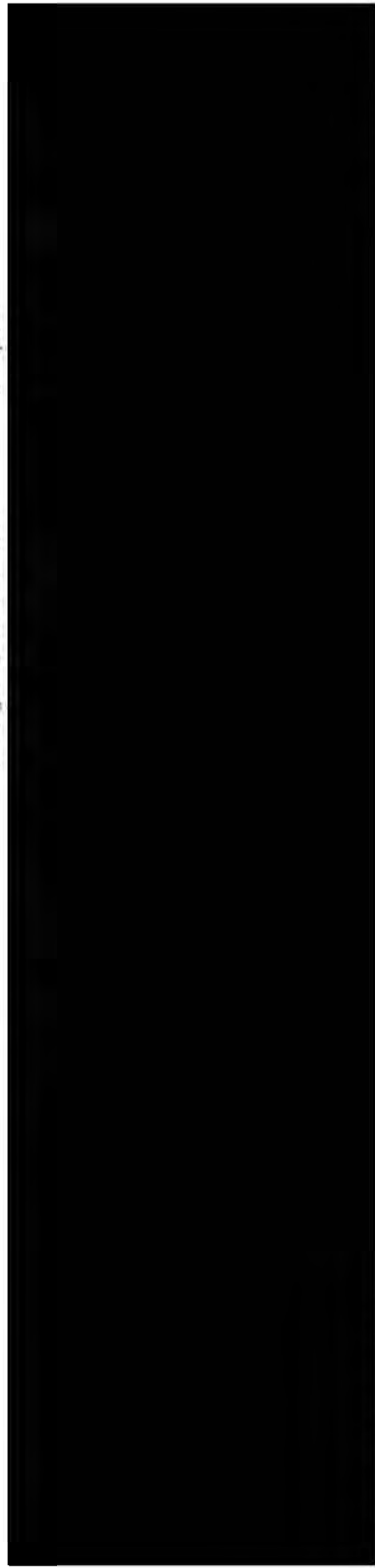
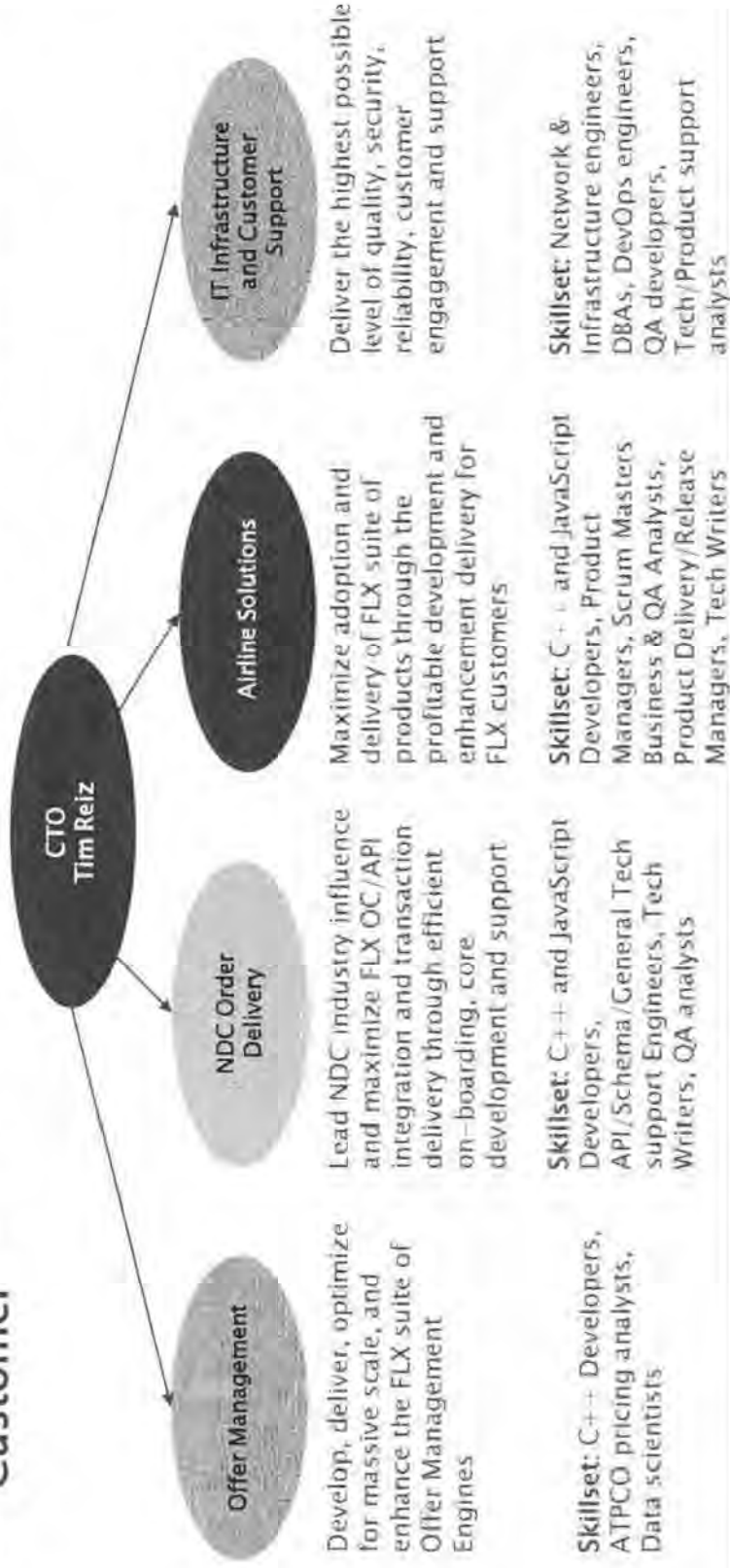
○ Technology & Product Development



Farelogix Airline Commerce Gateway has Unmatched Flexibility through a PSS-Agnostic, Scalable Architecture



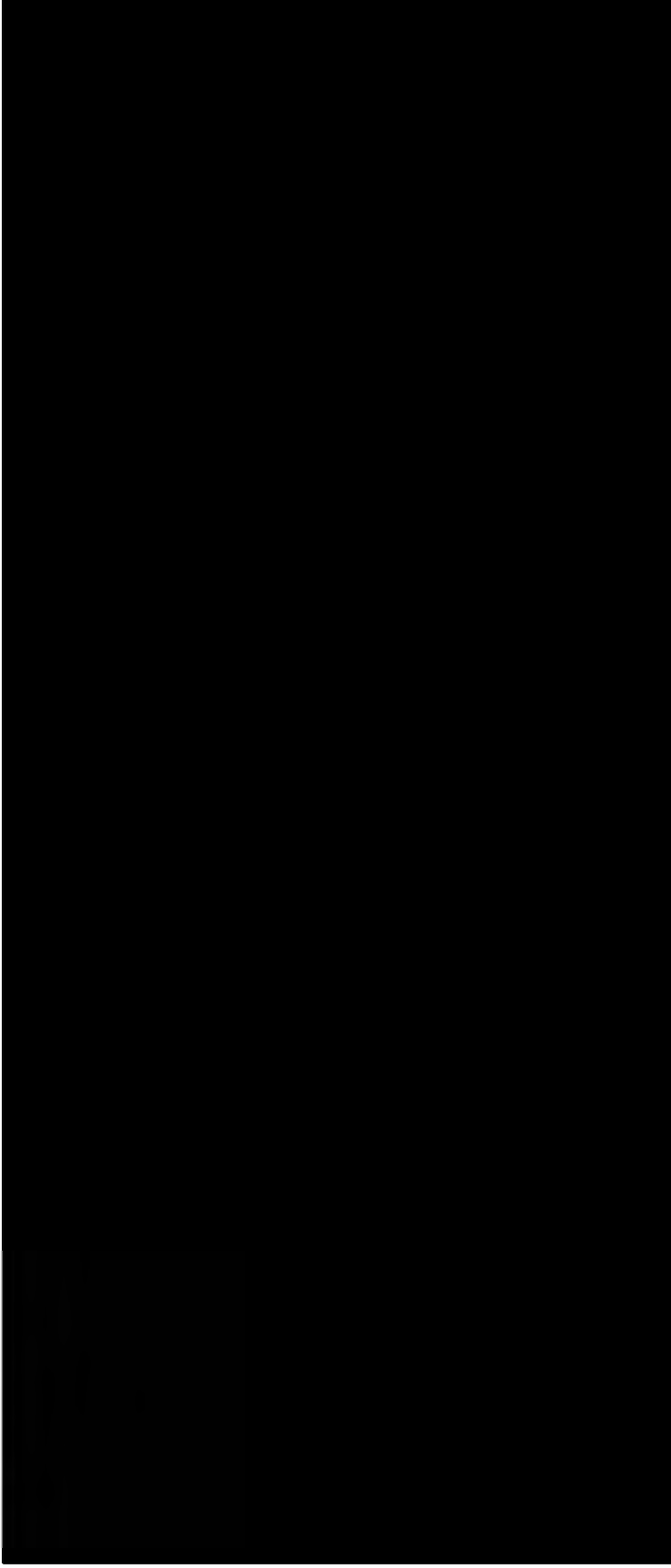
Technology Driven Organization, with ~90% of Employees Dedicated to Delivering FLX Airline Commerce Gateway Solutions to the Customer





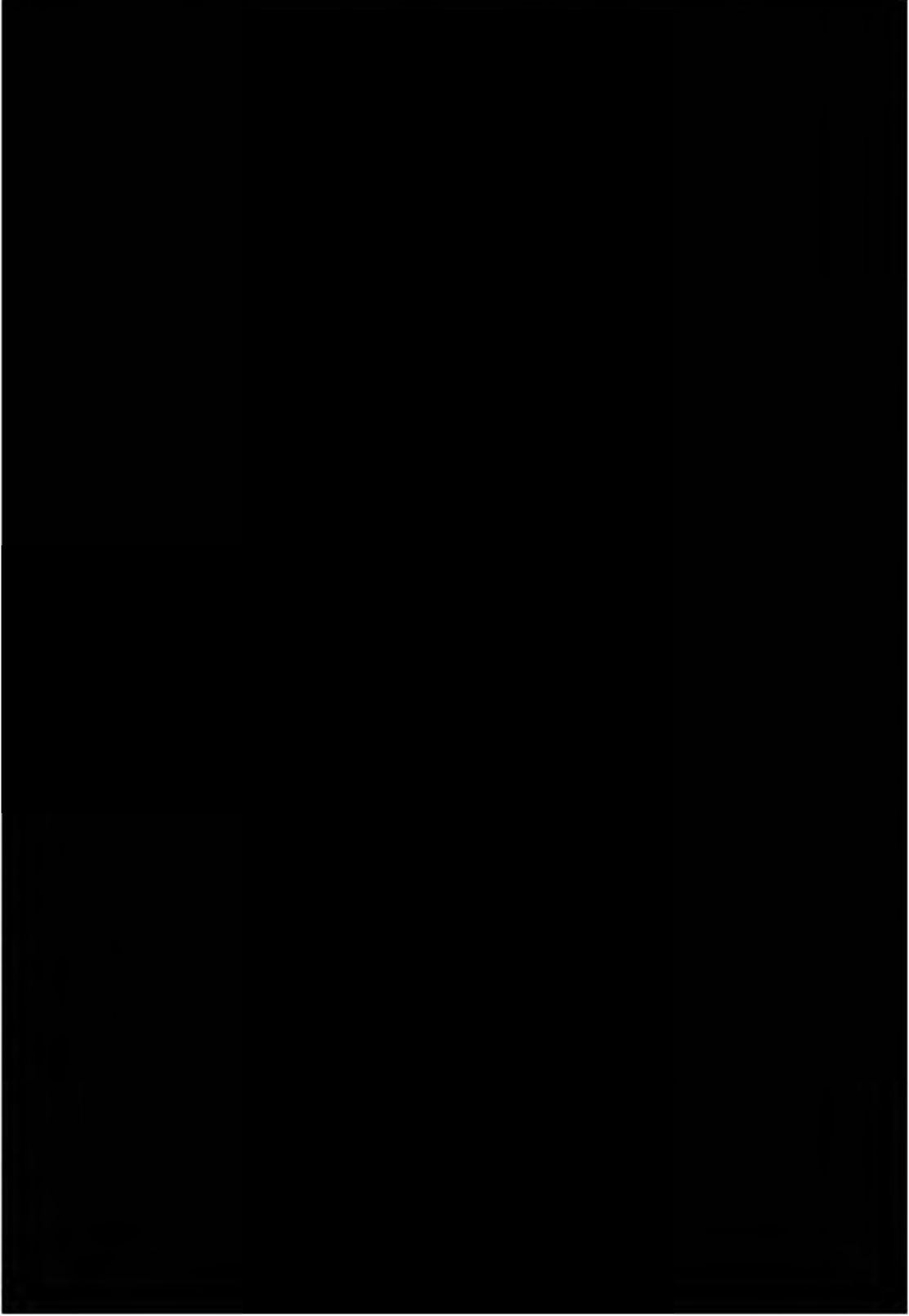
IX. Other

Other





Farelogix Near-Term Pipeline





**On-Site Meeting Agenda
June 27th – 28th, 2018**

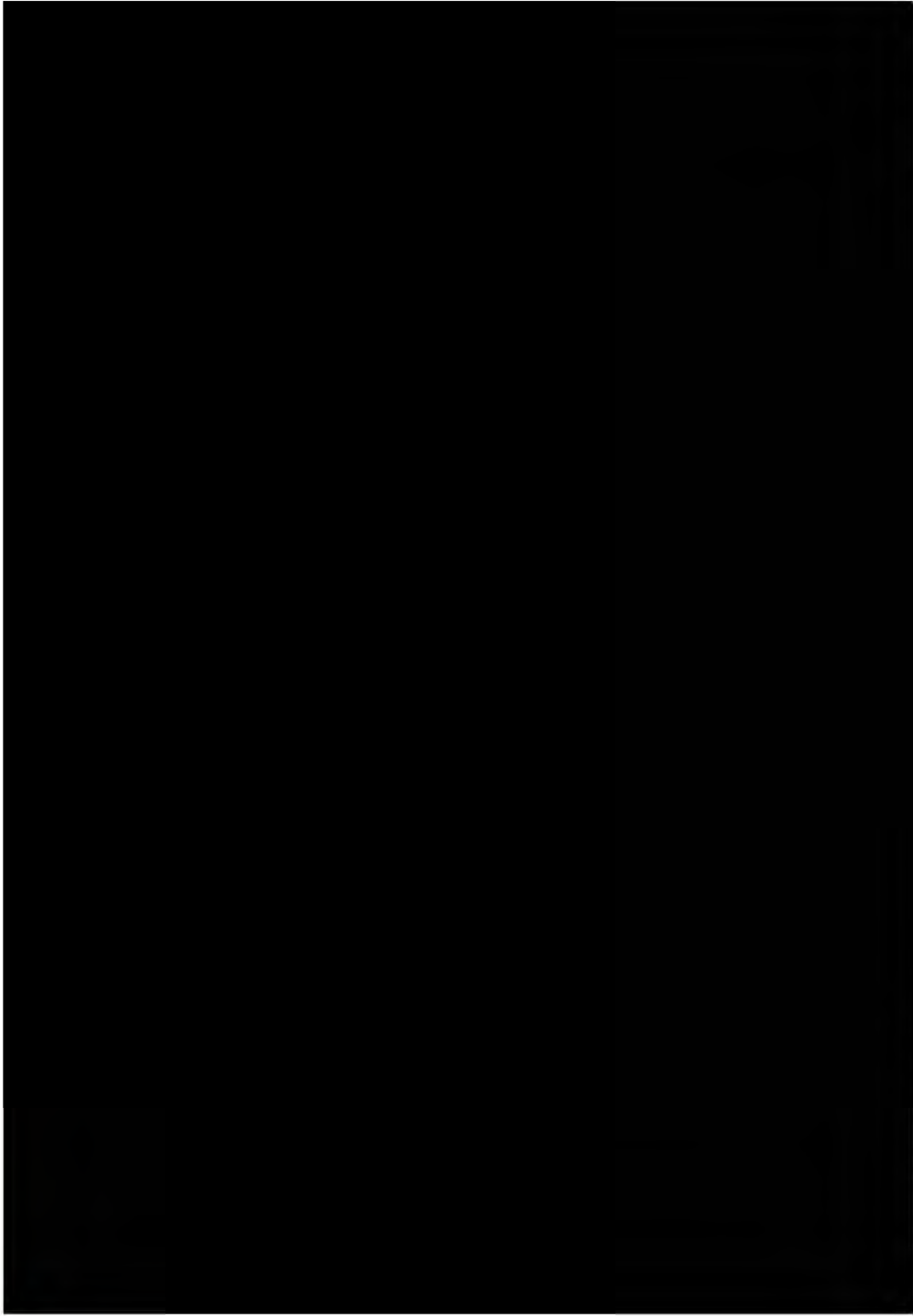


Table of Contents

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Revenue Generation Models & Drivers	III
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Client and Product Pipeline	V
Further Questions – Historical and Projected Financials	VI
Cash Flow	VII
Technology & Product Development	VIII
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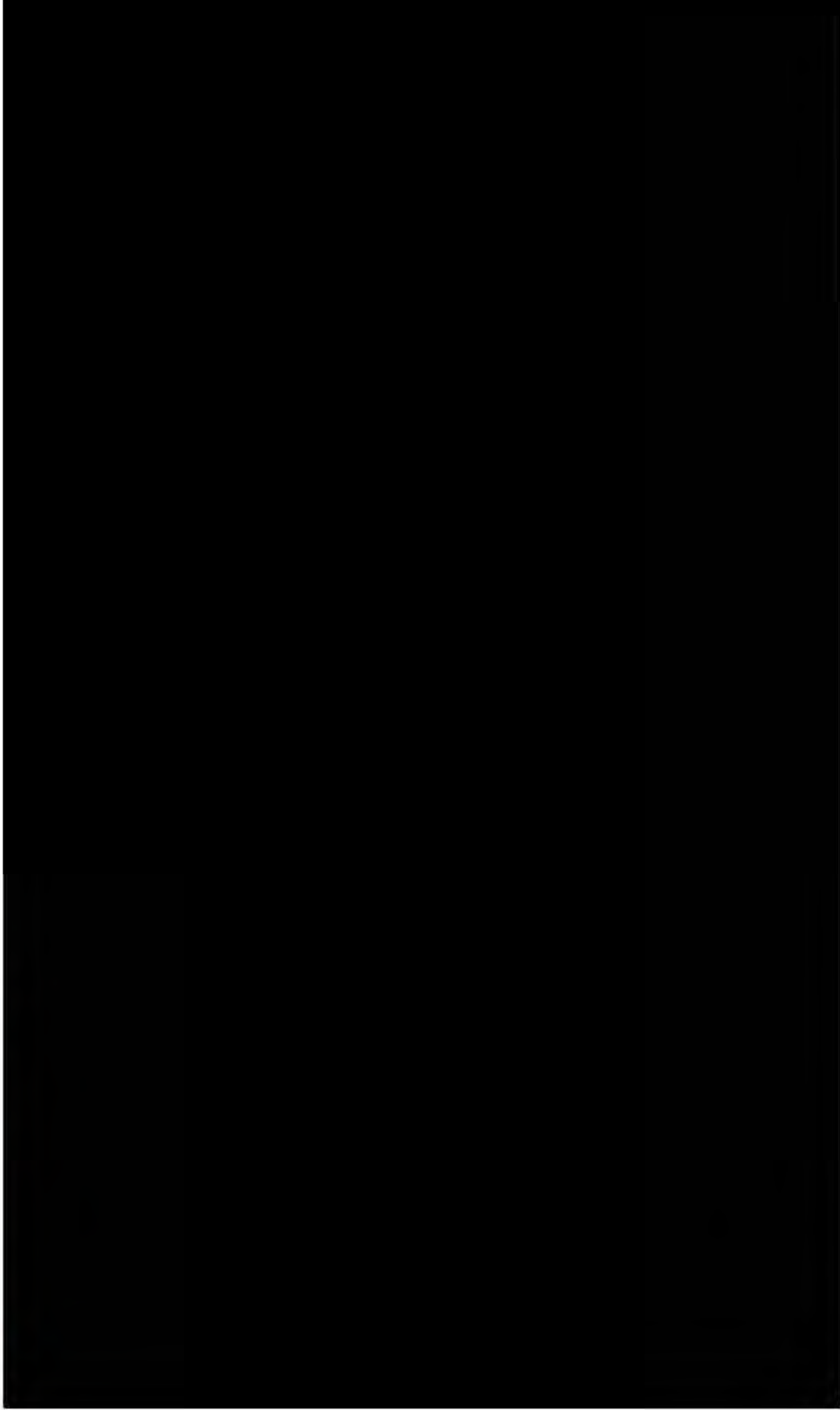
I. Market



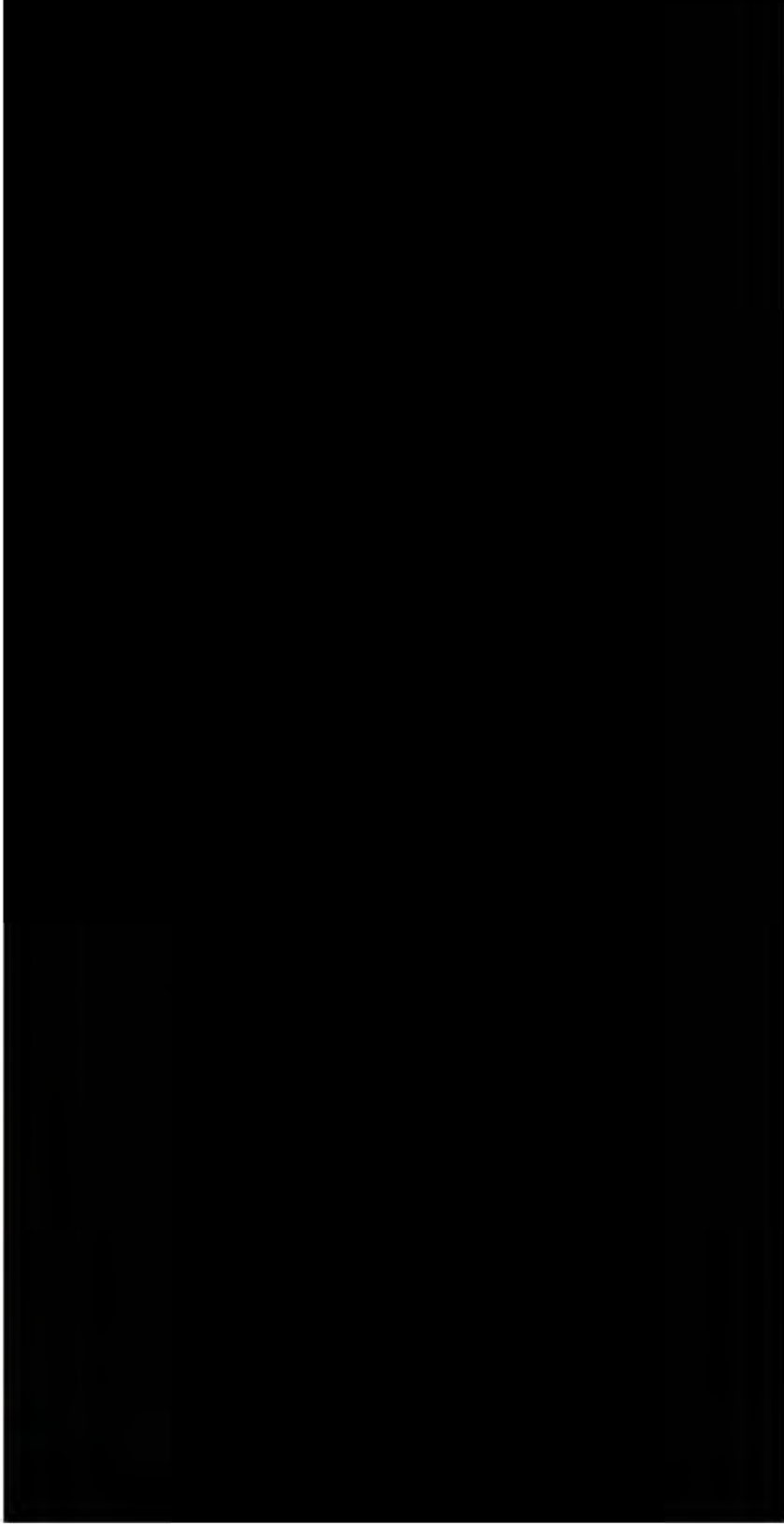
 Market (Cont'd)



 Market (Cont'd 2)



 Market (Cont'd 3)



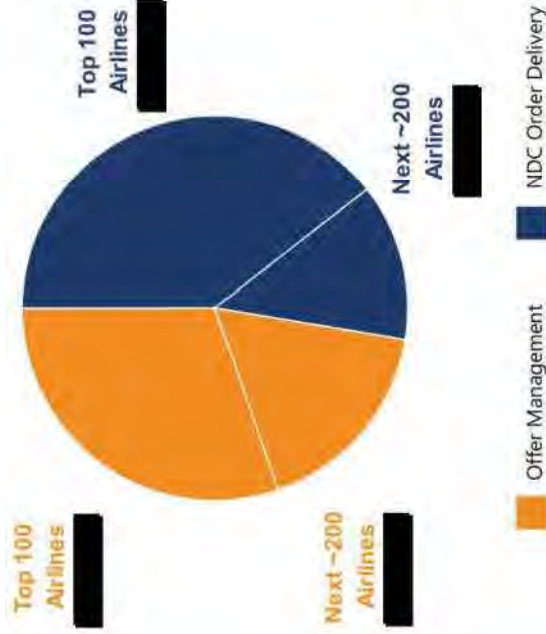
3 Large and Growing Market for Airline-Controlled Retailing and NDC Distribution Software

Farelogix Products Today Address a [REDACTED] Annual Revenue Opportunity

Today, airlines spend ~\$13 billion on GDS and PSS solutions for retailing and distribution¹

Farelogix products today represent a [REDACTED] opportunity across the world's 300 largest airlines²

The [REDACTED] opportunity compares to airline ancillary revenues of \$57bn in 2017³



Top 100 Airlines & Next ~200 Airlines²

¹ GDS spend comprised of Amadeus, Sabre, Travelport; PSS spend comprised of Amadeus and Sabre
² [REDACTED]
³ CarTraveler Yearbook of Ancillary Revenue (2017), PwC

4

Global, Blue Chip Customer Base

Farelogix serves many of the largest airlines in the world and has never lost a customer in production

Offer Management



NDC Order Delivery





Farelogix Holds a Unique and Deeply Rooted Position in a Market with High Entry Barriers

28

How Farelogix Wins

- 15+ years of expertise with large airline customer relationships
- Offer Management and Offer Delivery technology that delivers increased speed, functionality and scalability at a lower cost of ownership than legacy PSS / GDS systems
- Futureproof technology built for the evolution of dynamic pricing and revenue management
- Unique connectivity across 9 leading PSSs and numerous airline systems
- Neutral 3rd party solution that gives airlines control and avoids lock-in with PSS vendor, with predictable annual pricing schemes
- NDC market leader, BSP certified in over 100 countries and ARC certified in the US
- Dedicated Farelogix technology teams tailor solutions for each airline customer

Other Industry Players

amadeus

Datalex



DXC technology



Sabre

SITA

Travelport



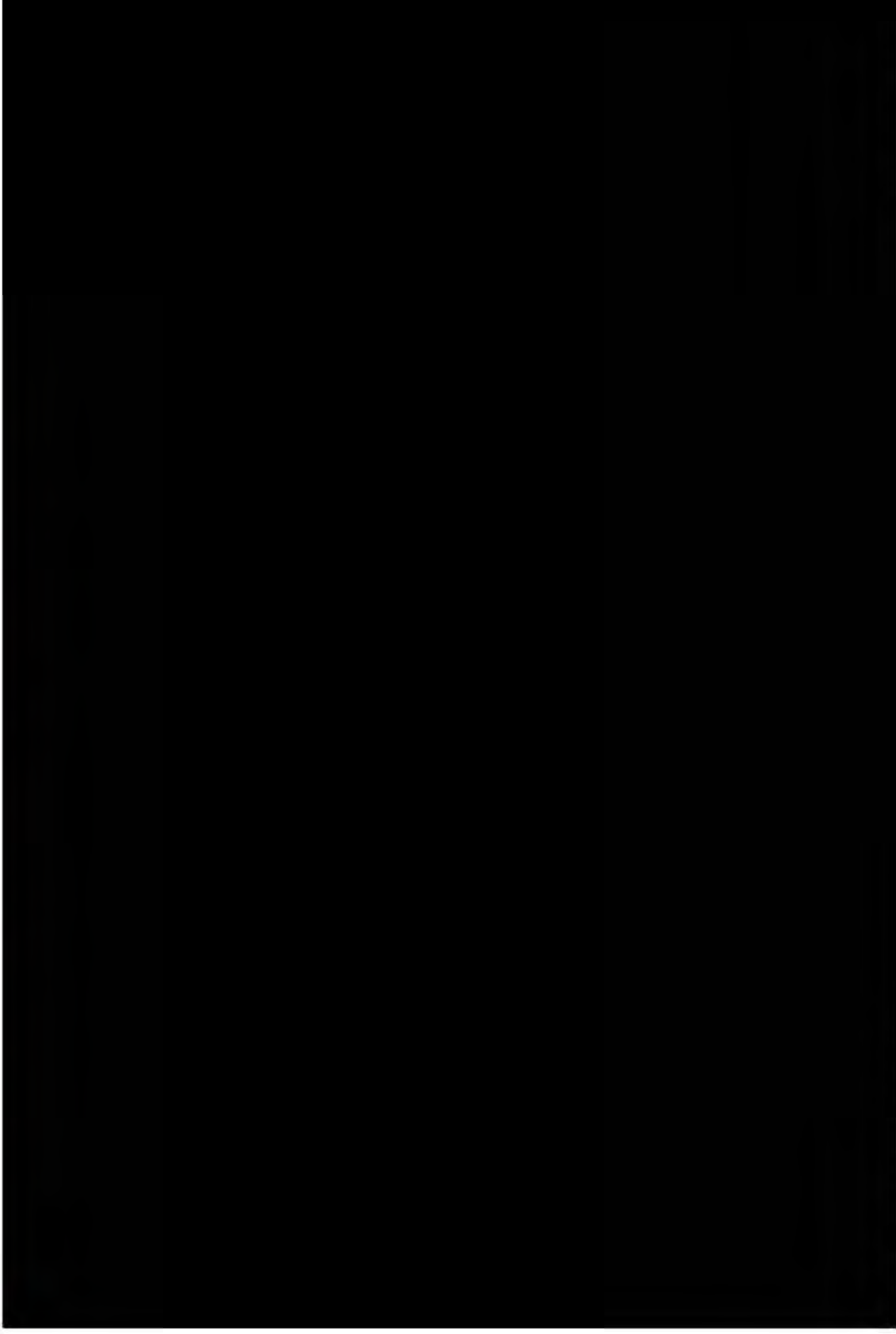
9



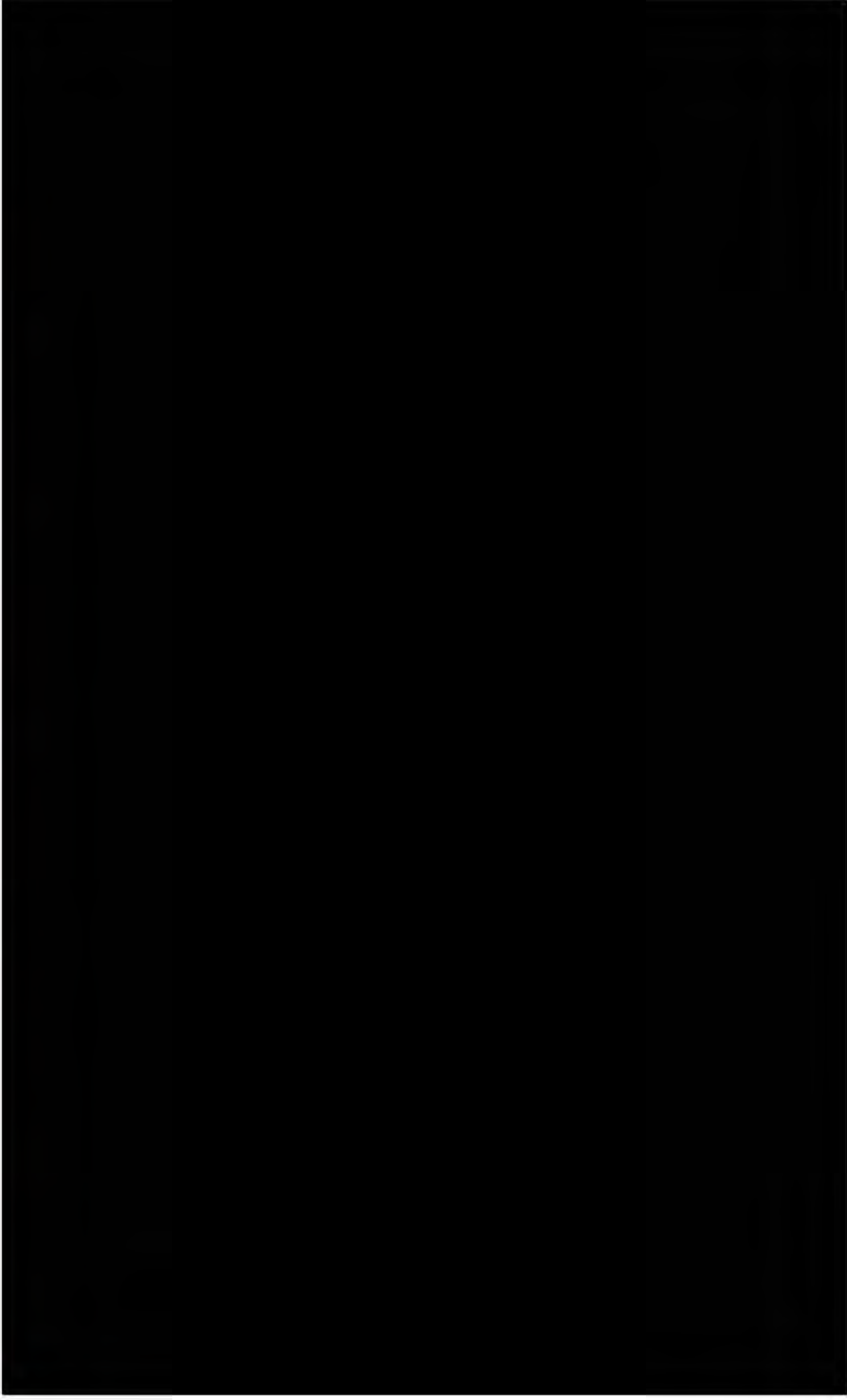
II. Business Model and Overview of Products / Modules



Business Model and Overview of Products / Modules



 **Business Model and Overview of Products / Modules (Cont'd)**





The Farelogix Airline Commerce Gateway is the Leading SaaS Solution for Airline-Controlled Offer Management and NDC Order Delivery

Offer Management

FLX Offer Engines

- FLX** Schedule Builder Dynamic schedule building outside of the PSS
- FLX** Availability Calculator High performance availability calculation outside of the PSS
- FLX** Shop & Price Both traditional (ATPCO)¹ and dynamic shopping / pricing
- FLX** Merchandise Merchandising of any type of ancillary or bundled offer

NDC Order Delivery

FLX NDC Distribution Solutions

- FLX** Open Connect Connectivity to any PSS with orchestration for shopping, booking and servicing of airline reservations
- FLX** NDC API NDC API for the indirect channel (travel agency / GDS)

Farelogix Offer Engines are fully interoperable, can be sold separately or bundled, and can be hosted by Farelogix or by the airline. This is a significant differentiator for the Company's platform



FLX Schedule Builder

FLX Schedule Builder Optimizes Routes, Timing and Value

- ✓ Supports large data range processing, affinity and attribute shopping
- ✓ Millisecond response times
- ✓ Low cost of ownership, economically and linearly scalable, runs on commodity hardware
- ✓ Purpose-built proprietary Network Graph Algorithm
- ✓ Creates personalized, dynamic schedule routes in real time based on data and rules
- ✓ Enables airlines to define and manage rules using FLX Rules & Offer Designer UI
- ✓ Available as a stand-alone module or integrated with FLX Availability Calculator and/or FLX Shop & Price

Real World Challenges

- Airlines are challenged to handle an exponentially growing volume of schedule building requests, which is cost-prohibitive on the PSS
- Airlines seek to grow revenue and maximize yield by optimizing the most profitable schedules / routes, which is not possible using incumbent solutions
- Airlines want to support affinity and attribute shopping, e.g., search by ski locations





FLX Availability Calculator

FLX Availability Calculator Returns Inventory Control to the Airline with Reduced Costs and Improved Performance

- ✓ Designed for high transaction volumes, including large date ranges, affinity and attribute shopping
- ✓ Dramatic PSS cost savings as well as new revenue from optimization of search results
- ✓ Unlimited linear and economic scalability, runs on commodity hardware (benchmarked at 250K TVLs/sec/server)
- ✓ No cache; all offers created in real time for accuracy
- ✓ Dynamic, rules-based availability searching with unlimited query capabilities
- ✓ Fully airline controlled, airline owns the IP for their Availability algorithm
- ✓ Support for OD and Journey controls, as well as "slice-and-dice", as required for some markets
- ✓ Available as a stand-alone module or integrated with FLX Shop & Price

Real World Challenges

- ✦ Airlines are challenged to handle an exponentially growing volume of availability searches
- ✦ Airlines seek to capture and apply business intelligence to search data
- ✦ PSSs are already slow and expensive, cannot support these requirements and often force airlines to rely on inaccurate cache-based solutions





FLX Shop & Price

FLX Shop & Price Supports Both Traditional and Dynamic Airline Shopping Requirements with Low Cost of Ownership

- ✓ Full ATPCO shopping and pricing capability
- ✓ Dynamic pricing capabilities, with option to base price on ATPCO, RM² price or other airline fare
- ✓ Low cost of ownership, economically and linearly scalable, runs on commodity hardware
- ✓ No cache; all offers created in real time with millisecond response times
- ✓ Rules engine capable of accepting inputs based on human, big data or AI-driven inputs
- ✓ Large data range processing, affinity and attribute shopping
- ✓ Available as a stand-alone module or integrated with FLX Availability Calculator or FLX Schedule Builder

Real World Challenges

- ✦ Airlines seek shopping/pricing technology that supports exponential growth in search volumes and dynamic pricing as required by retailing and NDC
- ✦ Incumbent solutions are limited to traditional (ATPCO) pricing and unable to accommodate high volumes
- ✦ Dynamic pricing capabilities are viewed by airlines as a way to increase revenues and improve customer experience¹

¹ Airwayline Research
² Revenue Management data



FLX Merchandise

FLX Merchandise Enables Dynamic Retailing Across Channels

- ✓ Extremely high speed to market for ancillary products / bundles, fully under the airline's control
- ✓ No hard coding; easily integrated with airline systems; PSS, channel and IBEI-agnostic
- ✓ Serves multiple sales channels, including airline.com, mobile, check-in, kiosks, call centers and travel agencies
- ✓ Rules engine capable of accepting inputs based on human, big data or AI-driven inputs
- ✓ Additional seat revenue opportunity with optional interoperable Seat Manager engine (off-PSS seat inventory)
- ✓ Includes a developer tool fully integrated into an airline's proprietary technology stack

Real World Challenges

- ✗ Airlines seek to implement omni-channel merchandising strategies that enable fast speed to market for product updates and new product offers
- ✗ Airline revenue management leaders seek to dynamically price merchandising offers in real time based on a range of criteria such as frequent flyer status, corporation identity, channel, buying history and more
- ✗ Incumbent technologies do not enable these capabilities in a timely or cost-effective manner, nor are they fully under the airline's control

1 000+ Internet Booking Engine Airline.com, mobile, check-in, kiosks, call centers and travel agencies



FLX Open Connect

FLX NDC API

FLX Open Connect and NDC API Deliver Dynamic Content and Merchandising to the Indirect Channel

- ✓ Makes and manages bookings and reservations out of the PSS
- ✓ Manages all required orchestration, including integration with the airline PSS and other systems
- ✓ ARC¹ and BSP² certified in over 100 countries
- ✓ Provides airlines with an NDC API with the option to brand it (e.g., Emirates B2B Online, American AANDC)
- ✓ Includes Developer Support program to promote and facilitate NDC API integrations with third party integrators
- ✓ Allows the airline to control order delivery through both direct and indirect channels

Real World Challenges

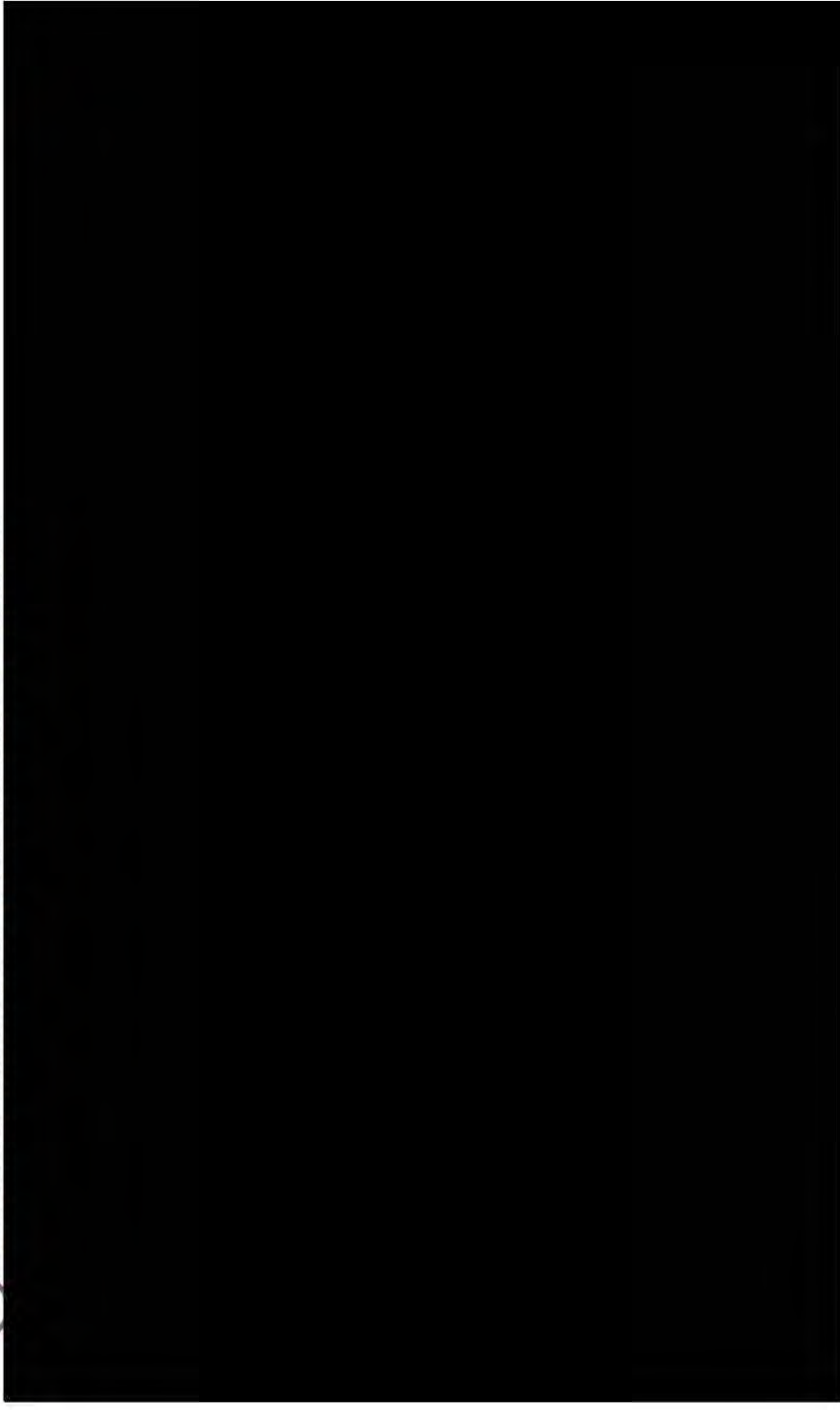
- Airlines seek to deliver ancillary services and differentiated content in the Indirect Channel
- NDC requires proven technology expertly integrated with the airlines' systems and with functionality required for agency adoption
- Airlines wish to deploy a single, next generation, and cost-effective API for all indirect distribution channels

1. Airlines Reporting Corporation – provides ticket transaction settlement services between airlines and travel agencies
 2. Billing and Settlement Plan – an electronic billing system designed to facilitate the flow of data and funds between travel agencies and airlines.



Customer Milestones Over the Last 18 Months

27



19

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The Fully Integrated and Flexible Design of the Airline Commerce Gateway Limits Risk of Customer Churn



Built for
Airline-Control
and Low Cost
of Ownership

- Limits PSS / GDS dependency
- Cloud and airline hosting option
- Unlimited scalability using commodity hardware
- Ability to off-load costly legacy transactions (availability, search/price)



Flexible and
Futureproof

- Create, modify, and test new offers instantly
- Transitional support for traditional pricing and next generation dynamic / NDC offers
- PSS-agnostic enabling easier PSS change
- Functions as an airline-developer platform supporting airline-initiated innovation



Passionately
Performant

- Millisecond transaction response time
- Single platform supports NDC volumes, affinity, & Large Date Range search
- Results never cached, always calculated for accuracy
- No Look-to-Book limitations



Fully
Interoperable

- Engines work stand-alone or optimally together – expand at airline’s timeline
- Common Rules Engine, User Interface, and BI module to engage with entire platform
- Services-based connectivity for easy application extension and integration
- Easily integrated with existing airline technology stack



Farelogix Airline Commerce Gateway has Unmatched Flexibility through a PSS-Agnostic, Scalable Architecture

32



21

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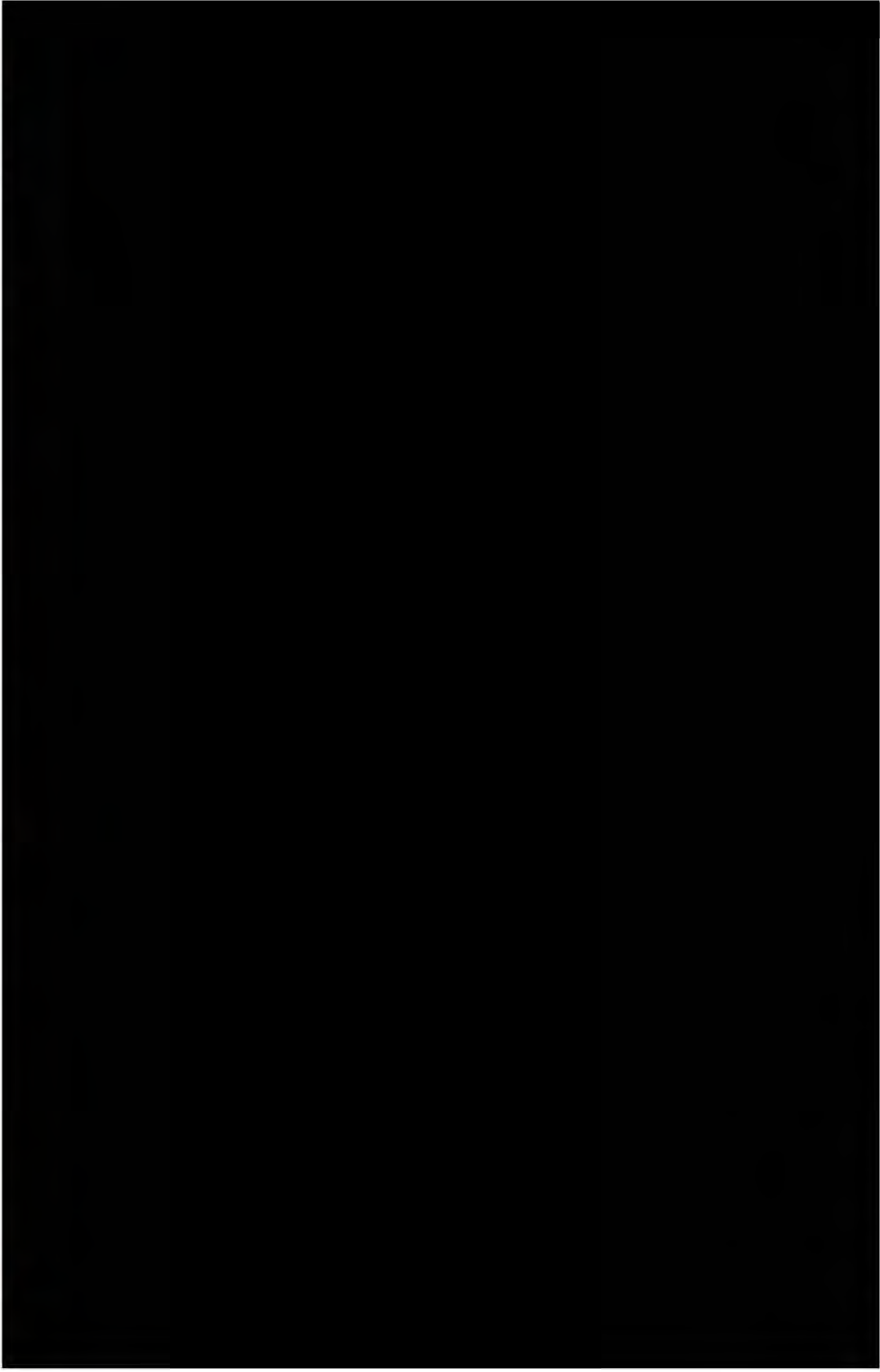
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Track Record of Recurring Revenue Growth and Profitability

(\$ in millions)

35



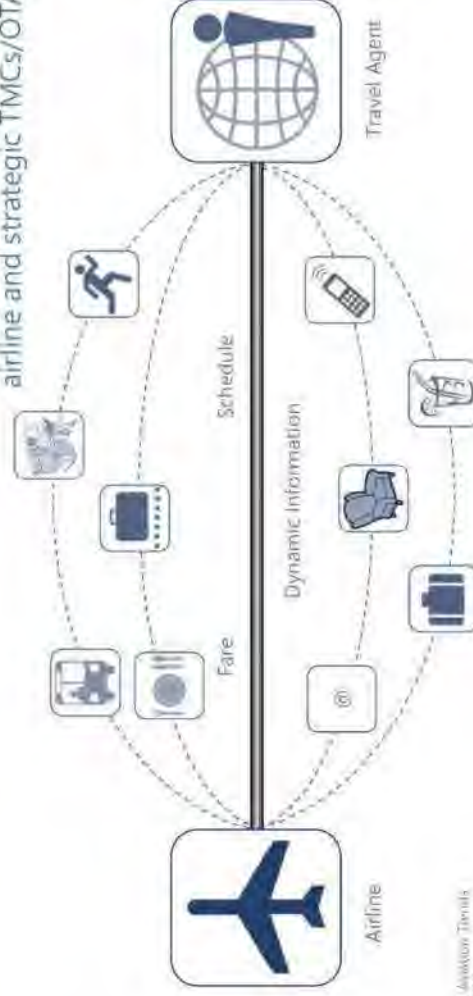
2 Airlines are Seeking to Take Control of Offer Management and NDC Order Delivery to Become Effective Retailers

The Case for Airline-Controlled Offer Management

- Travelers seek custom travel experiences (Seat Upgrades, In-Flight Meals, Priority Boarding, Premium Meals, Door-to-Door Service, etc.)
- Today, 33% of airline executives report that personalized offers are critical to their strategy; this number is forecast to grow to 79% by 2021¹
- Airlines are looking to utilize retailing sciences, machine learning and artificial intelligence to better optimize their offers

The Case for Airline-Controlled NDC Order Delivery

- Airline industry initiatives such as NDC are delivering essential "Distribution Freedom"² to drive the ubiquity of airline retailing and increasing airline revenue and profitability
- Engagement with hyper-connected, mobile travelers requires the airline to deliver a consistent offer ubiquitously across channels
- Deleverages the traditional GDS-Airline commercial relationship
- Enables content differentiation by channel, e.g., leisure vs. corporate
- Strengthens commercial relationship between airline and strategic TMCs/OTAs/Corporations

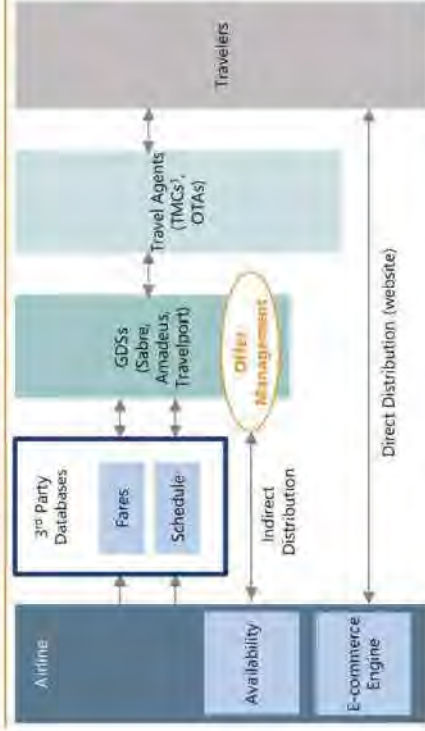


¹ PWC 2017 Commercial Aviation Trends
² Deutsche Bank, April 2018

3 NDC Addresses Longstanding Distribution Limitations that Have Prevented Airlines from Retailing in the Indirect Channel

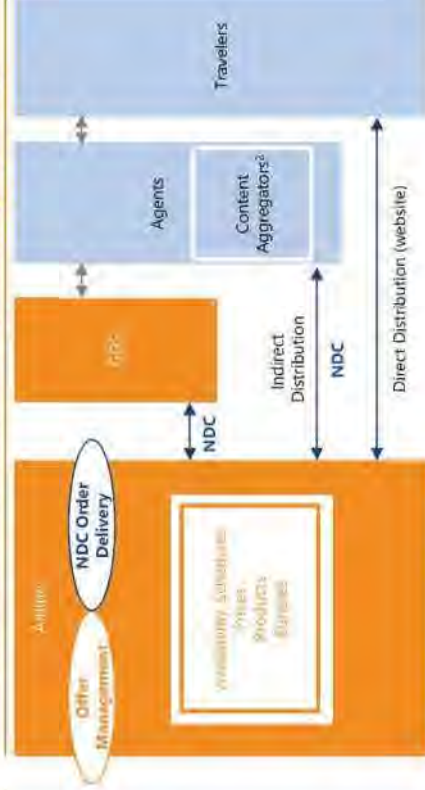
~50% of passenger bookings are completed through indirect channels, primarily relying on GDS systems for content and delivery

Traditional Airline Distribution



- Airlines forced to outsource offer management to the GDSs that can only generate commodity offers using static fares and schedule information in the indirect channel
- Airlines unable to generate ancillary revenue via indirect channels
- Airlines unable to leverage their own data in real time to optimize and personalize the offer
- Limited opportunity to engage travelers during the trip cycle, e.g., post booking ancillary sales

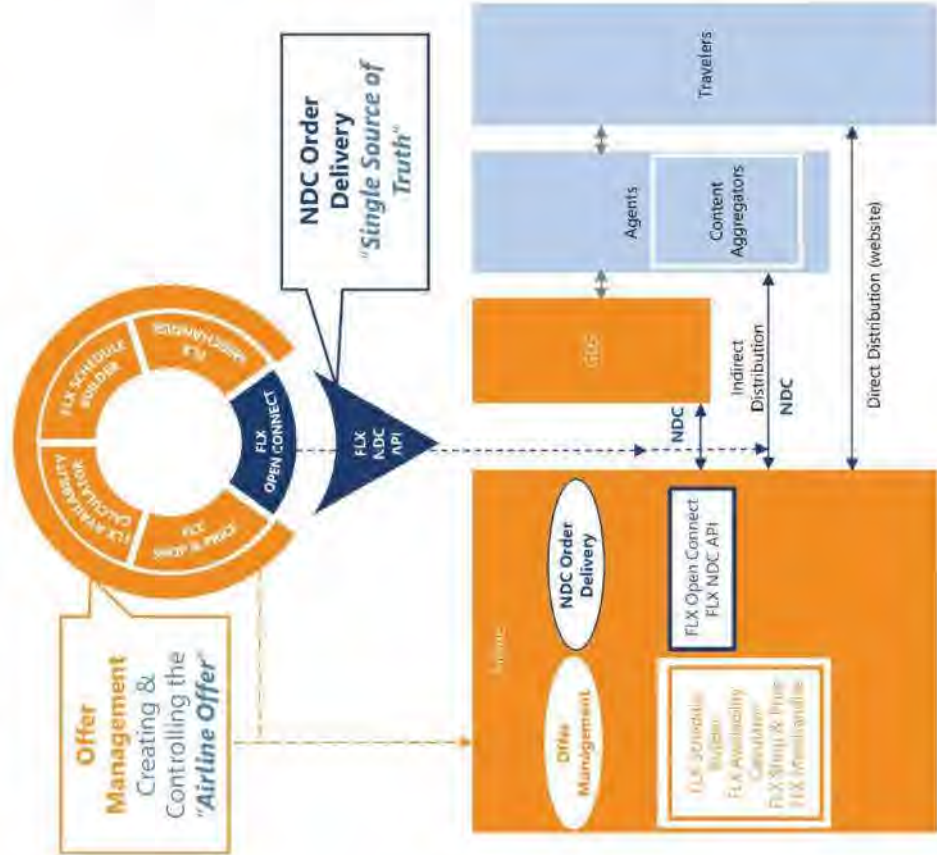
New Distribution Capability (NDC)



- Airlines control the technology to create and deliver customized offers to all channels
- Offers are customized and based on demand, real-time inventory, customer and airline data
- Airlines can deliver personalized offers throughout the trip cycle, including post-booking ancillary sales
- Enables airlines with two distinct distribution paths:
 - FLX NDC Connect enables airlines to connect their NDC API directly to aggregators, OTAs and agencies
 - FLX NDC GDS Connect enables airlines to connect their NDC APIs to the GDS

1. Travel Management Company is a type of travel agent that specializes in managing travel for large corporations.
2. Content Aggregators are third party non-GDS technology companies that specialize in aggregating and aggregating content to travel agencies, OTAs and corporate booking tools.

4 Farelogix is the Leading Platform for Offer Management and NDC Order Delivery, Enabling Next Generation Retailing Across All Channels



- Airlines have flexibility to create and distribute offers consistently across all channels based on demand and real-time inventory
- NDC standards enable airlines to make offers to sellers via the GDSs or directly to travel agencies/OTAs and independent third party content aggregators
- Airlines are in control to:
 - Personalize offers to reach customers through multiple touchpoints via single NDC API
 - Rebook complex itineraries, interlining and backend functions
 - Advance merchandising capabilities delivered using a multi-channel business-rules engine
 - Issue documents and respond with guaranteed confirmations
 - Introduce fare and product bundles
 - Incorporate AI/predictive analytics for offer optimization

GDSs are Now Endorsing NDC and are Implementing 8 Airlines with 11 NDC API Integrations with Farelogix Accelerating NDC Order Delivery Transactions

19

Public Statements on NDC

amadeus

- ✗ "We are happy to support IATA in involving the field of distribution. Still, it's very early stages" November 2012
- ✓ "Over the years, Amadeus has actively contributed to evolving IATA NDC...it is our aim to deploy NDC..." November 2017

Sabre

- ✗ "We don't see how it would work without sacrificing fare transparency, limiting comparison shopping and compromising data privacy rights" December 2012
- ✓ "Let me make it very clear. We're in complete support of New Distribution and we're supportive of next-generation retailing" August 2017

Travelport

- ✗ "Much of the IATA NDC statement appears only conceptual in nature, based on high level principles that do not necessarily incorporate the input of all the critical components" October 2012
- ✓ "We are grateful to IATA for this recognition and delighted to be the first travel commerce platform to now be fully NDC-Certified" December 2017



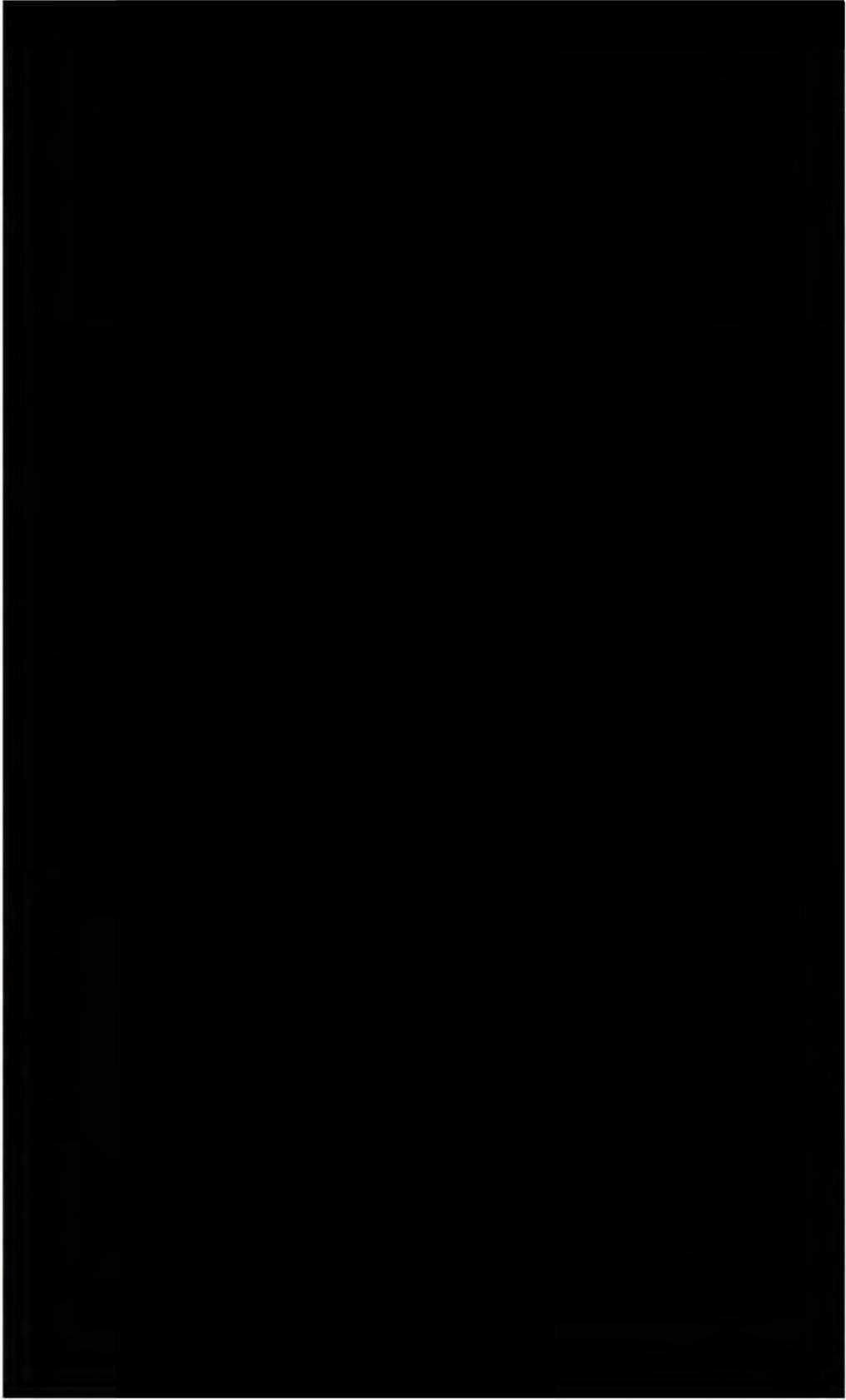
26



NDC Order Delivery Revenue

NDC Order Delivery Revenue Growth Driven Primarily by TMC Adoption of GDS NDC Enabled Platforms from Existing Farelogix Customers

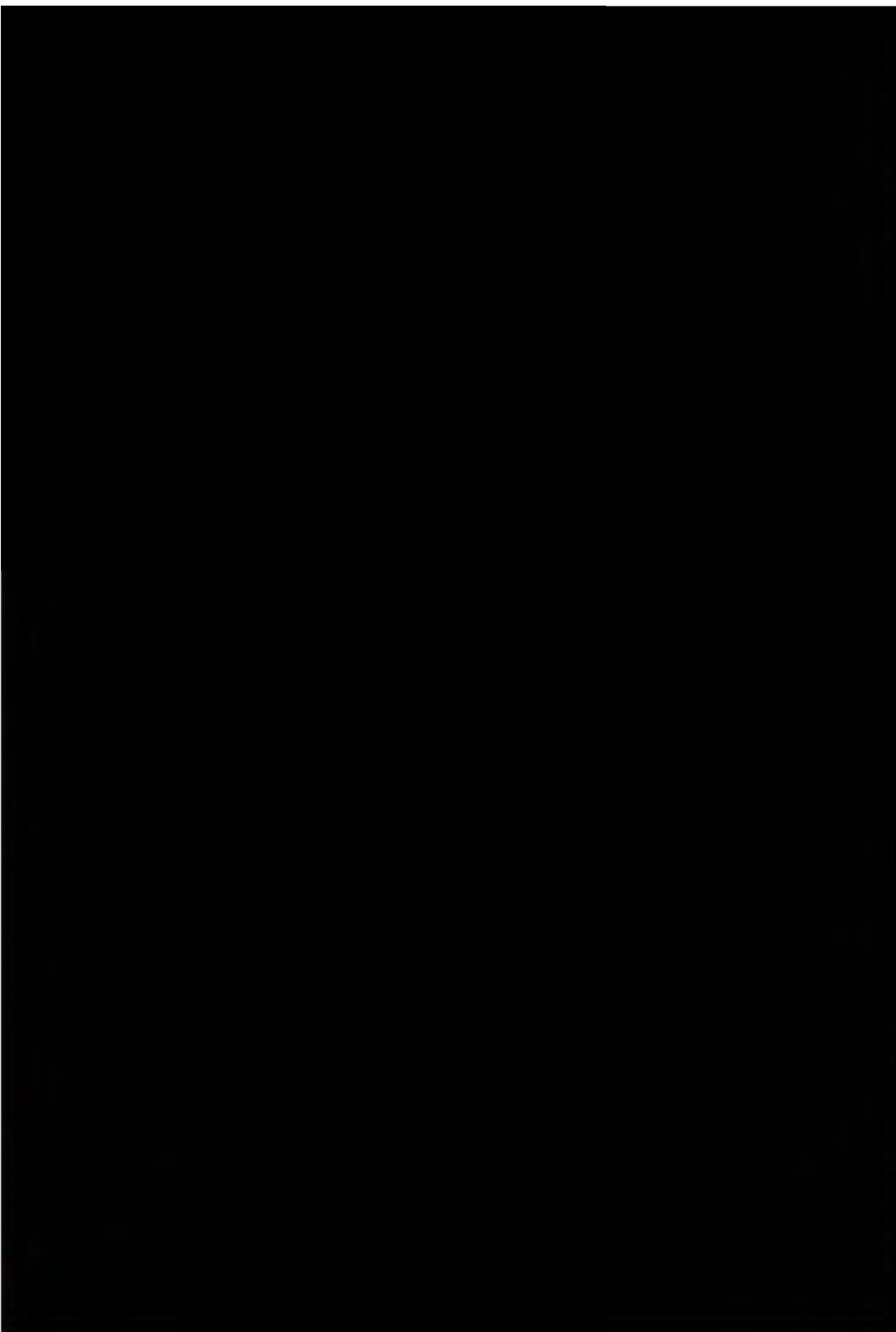
(\$ in millions)



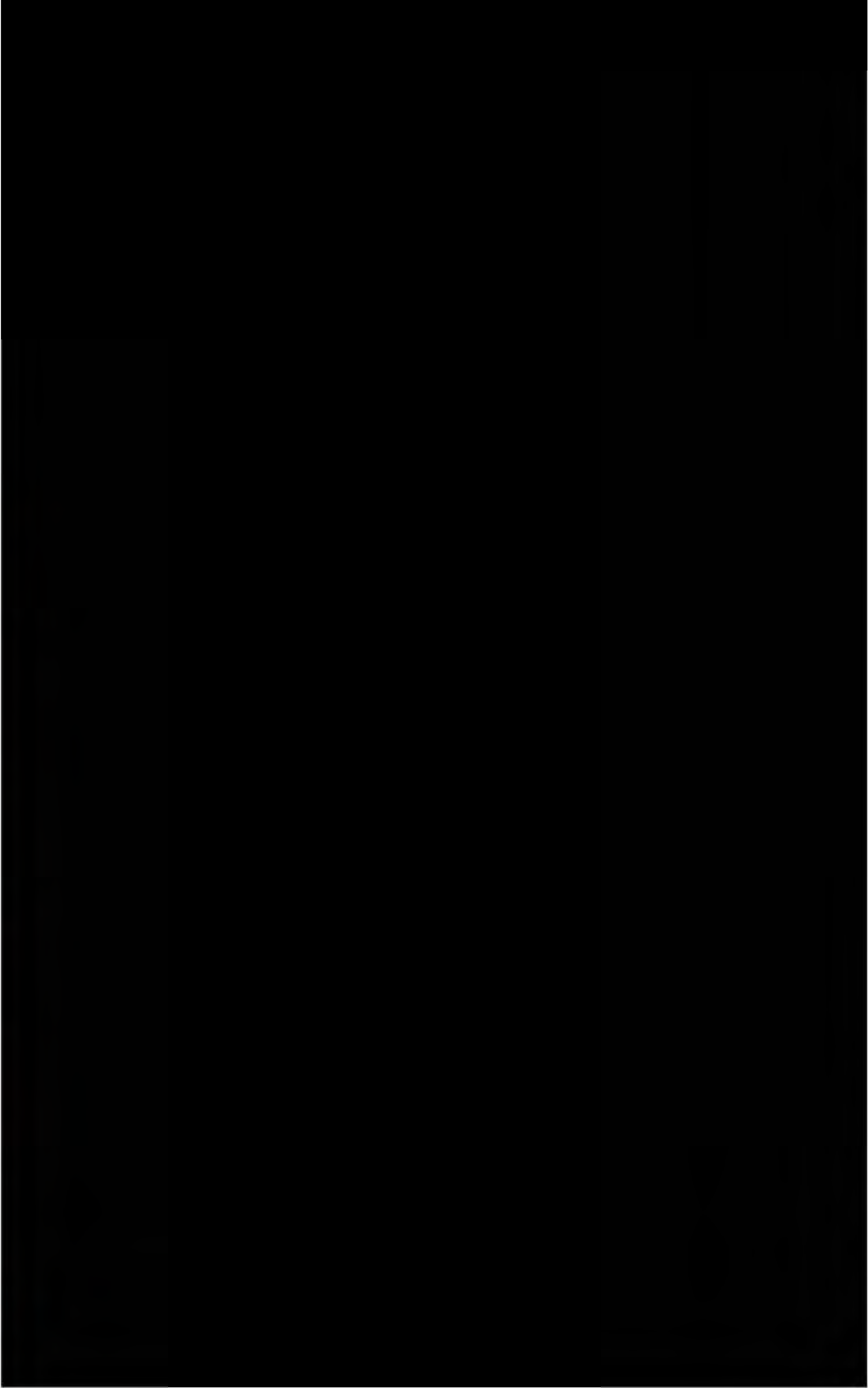


III. Revenue Generation Models & Drivers

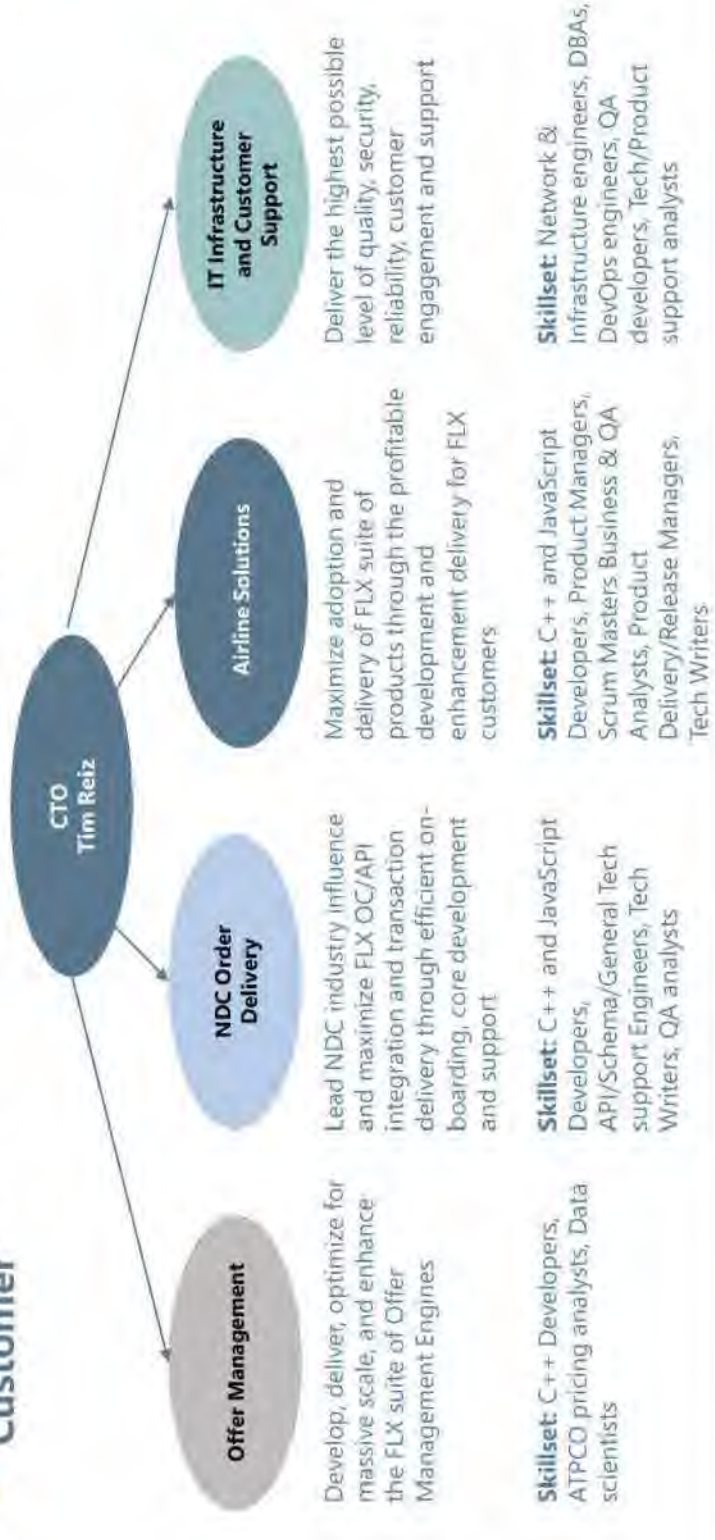
 **Revenue Generation Models & Drivers**



 Revenue Generation Models & Drivers (Cont'd)



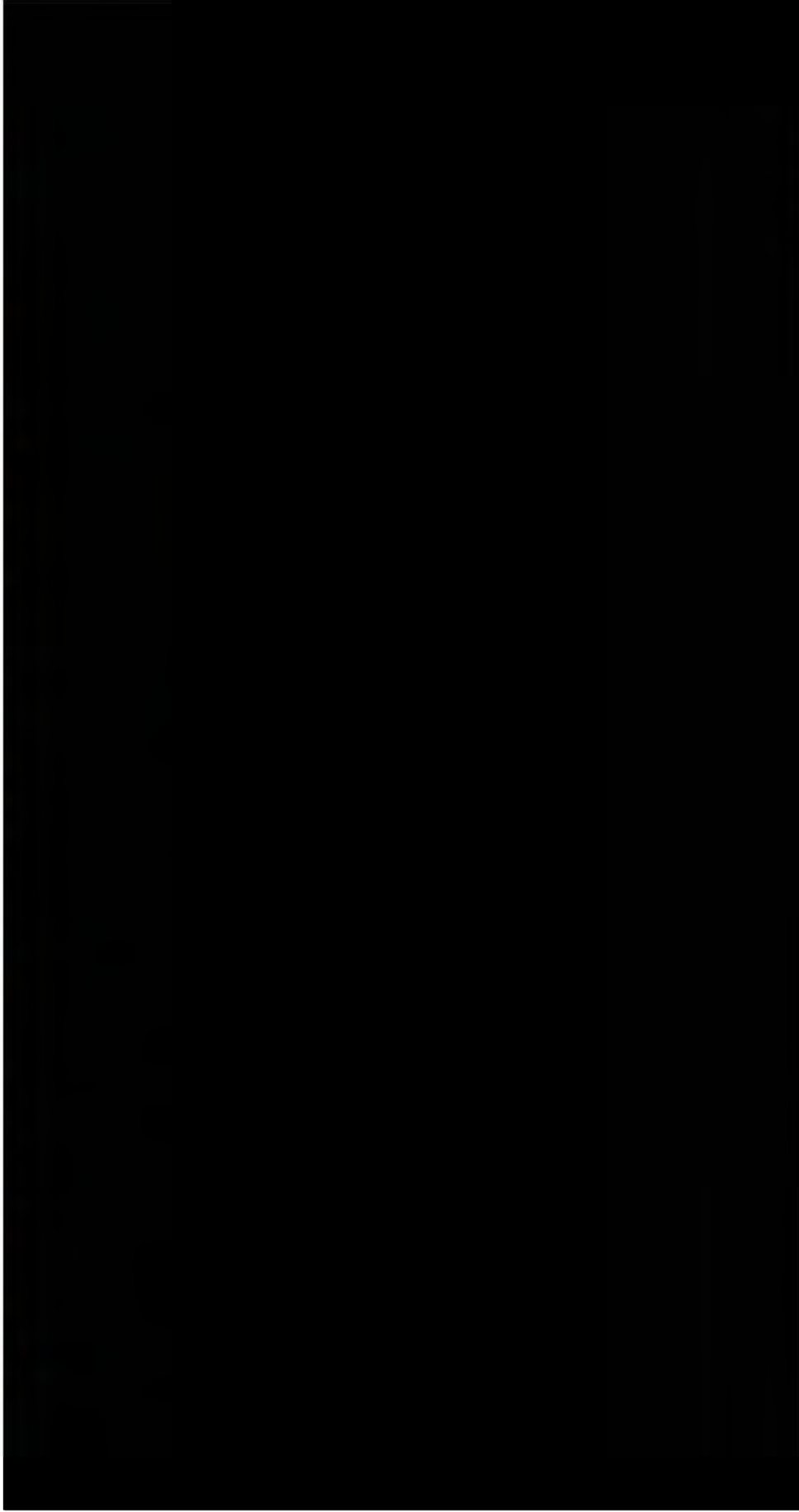
Technology Driven Organization, with ~90% of Employees Dedicated to Delivering FLX Airline Commerce Gateway Solutions to the Customer





Farelogix Offer Management and NDC Order Delivery Products

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FLX-000874314



Track Record of Recurring Revenue Growth and Profitability

(\$ in millions)

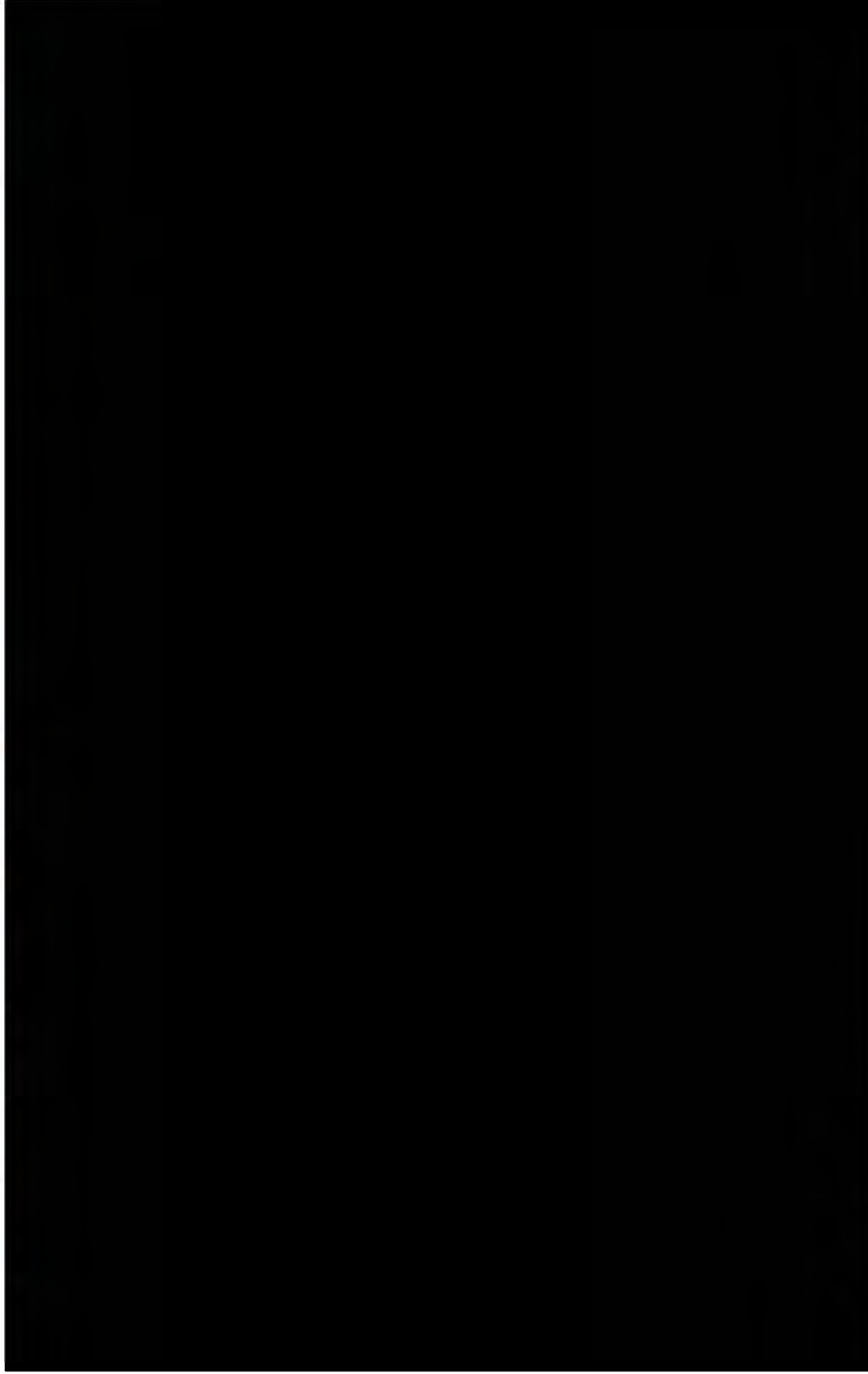




**Attractive Financial Profile: High Growth and High Margin, with
Significant Operating Leverage**

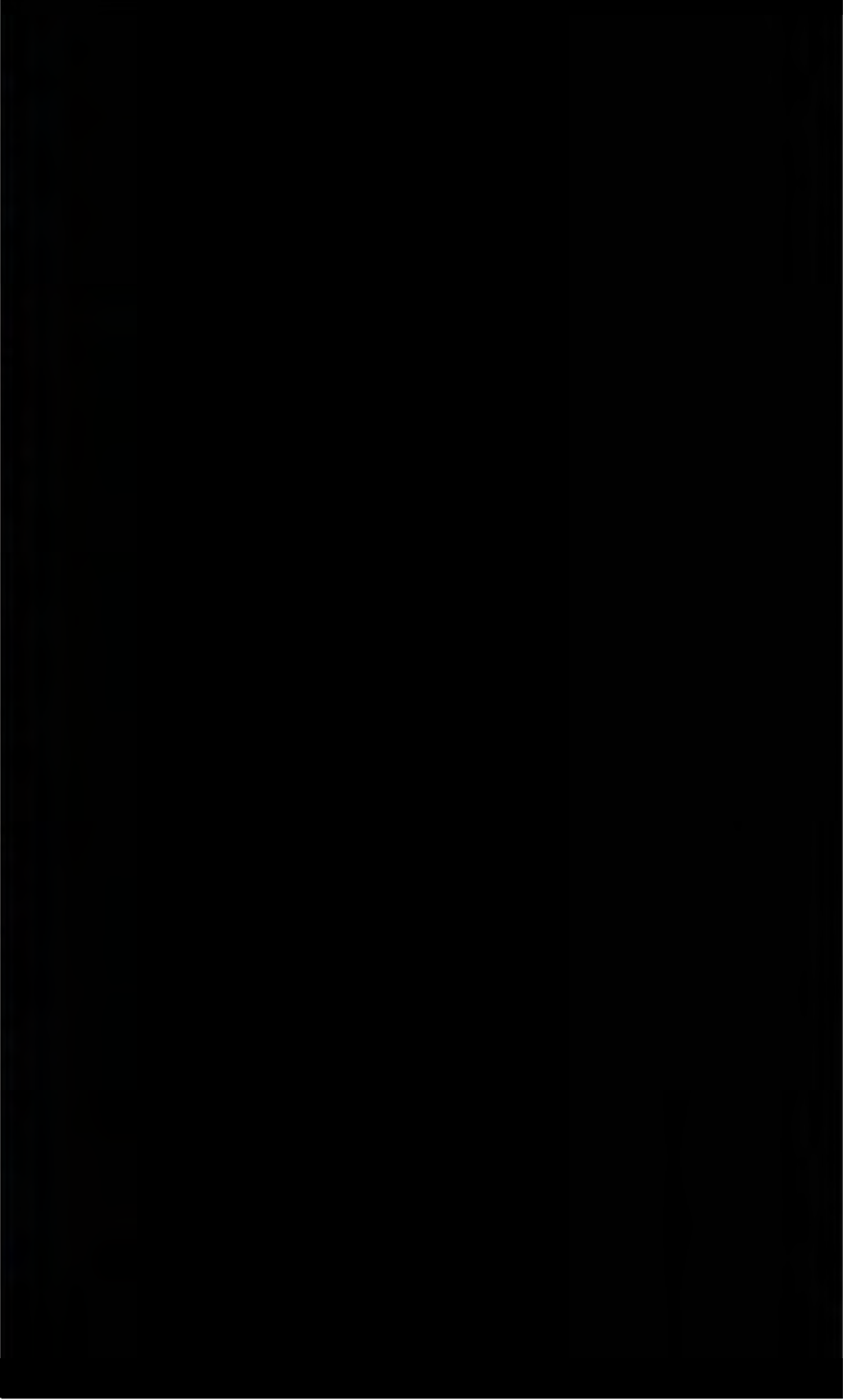
36

(\$ in millions)



Product Sales

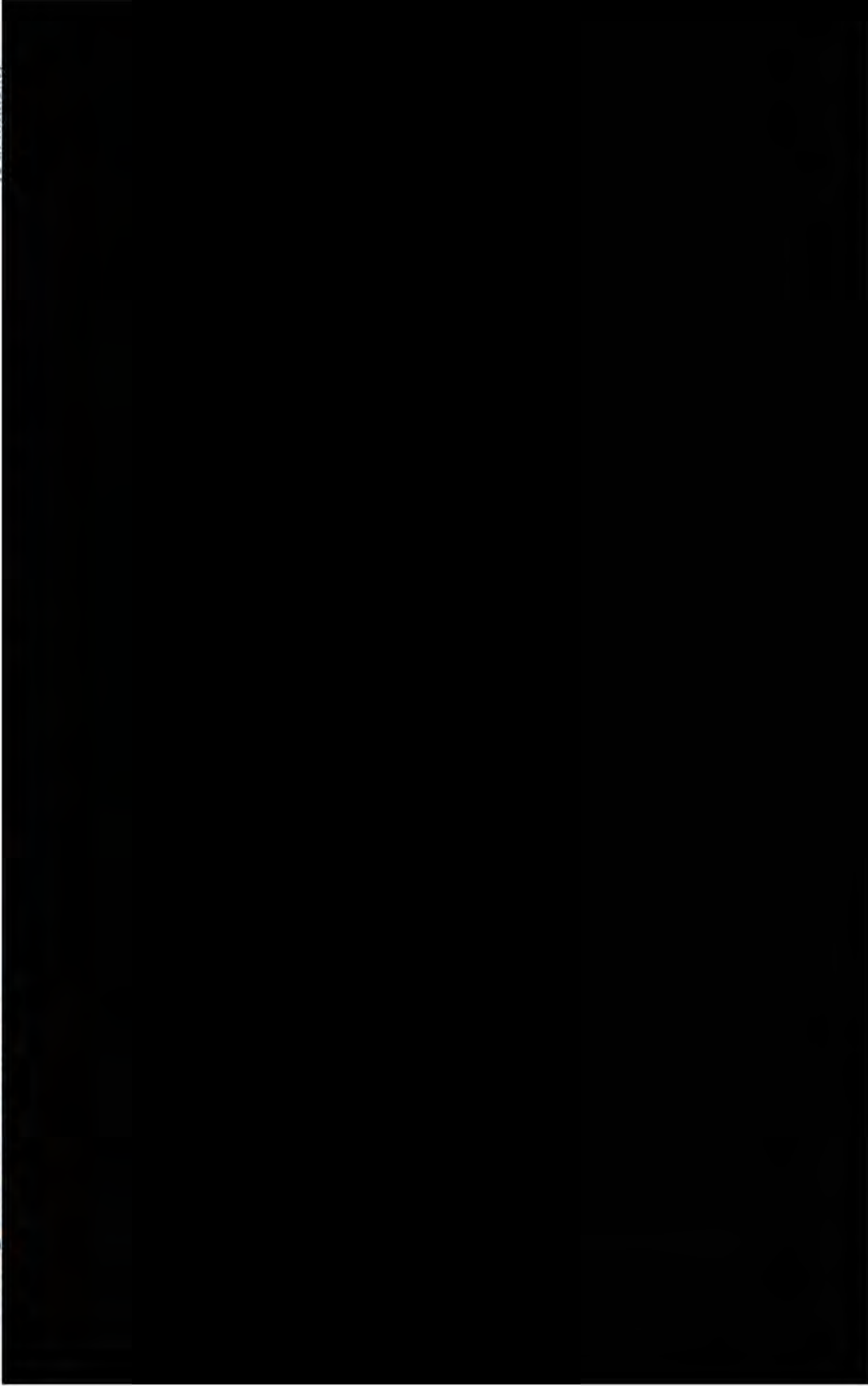
Increased Breadth of Products Across a Growing Customer Base Drives Farelogix's Near-Term Product Sales



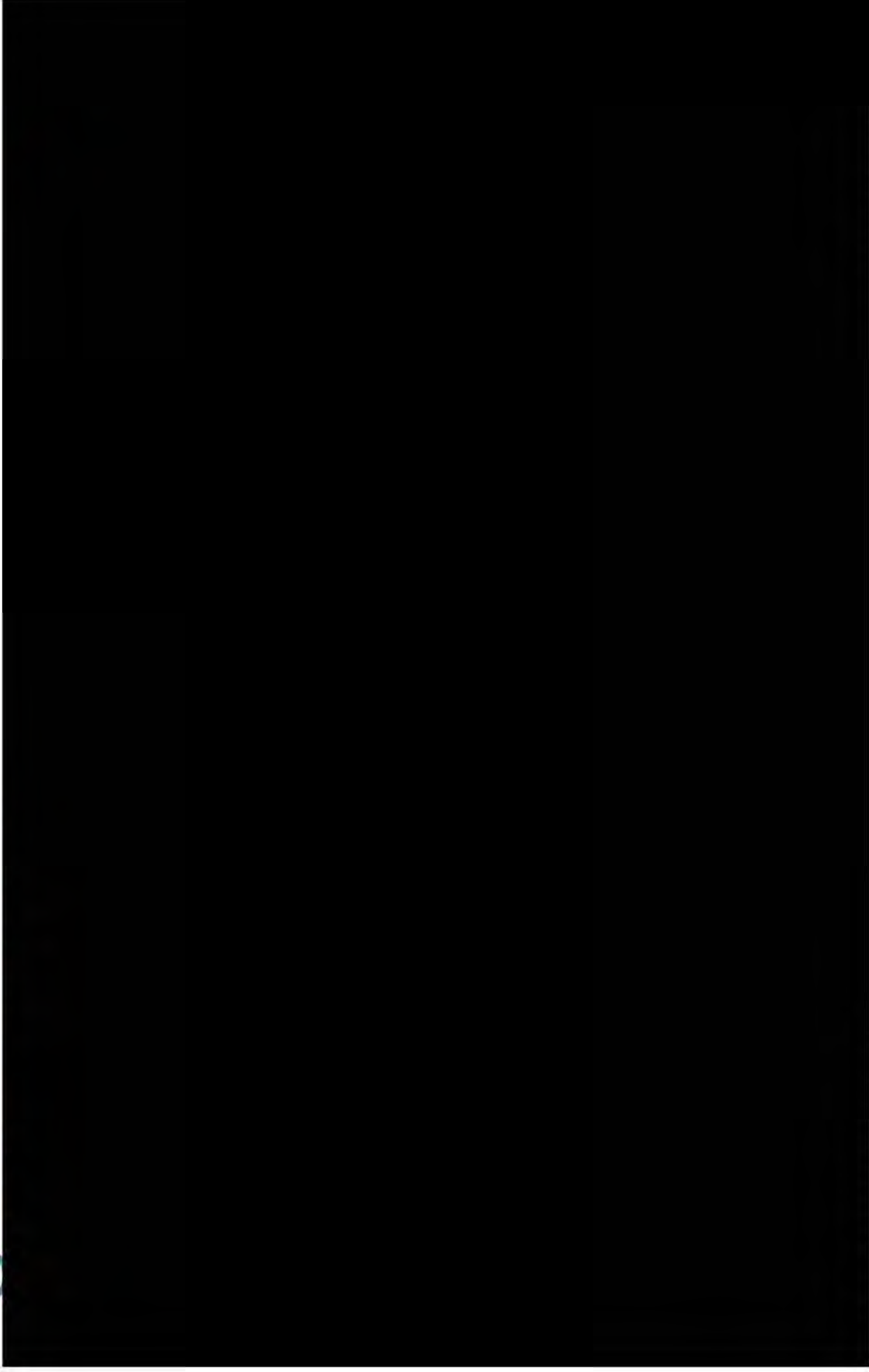
B Offer Management Revenue

Highly Visible Offer Management Revenue with Consistent Growth Driven by New Product Sales to Existing and New Customers

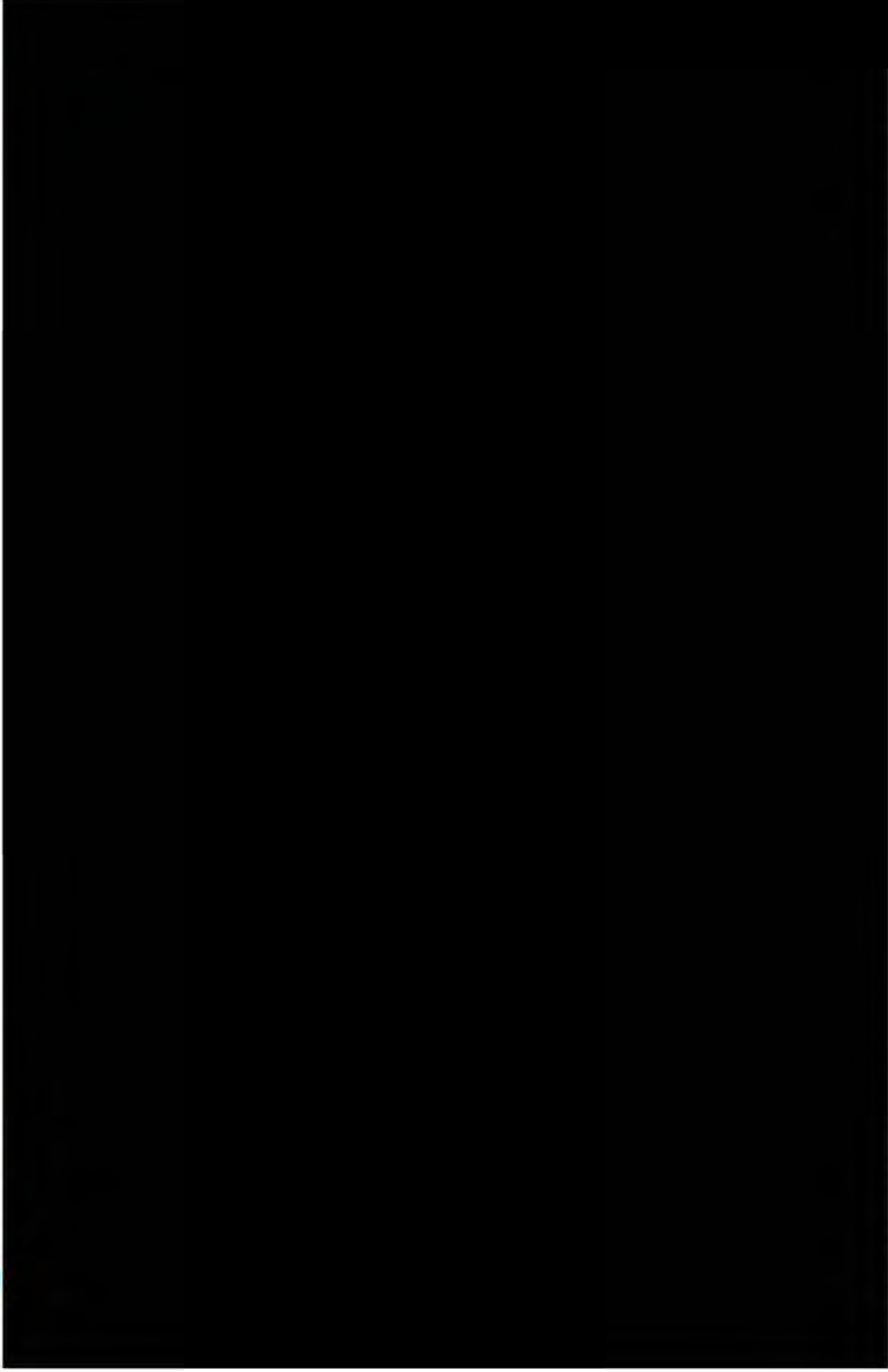
(\$ in millions)



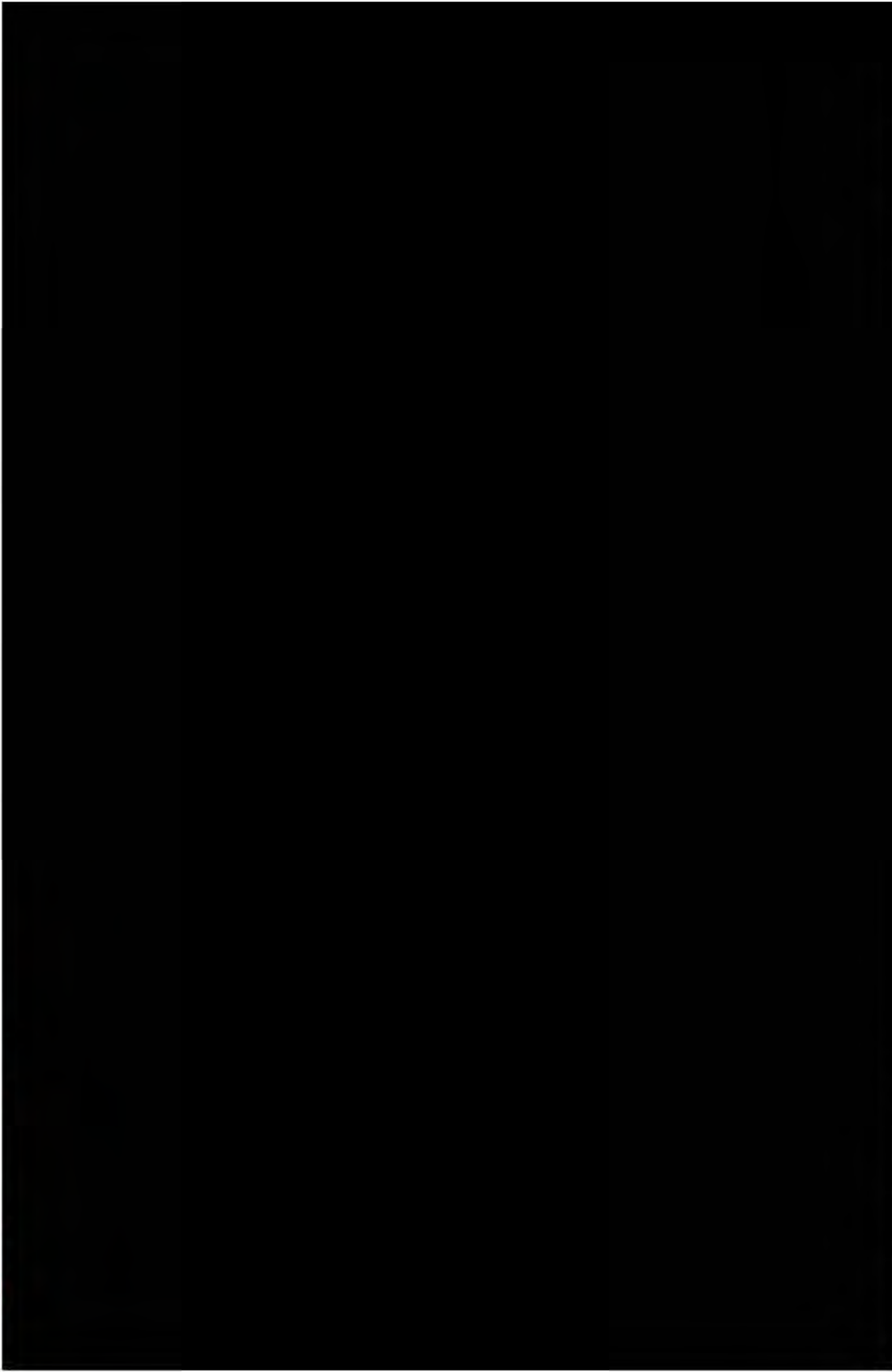
 NDC Order Delivery Revenue

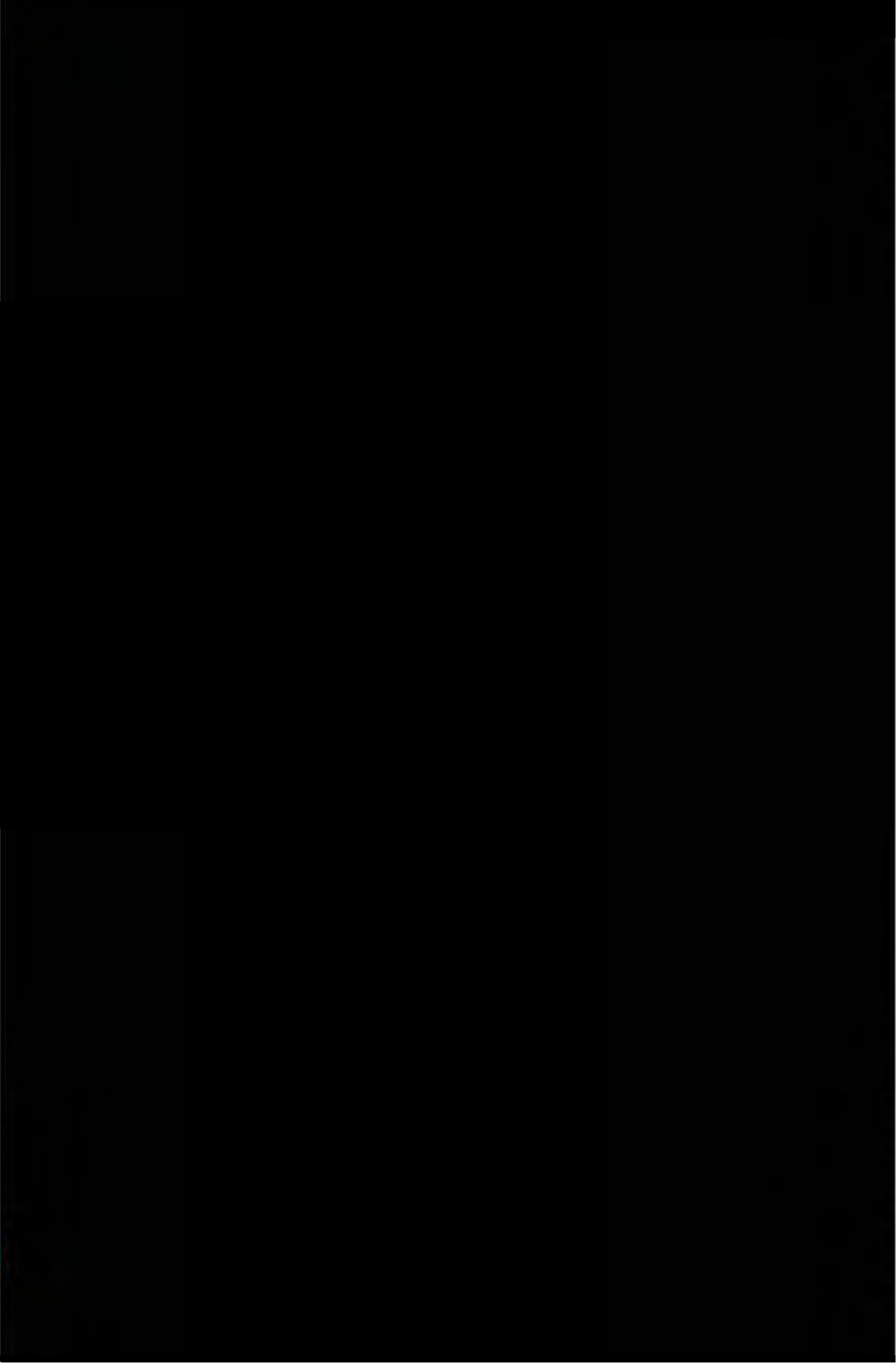


D Net Revenue



 Operating Expenses





GDSs are Now Endorsing NDC and are Implementing 8 Airlines with 11 NDC API Integrations with Farelogix Accelerating NDC Order Delivery Transactions



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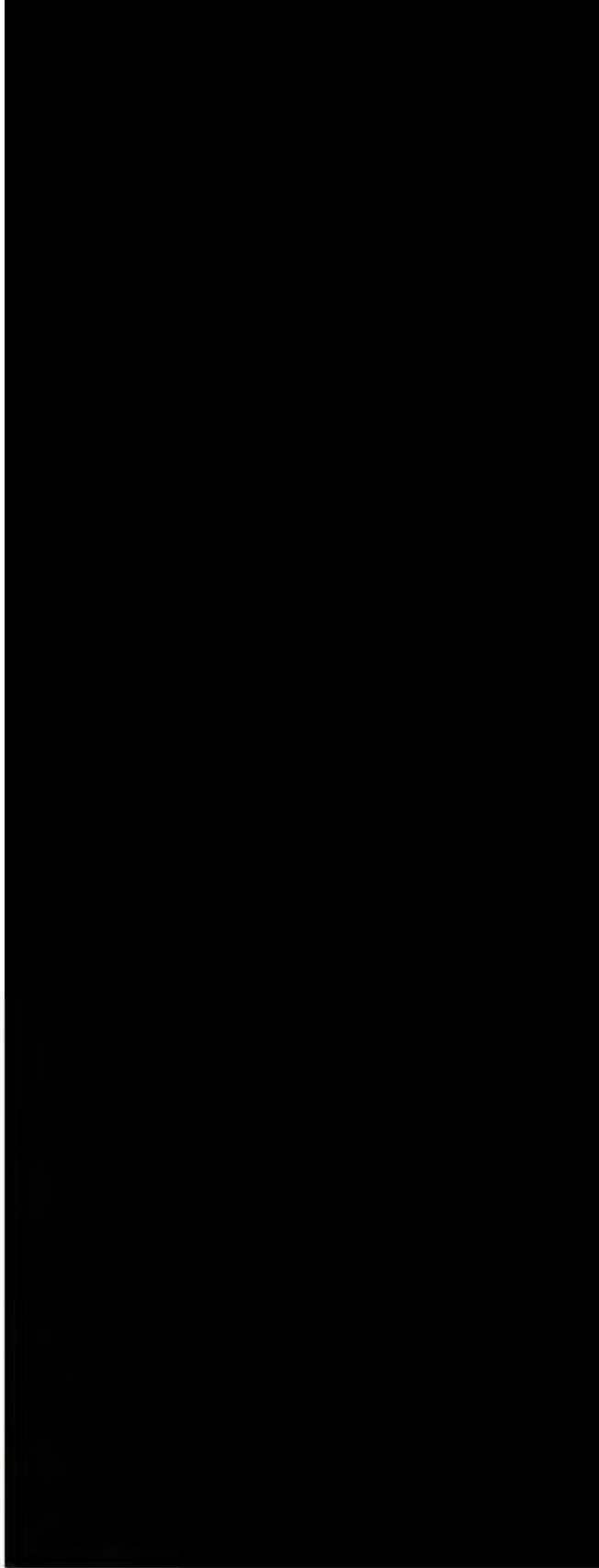
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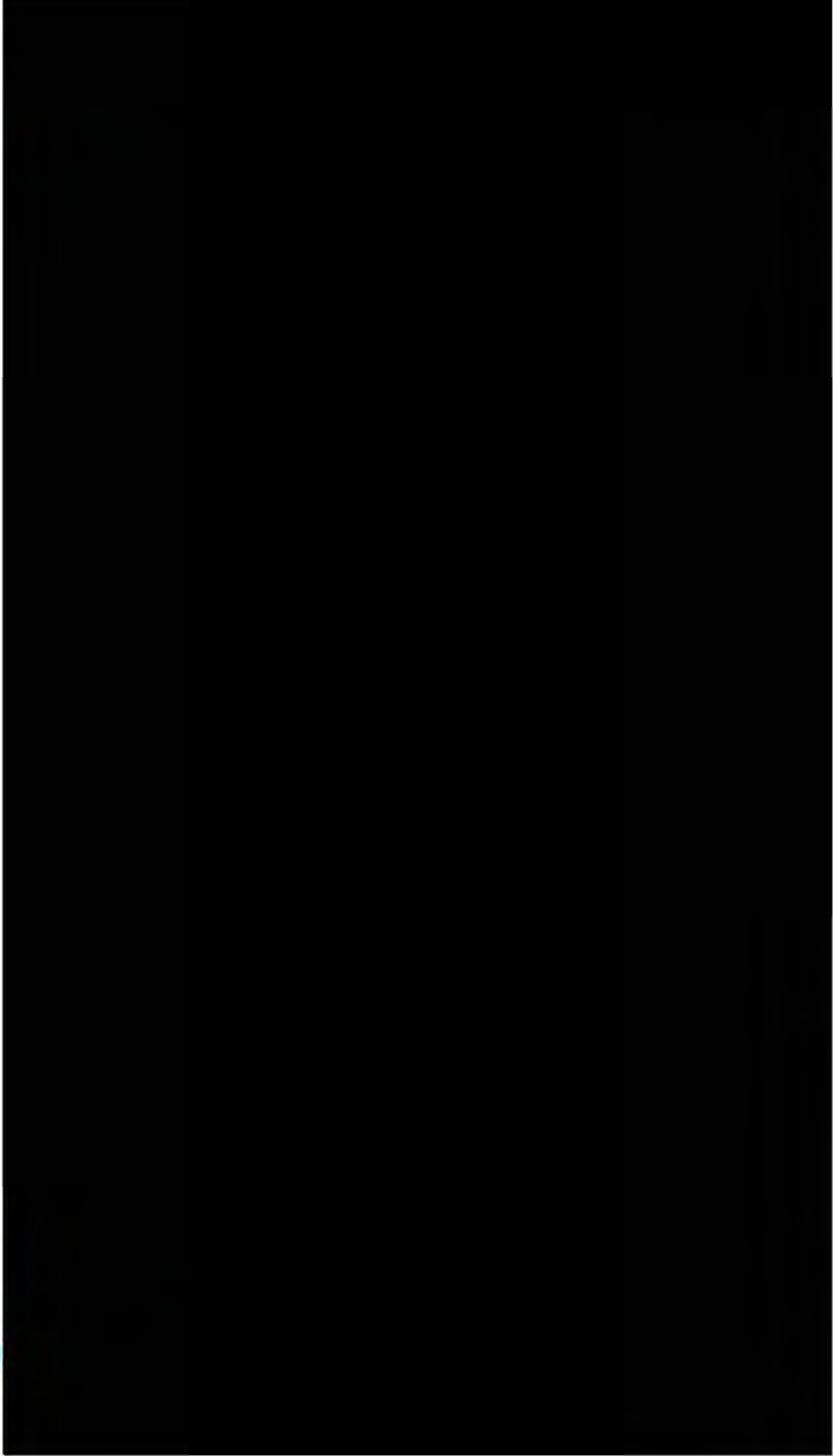
Travelport

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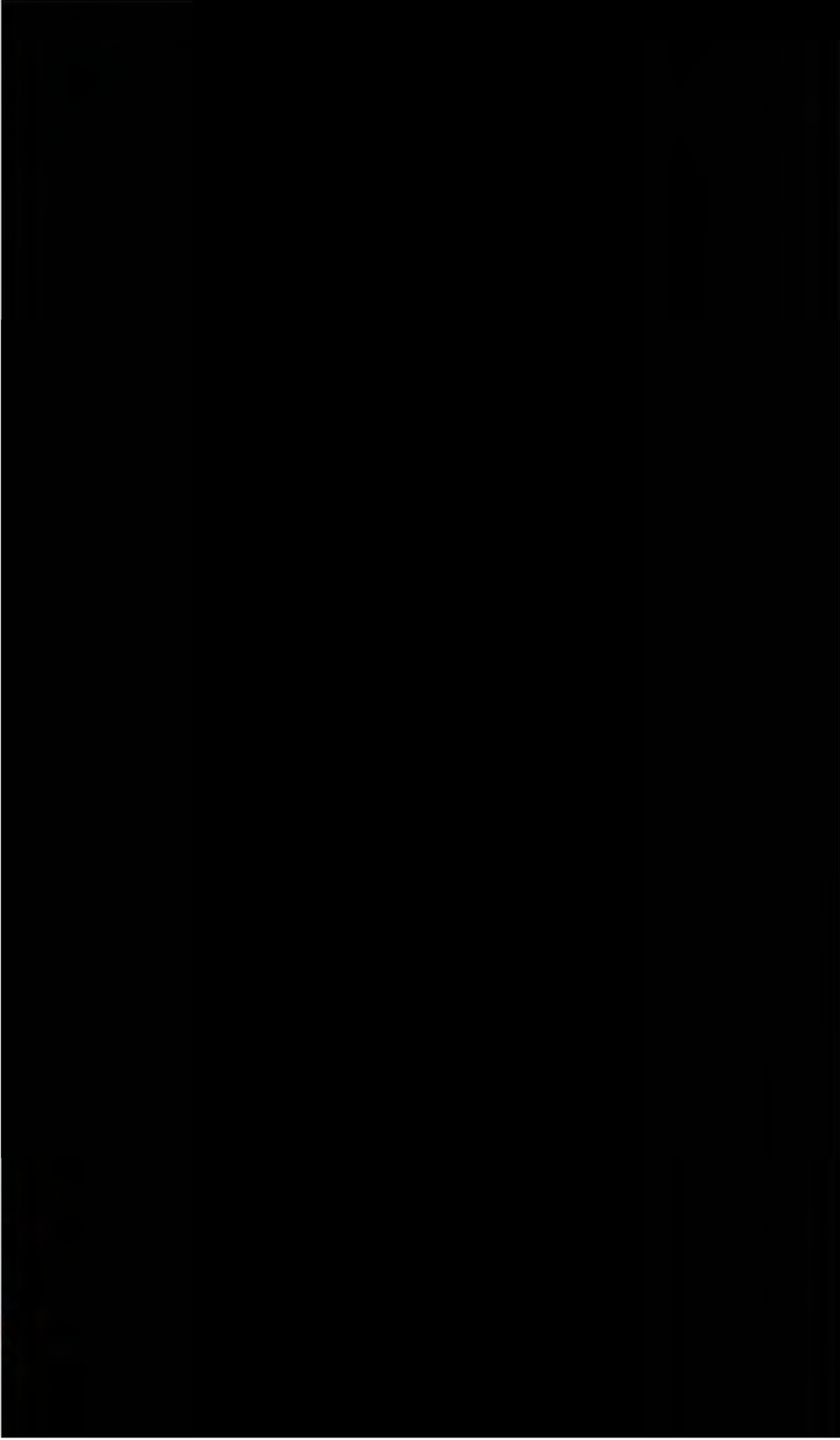


IV. Unit Economics





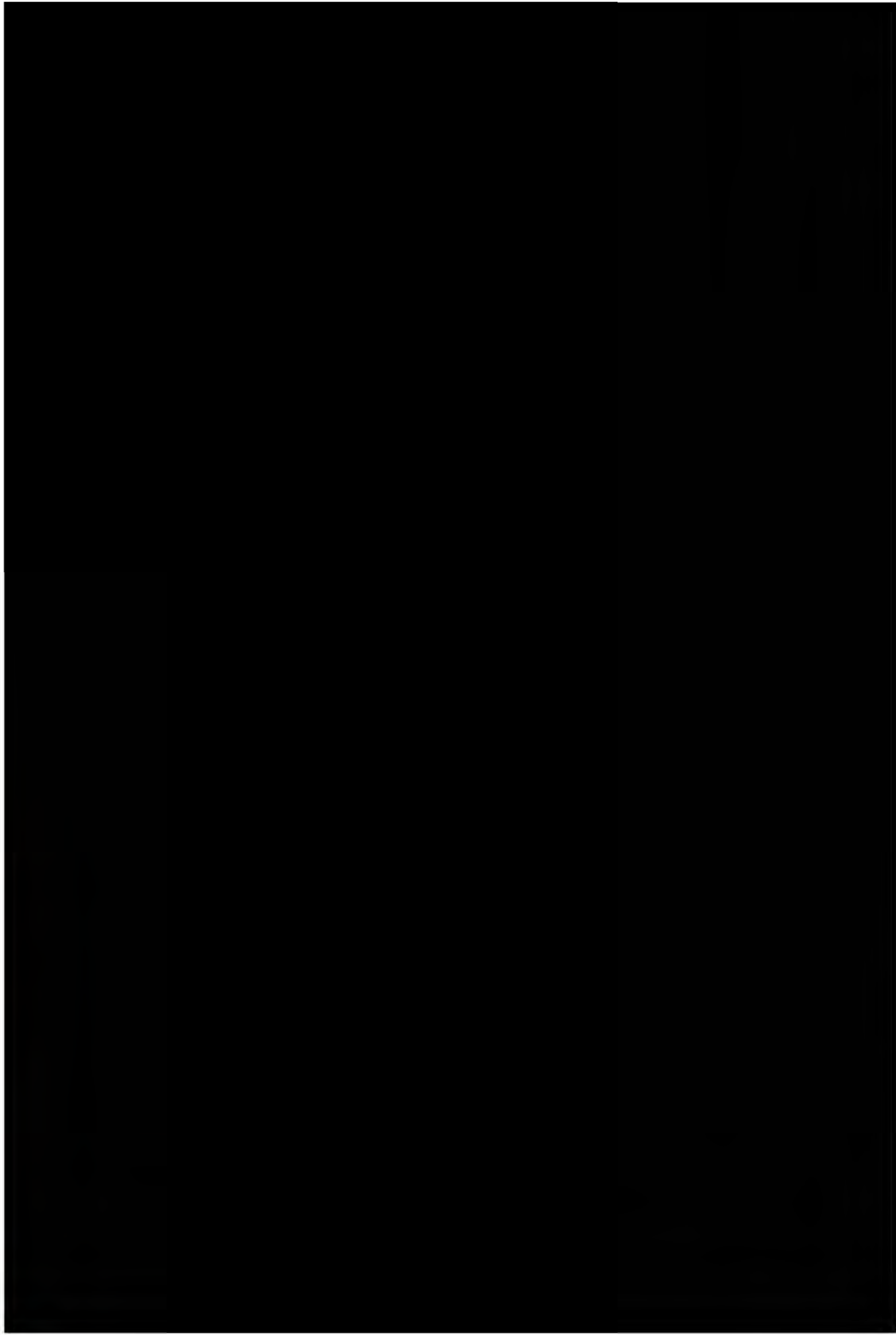
1 In 2017, revenue and EBITDA were \$34mm and \$3mm, respectively.

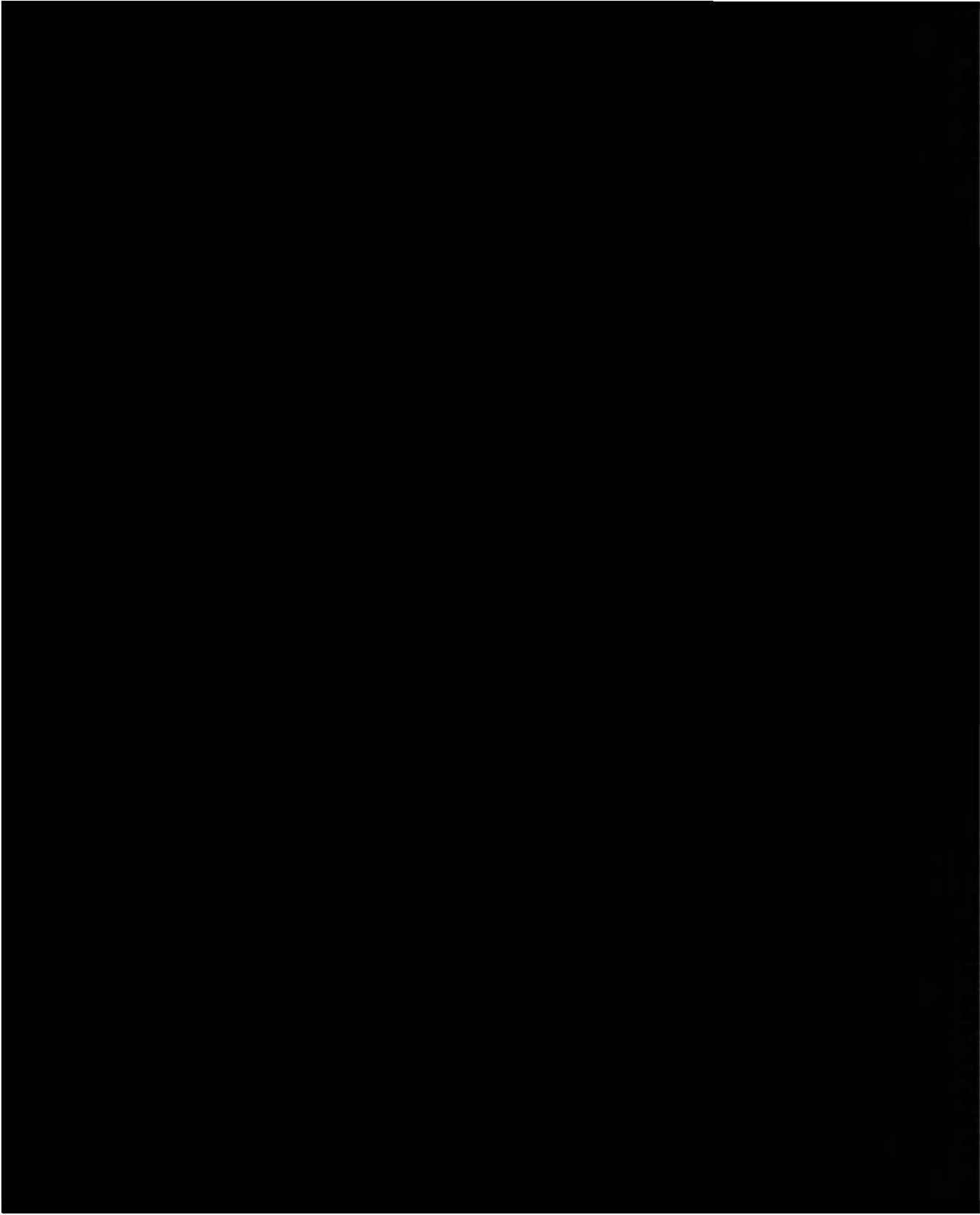




V. Client and Product Pipeline

 Client and Product Pipeline





FARELOGIX CONFIDENTIAL

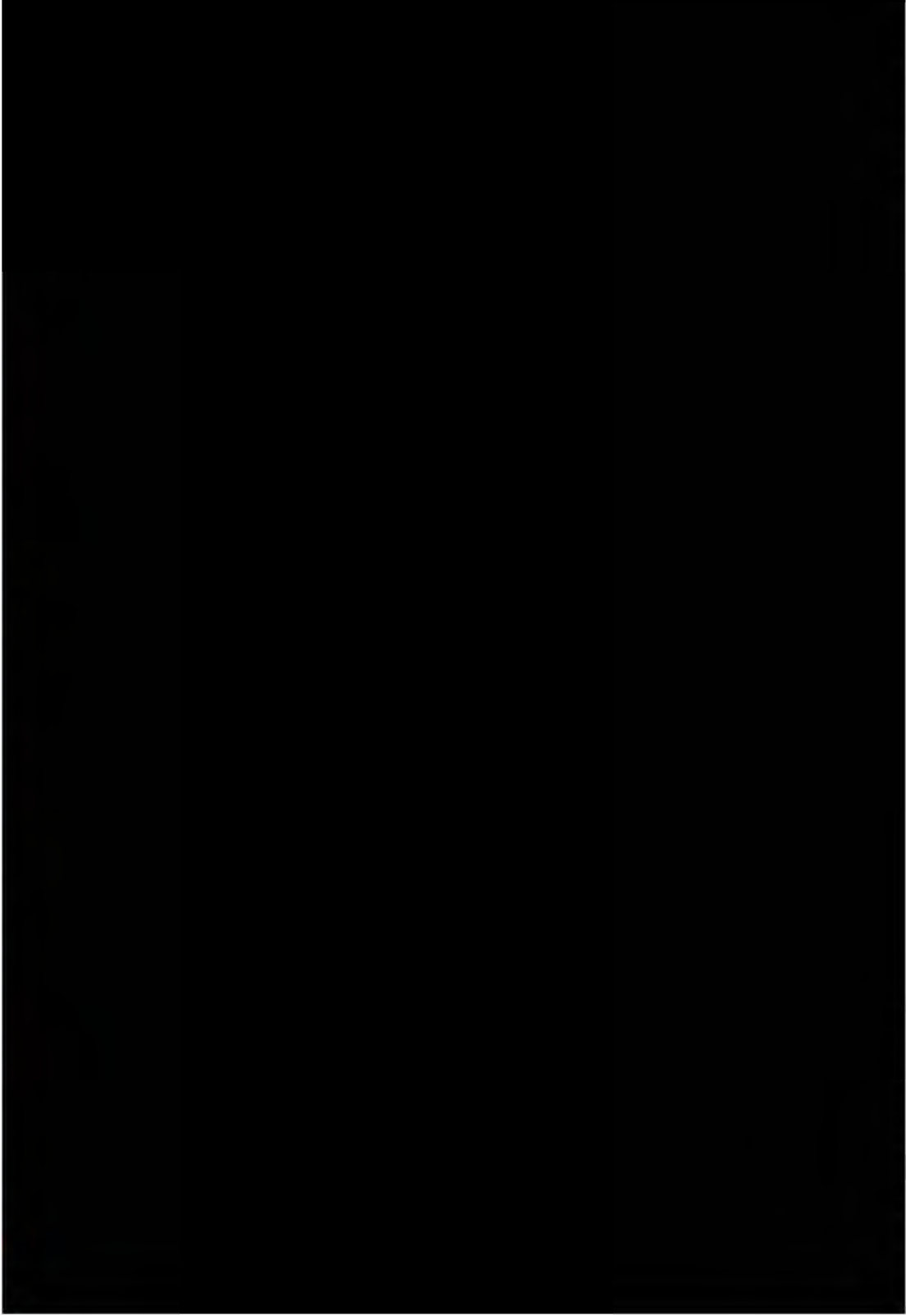
FLX-000874330



VI. Further Questions – Historical and Projected Financials



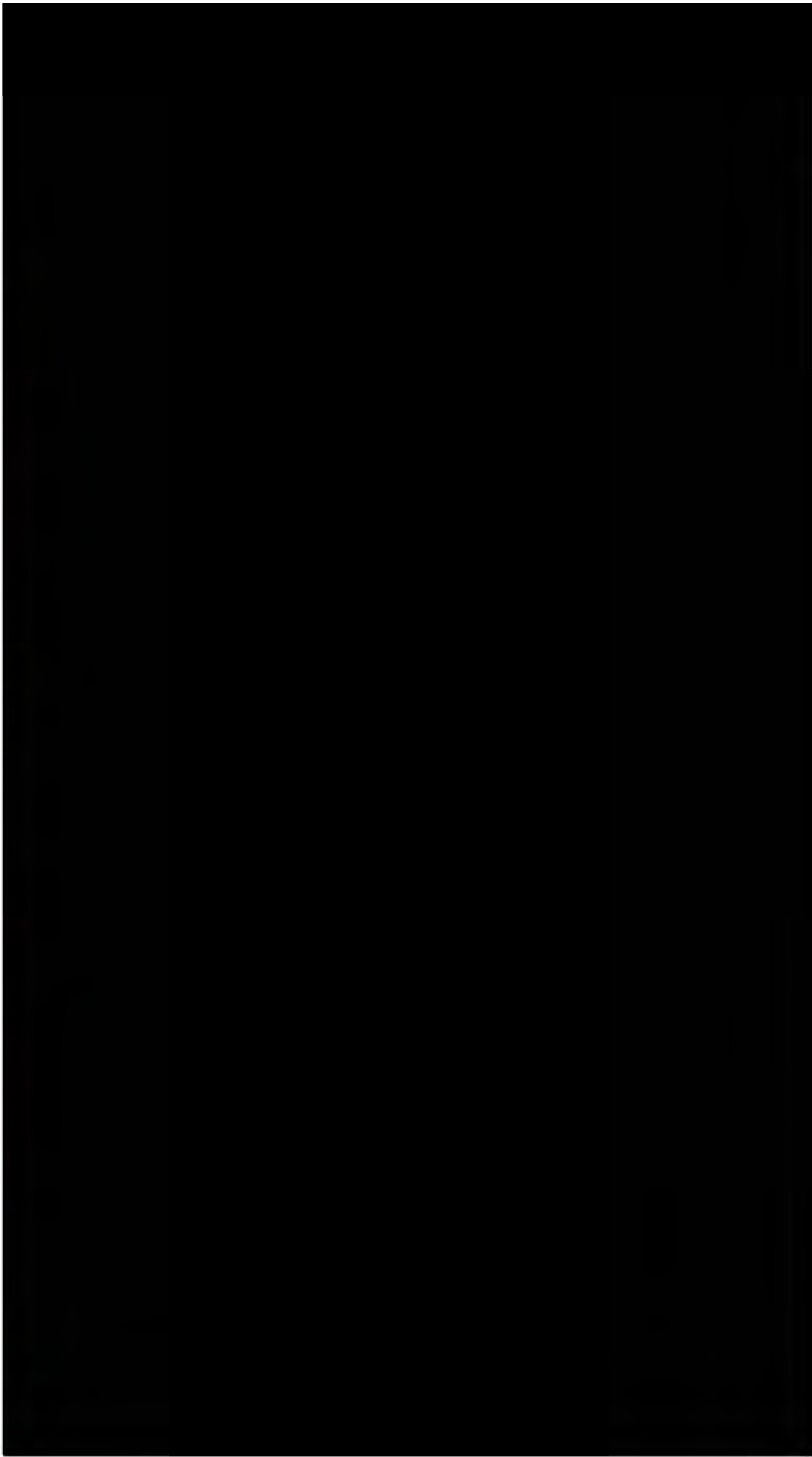
Further Questions – Historical and Projected Financials



 Further Questions – Historical and Projected Financials (Cont'd)



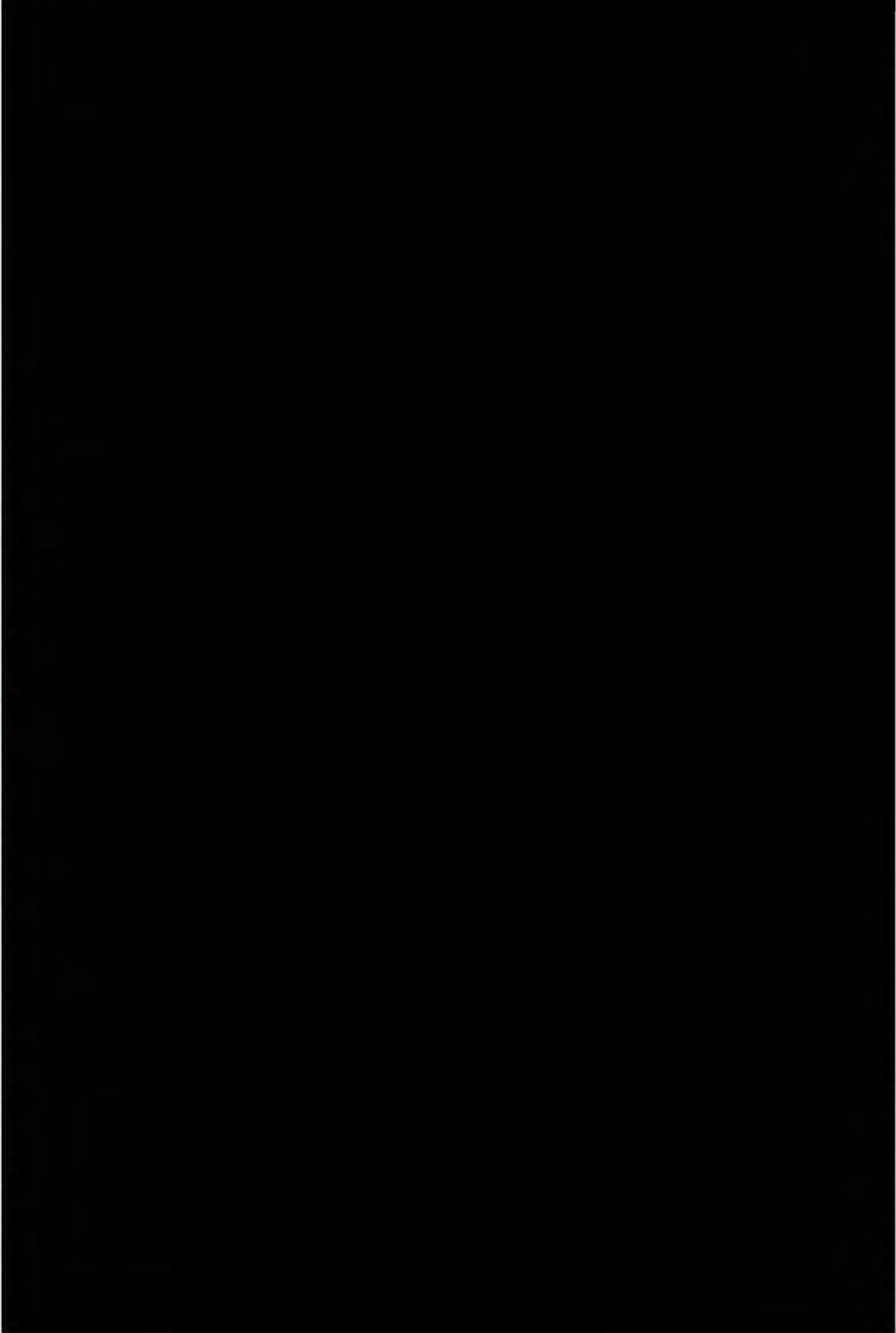
 Further Questions – Historical and Projected Financials (Cont'd 2)



5

High Growth, High Margin SaaS Platform with Significant Operating Leverage Driven by Accelerating Customer Adoption

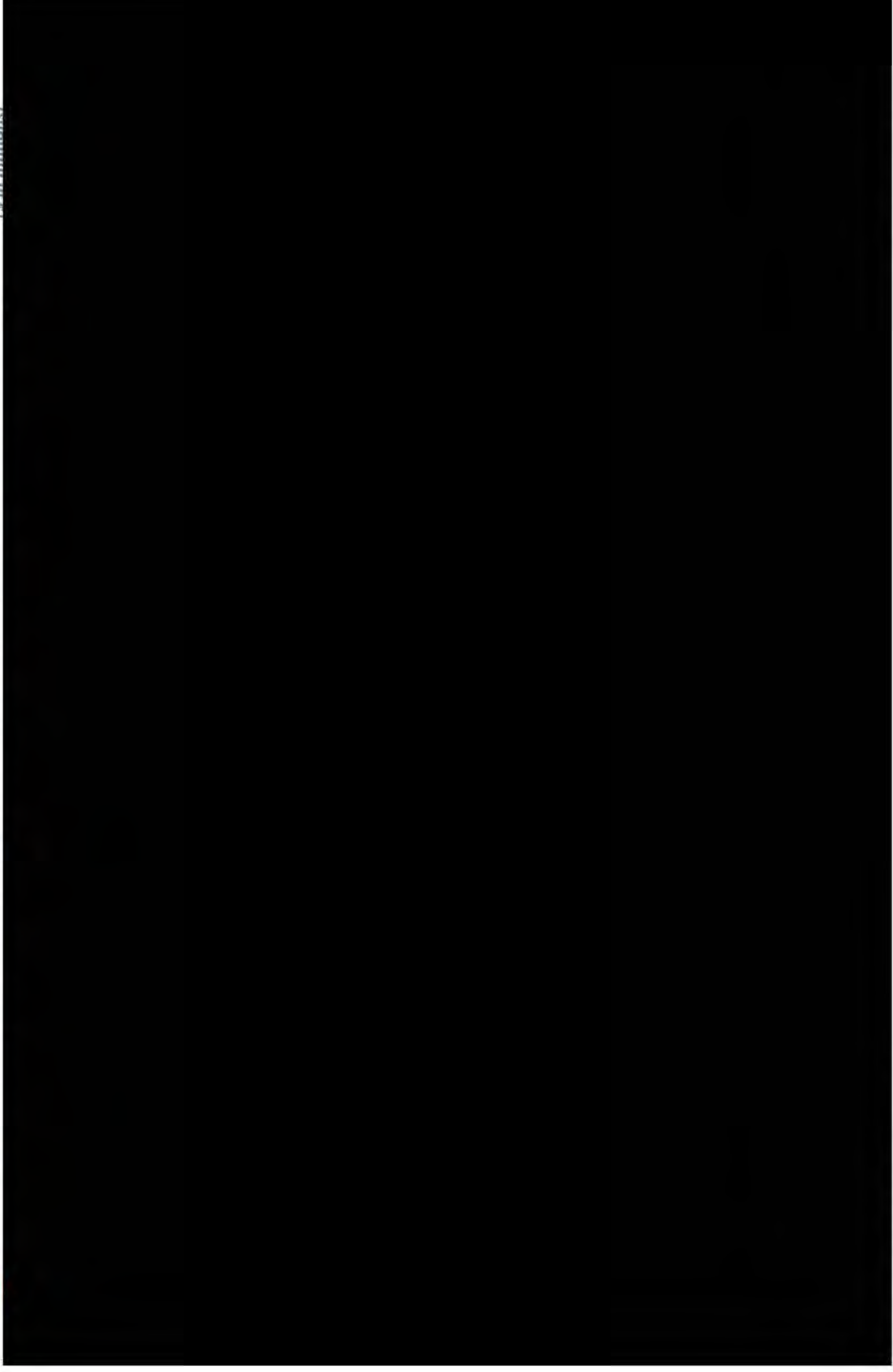
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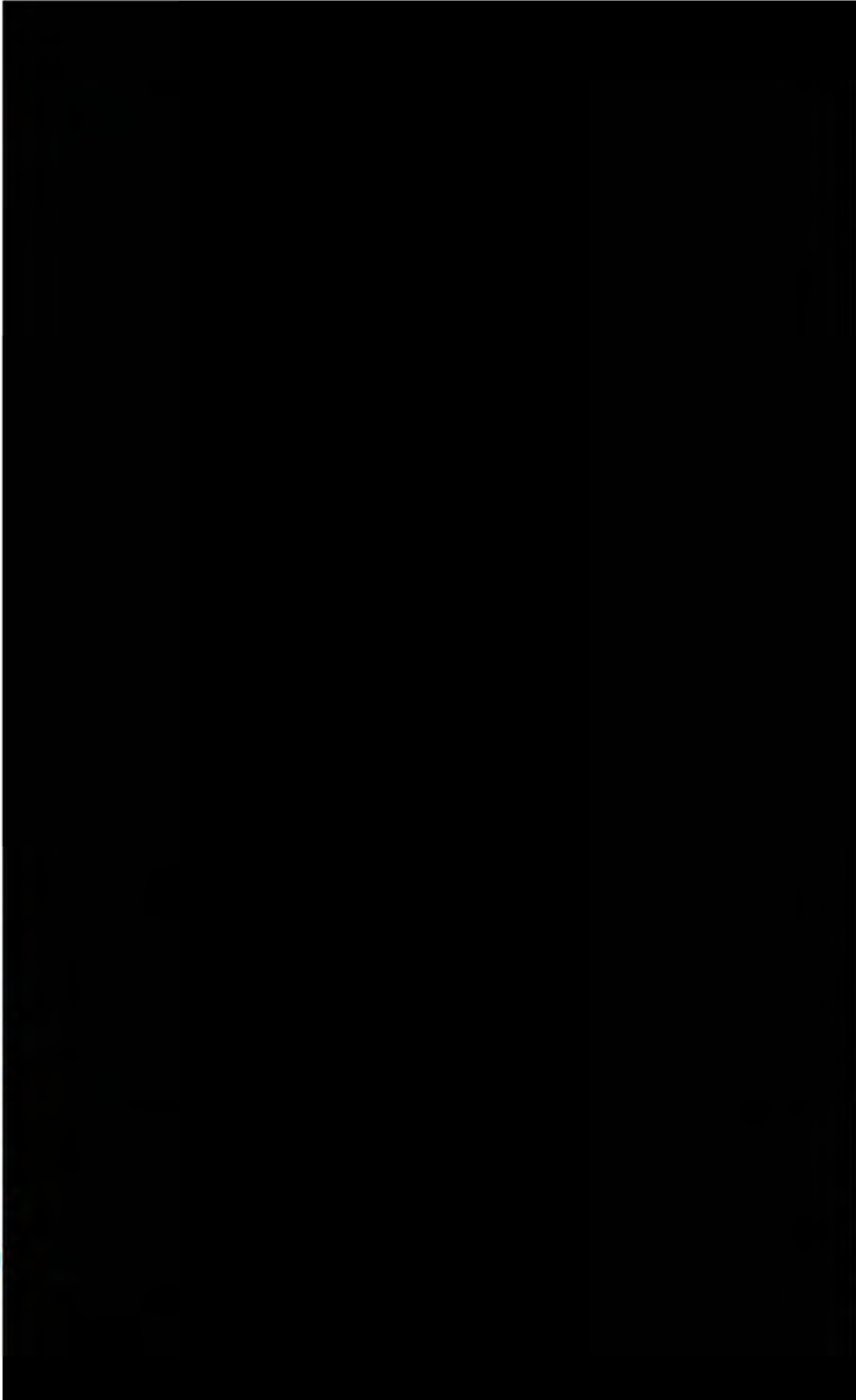


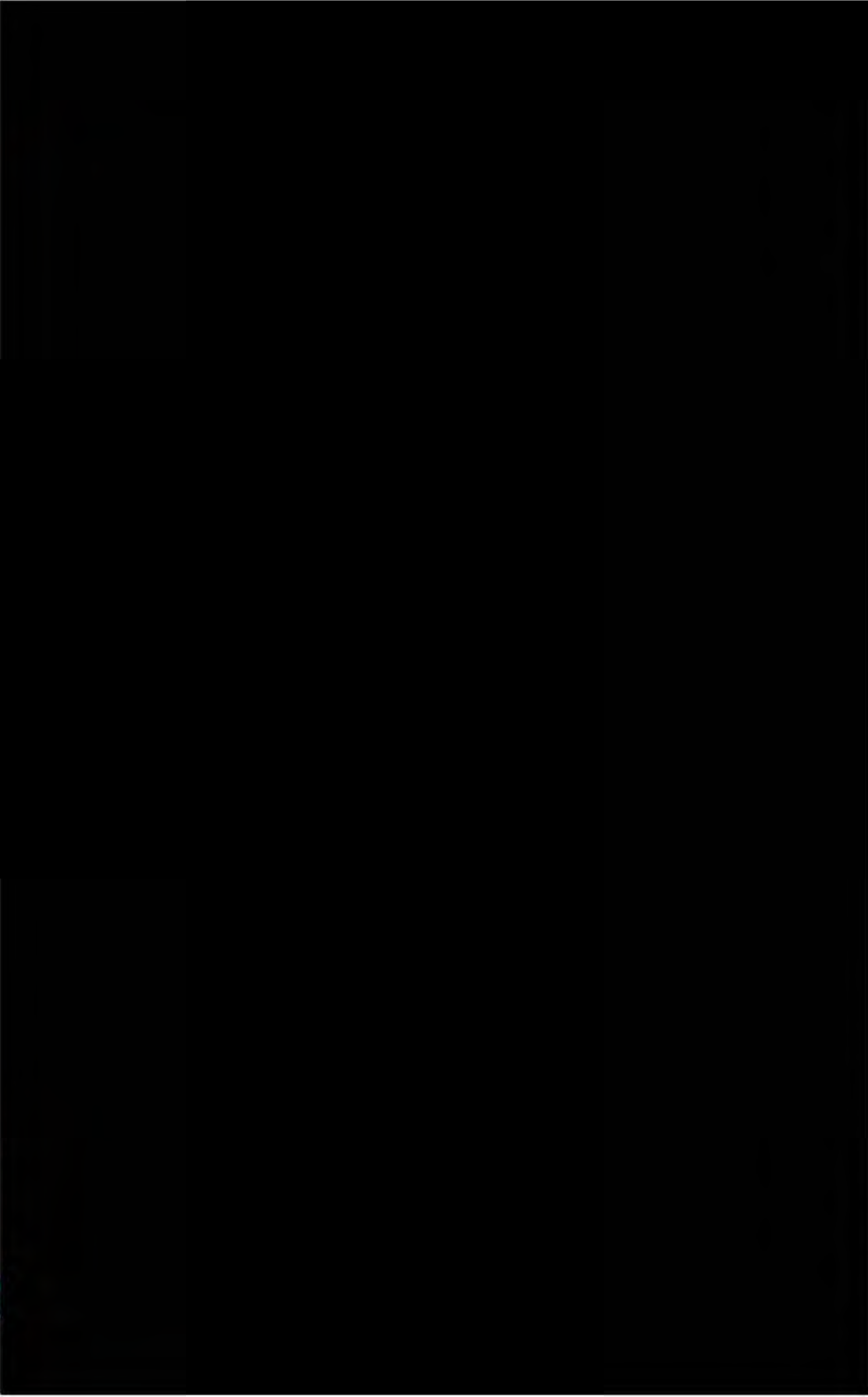
Track Record of Recurring Revenue Growth and Profitability

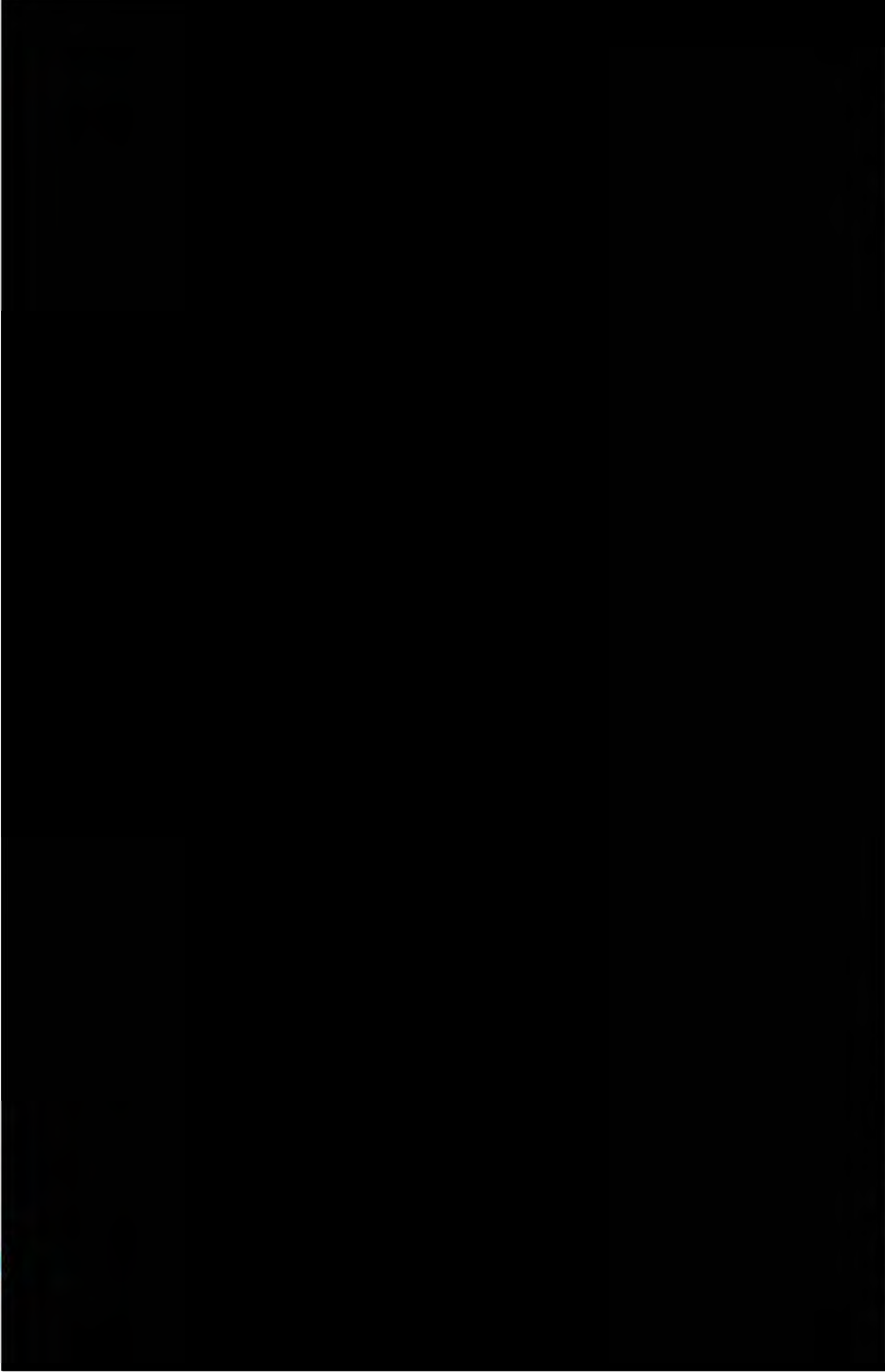
(\$ in millions)



 Operating Expenses

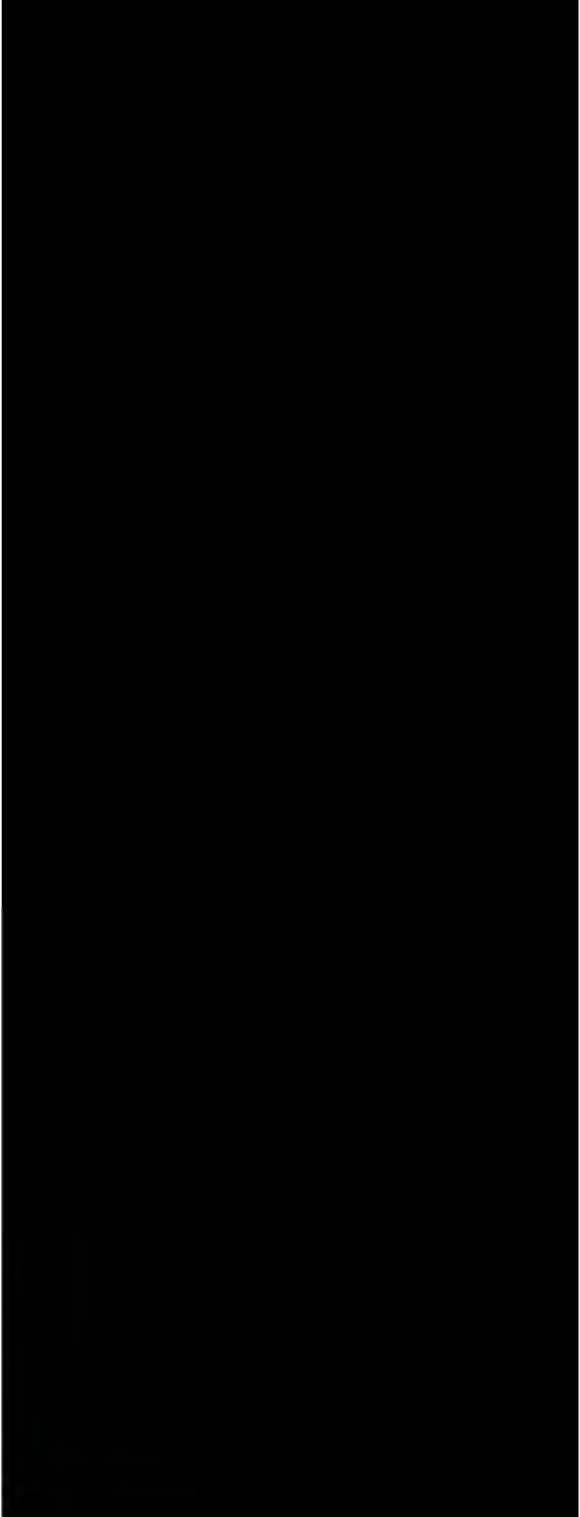




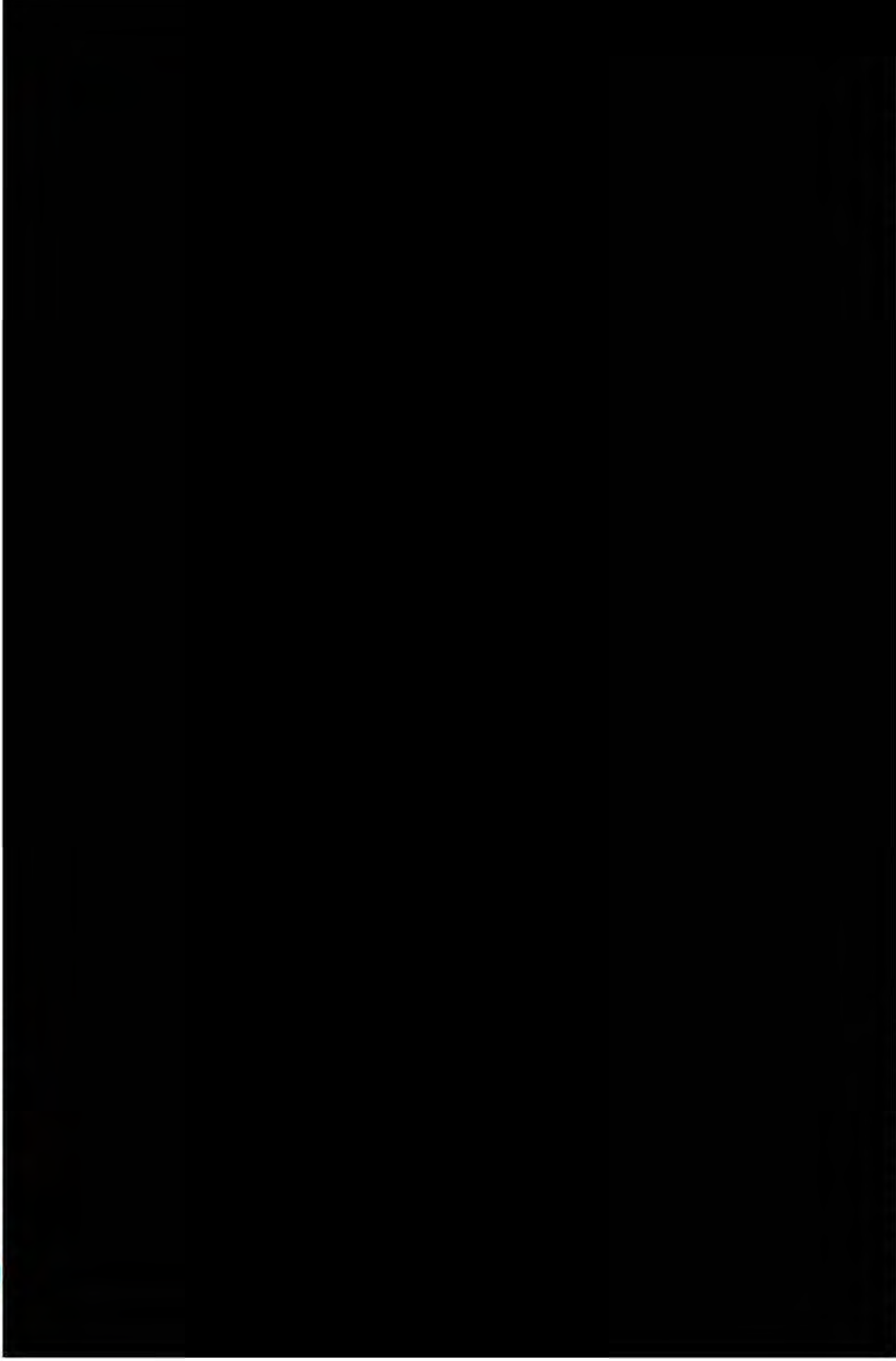




VII. Cash Flow

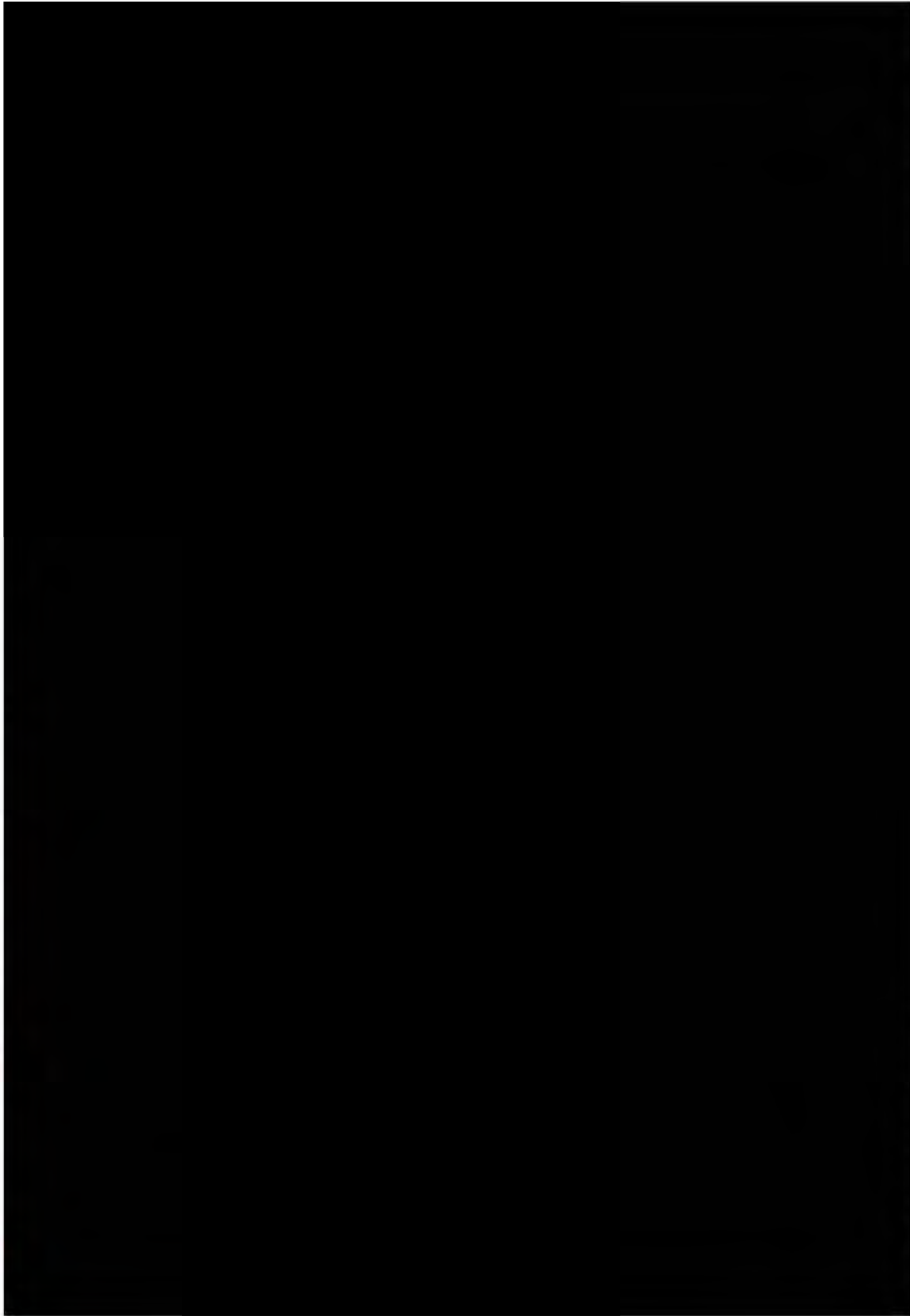


 Free Cash Flow





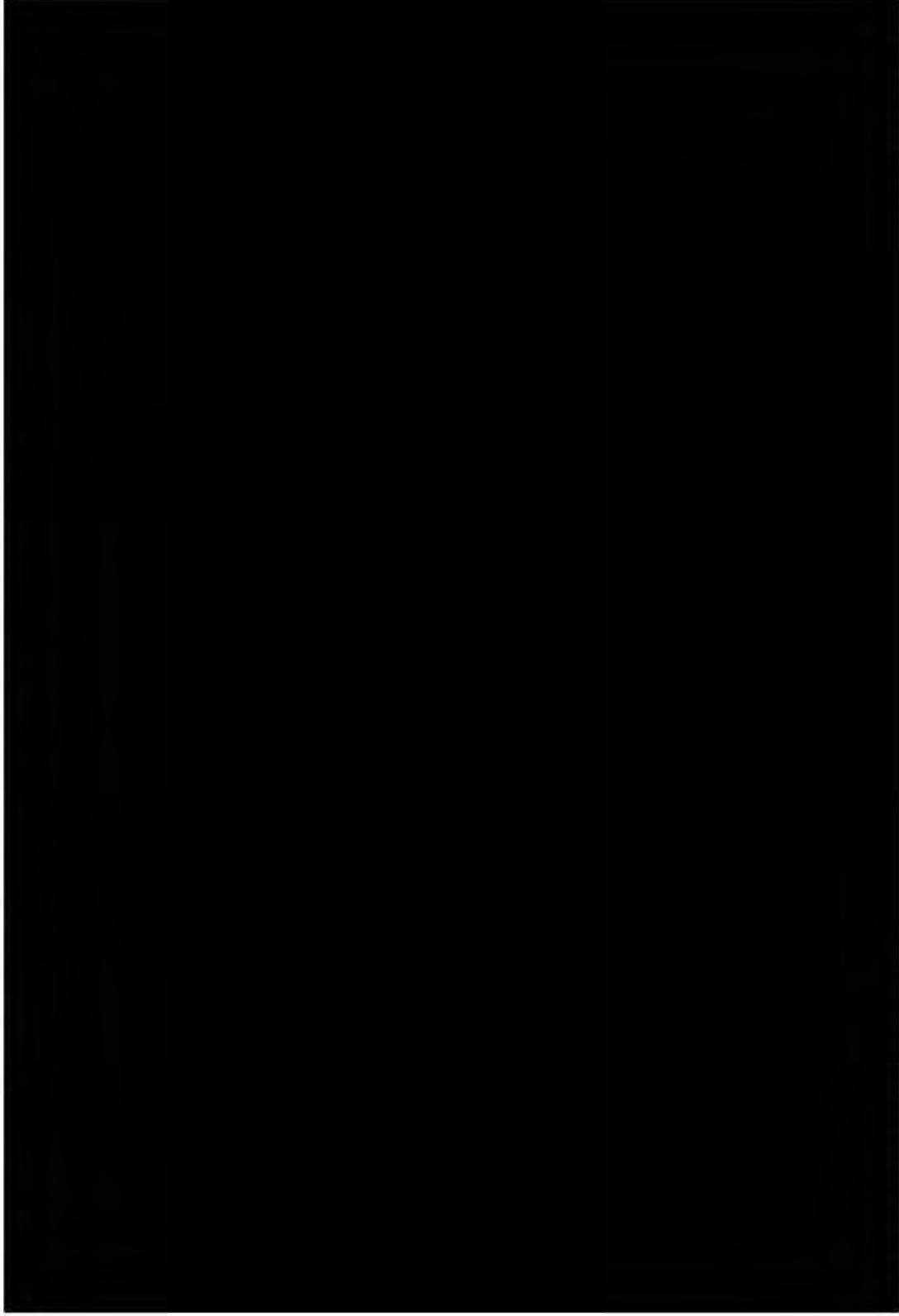
VIII. Technology & Product Development



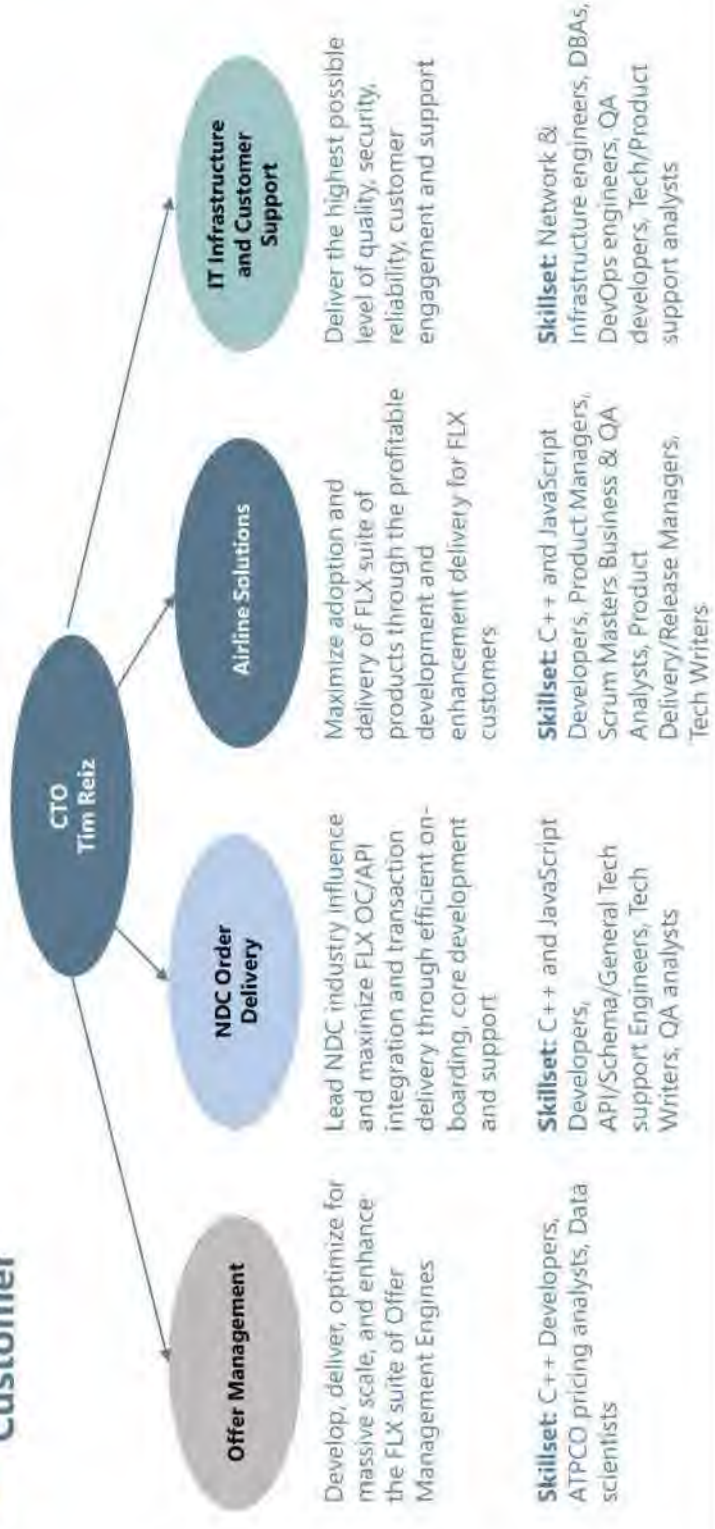


Farelogix Airline Commerce Gateway has Unmatched Flexibility through a PSS-Agnostic, Scalable Architecture

32



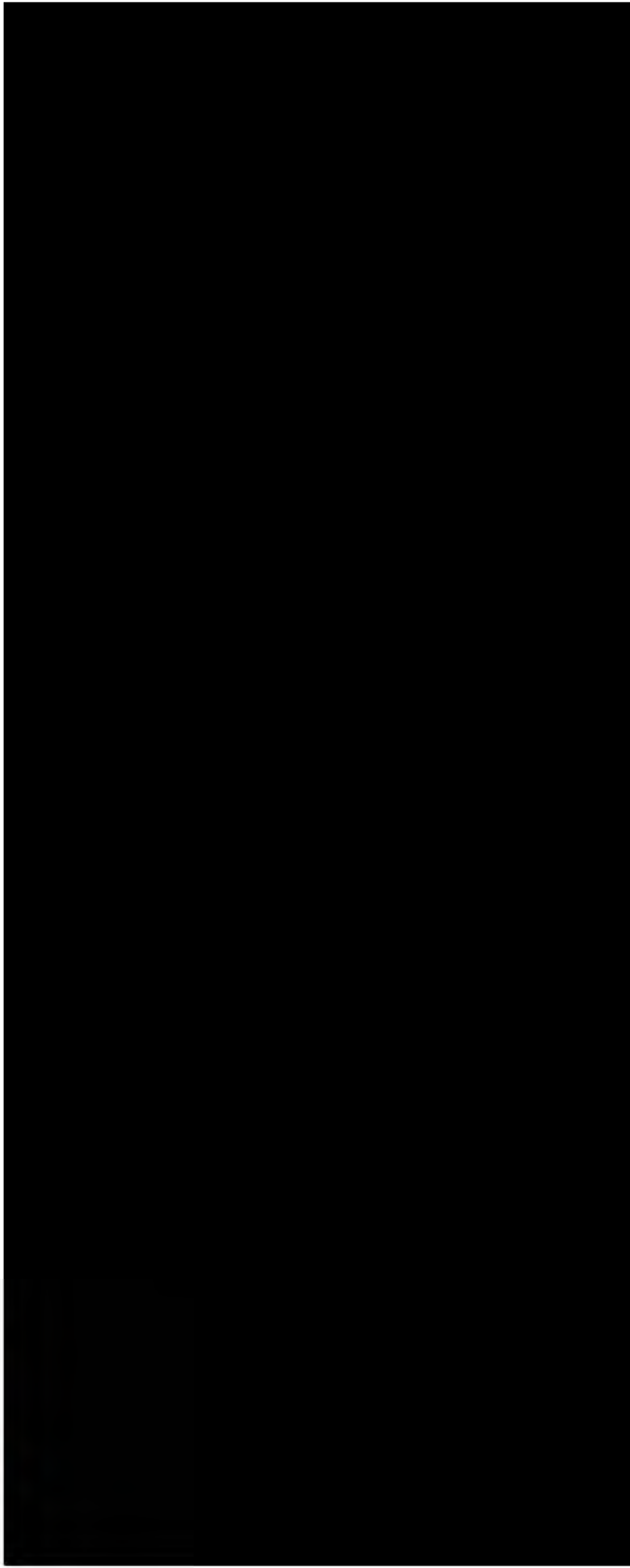
Technology Driven Organization, with ~90% of Employees Dedicated to Delivering FLX Airline Commerce Gateway Solutions to the Customer





IX. Other

 Other





**On-Site Meeting Agenda
June 27th – 28th, 2018**

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VI

Cash Flow

VII

Technology & Product Development

VIII

Other

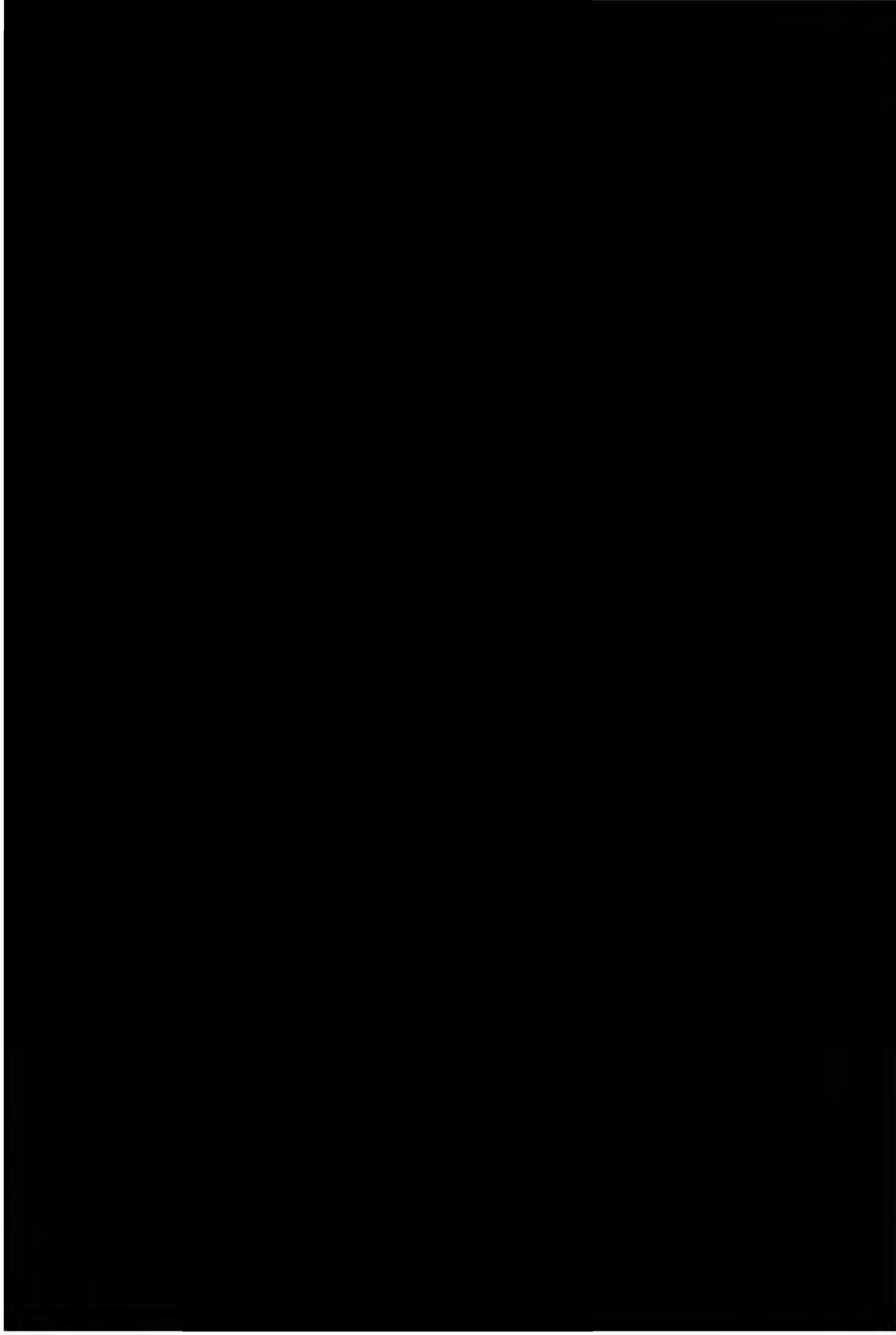
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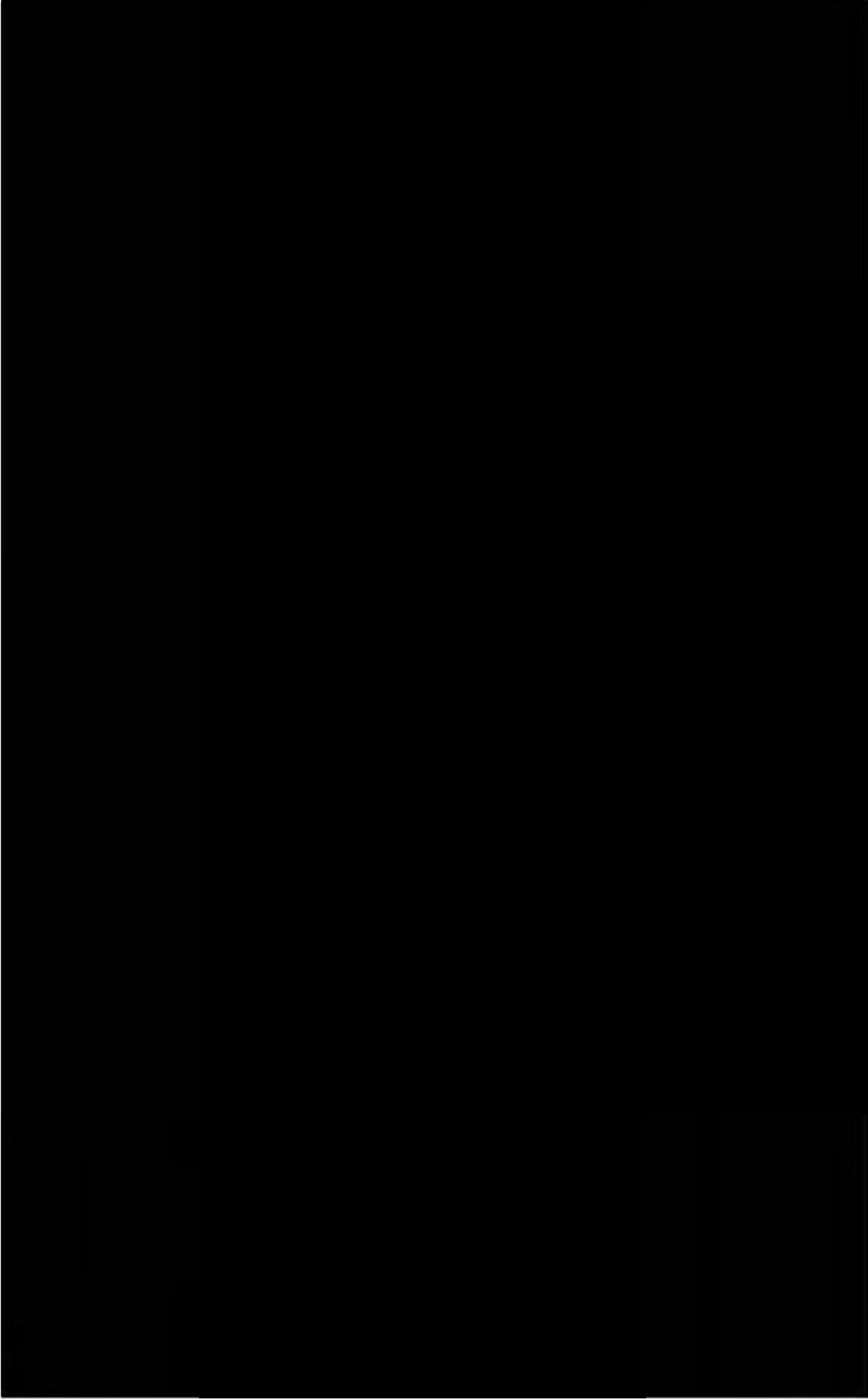
I. Market



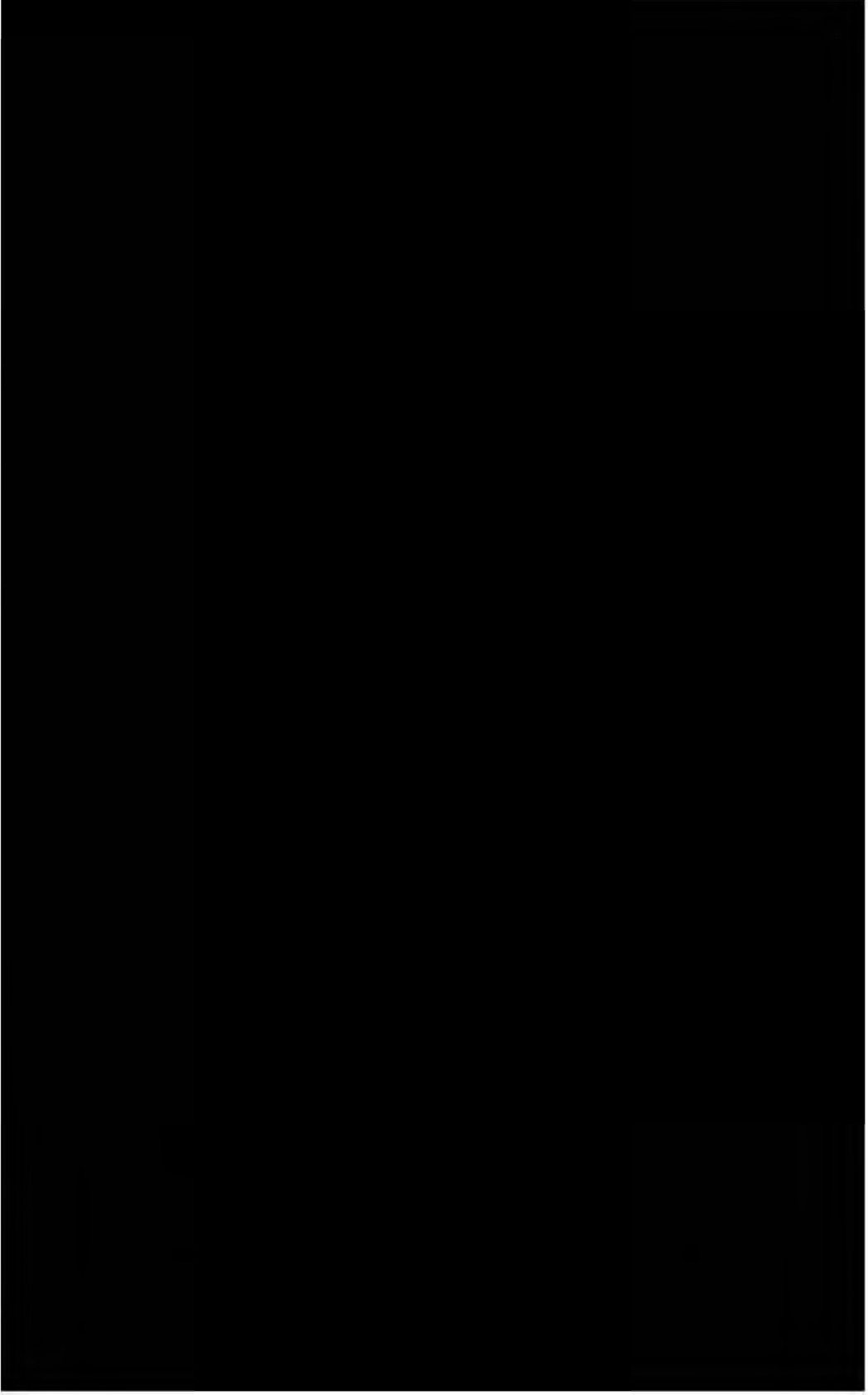
Market



○ Market (Cont'd)



○ Market (Cont'd 2)





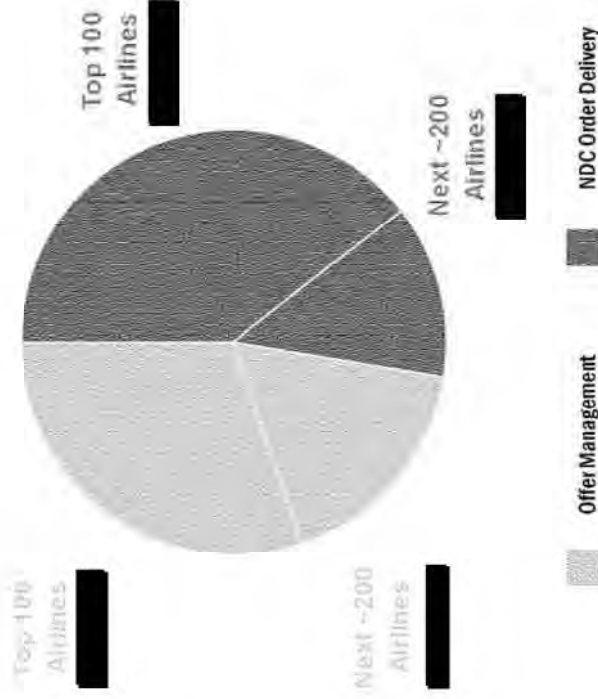
Market (Cont'd 3)



Large and Growing Market for Airline-Controlled Retailing and NDC Distribution Software

Farelogix Products Today Address a [REDACTED] Annual Revenue Opportunity

- Today, airlines spend ~\$13 billion on GDS and PSS solutions for retailing and distribution¹
- Farelogix products today represent a [REDACTED] opportunity across the world's 300 largest airlines²
- The [REDACTED] opportunity compares to airline ancillary revenues of \$57bn in 2017³



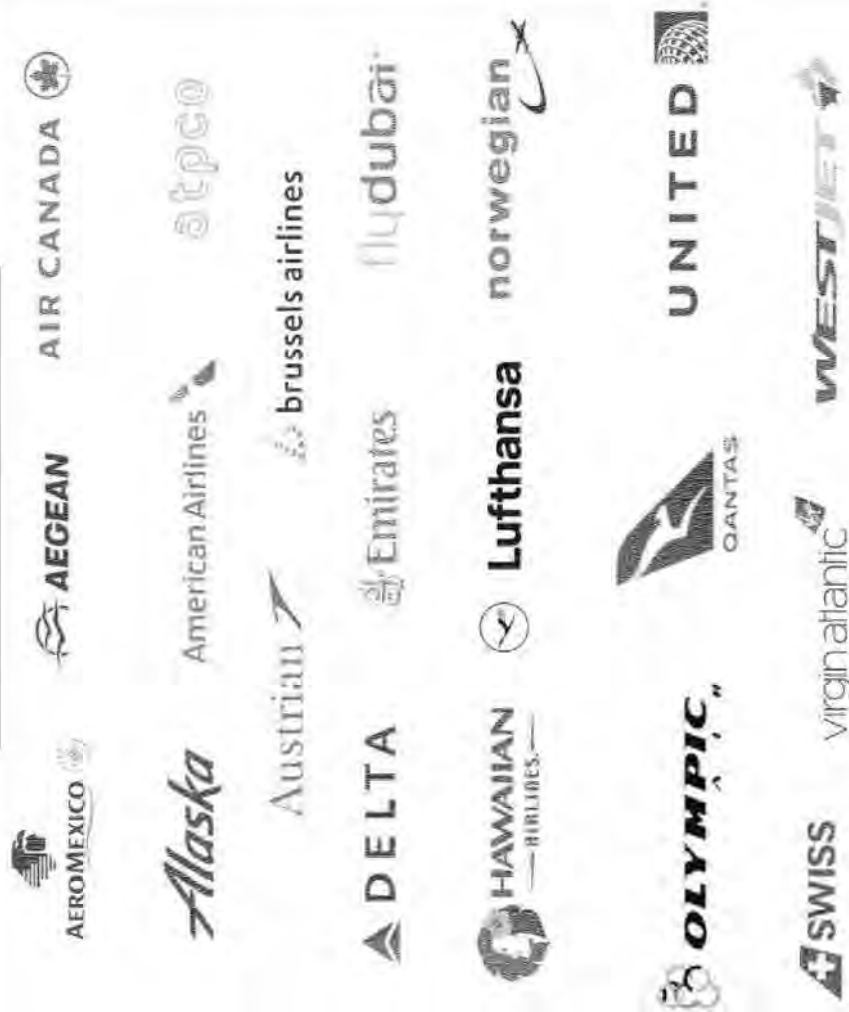
Top 100 Airlines & Next ~200 Airlines²

1. GDS spend comprised of Amadeus, Sabre, Travelport; PSS spend comprised of Amadeus and Sabre
 2. [REDACTED]
 3. Carfowler, Yearbook of Ancillary Revenue (2017), PwC

4 Global, Blue Chip Customer Base

Farelogix serves many of the largest airlines in the world and has never lost a customer in production.

Offer Management



NDC Order Delivery



Farelogix Holds a Unique and Deeply Rooted Position in a Market with High Entry Barriers

- 15+ years of expertise with large airline customer relationships
- Offer Management and Offer Delivery technology that delivers increased speed, functionality and scalability at a lower cost of ownership than legacy PSS / GDS systems
- Futureproof technology built for the evolution of dynamic pricing and revenue management
- Unique connectivity across 9 leading PSSs and numerous airline systems
- Neutral 3rd party solution that gives airlines control and avoids lock-in with PSS vendor, with predictable annual pricing schemes
- NDC market leader, BSP certified in over 100 countries and ARC certified in the US
- Dedicated Farelogix technology teams tailor solutions for each airline customer

How Farelogix Wins

Other Industry Players

AMADEUS

Datalax

DXC.technology



PROS.
VARIANT TRAVEL TECHNOLOGIES

Sabre

SITA

Travelport



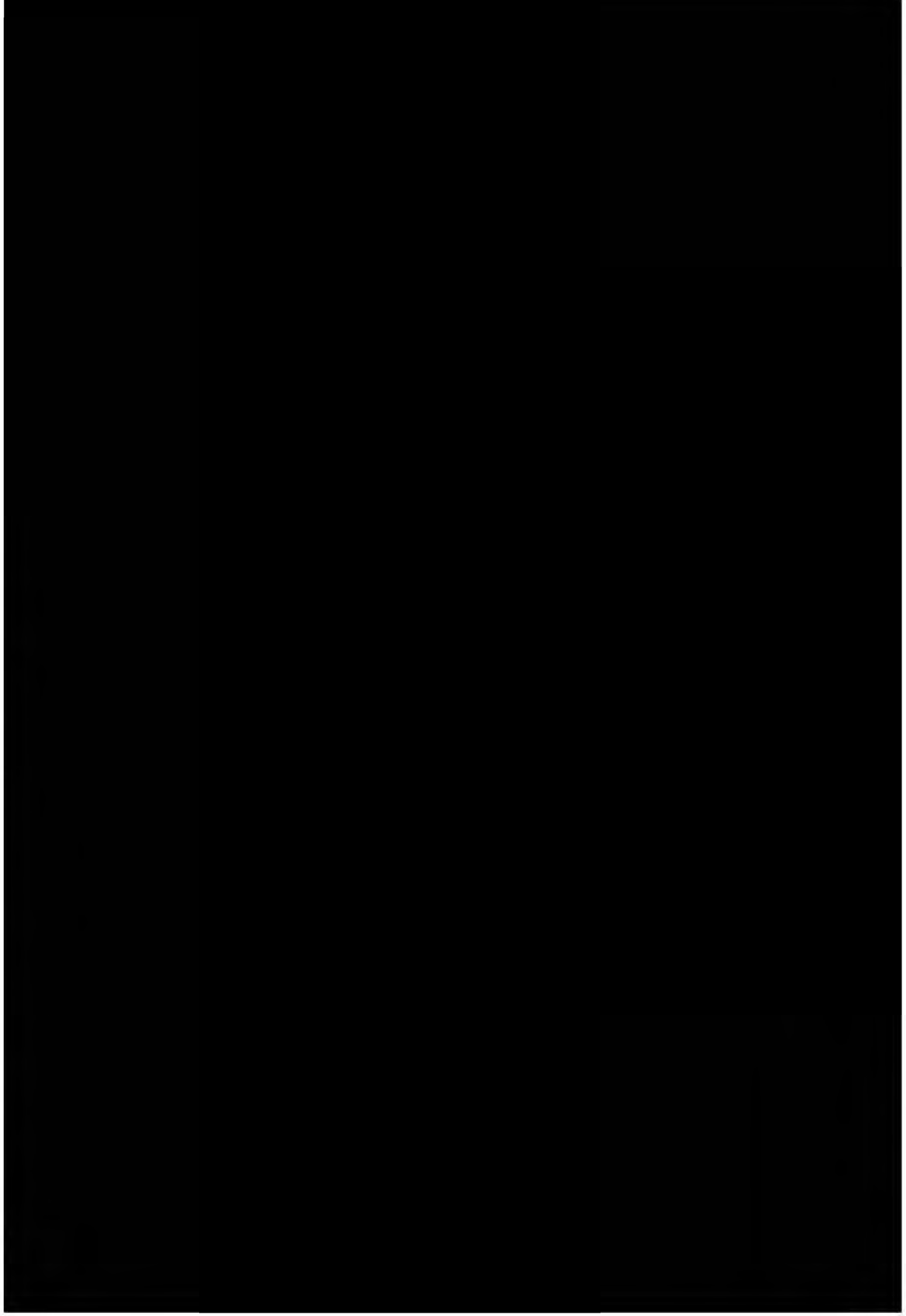
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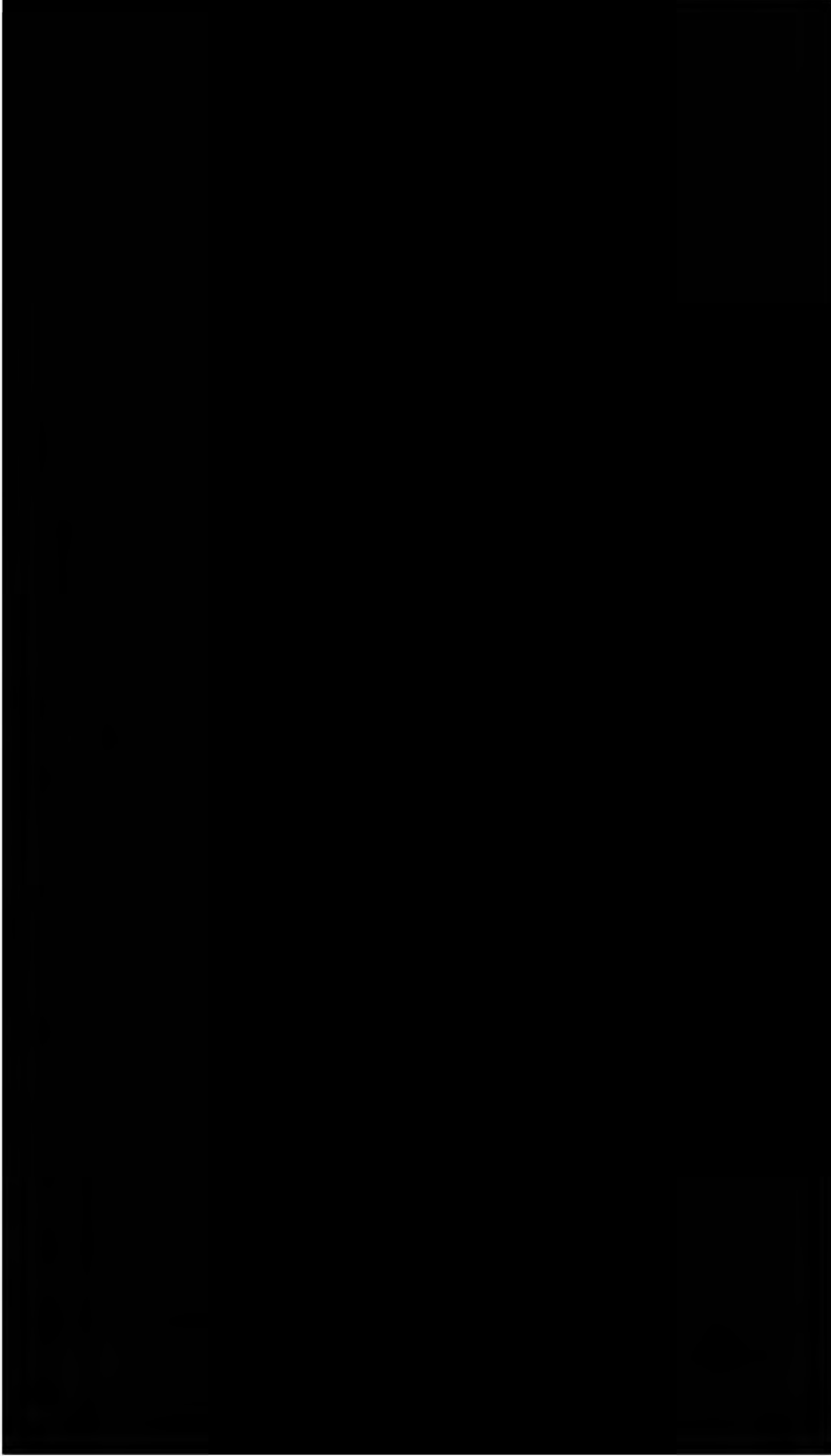
II. Business Model and Overview of Products / Modules



Business Model and Overview of Products / Modules



○ Business Model and Overview of Products / Modules (Cont'd)



The Farelogix Airline Commerce Gateway is the Leading SaaS Solution for Airline-Controlled Offer Management and NDC Order Delivery

Offer Management

FLX Offer Engines

	FLX Schedule Builder	Dynamic schedule building outside of the PSS
	FLX Availability Calculator	High performance availability calculation outside of the PSS
	FLX Shop & Price	Both traditional (ATPCO) ¹ and dynamic shopping/ pricing
	FLX Merchandise	Merchandising of any type of ancillary or bundled offer

FLX NDC Distribution Solutions

	FLX Open Connect	Connectivity to any PSS with orchestration for shopping, booking and servicing of airline reservations
	FLX NDC API	NDC API for the indirect channel (travel agency/ GDS)

Farelogix Offer Engines are fully interoperable, can be sold separately or bundled, and can be hosted by Farelogix or by the airline. This is a significant differentiator for the Company's platform

FLX Schedule Builder

FLX Schedule Builder Optimizes Routes, Timing and Value

- ✓ Supports large data range processing, affinity and attribute shopping
- ✓ Millisecond response times
- ✓ Low cost of ownership, economically and linearly scalable, runs on commodity hardware
- ✓ Purpose-built proprietary Network Graph Algorithm
- ✓ Creates personalized, dynamic schedule routes in real time based on data and rules
- ✓ Enables airlines to define and manage rules using FLX Rules & Offer Designer UI
- ✓ Available as a stand-alone module or integrated with FLX Availability Calculator and/or FLX Shop & Price

Real World Challenges

- ✗ Airlines are challenged to handle an exponentially growing volume of schedule building requests, which is cost-prohibitive on the PSS.
- ✗ Airlines seek to grow revenue and maximize yield by optimizing the most profitable schedules / routes, which is not possible using incumbent solutions
- ✗ Airlines want to support affinity and attribute shopping, e.g., search by skt locations

FLX Availability Calculator

FLX Availability Calculator Returns Inventory Control to the Airline with Reduced Costs and Improved Performance

- ✓ Designed for high transaction volumes, including large date ranges, affinity and attribute shopping
- ✓ Dramatic PSS cost savings as well as new revenue from optimization of search results
- ✓ Unlimited linear and economic scalability, runs on commodity hardware (benchmarked at 250K TVLs./sec./server)
- ✓ No cache: all offers created in real time for accuracy
- ✓ Dynamic, rules-based availability searching with unlimited query capabilities
- ✓ Fully airline controlled, airline owns the IP for their Availability algorithm
- ✓ Support for OD and Journey controls, as well as "slice-and-dice", as required for some markets
- ✓ Available as a stand-alone module or integrated with FLX Shop & Price

Real World Challenges

- ✗ Airlines are challenged to handle an exponentially growing volume of availability searches
- ✗ Airlines seek to capture and apply business intelligence to search data
- ✗ PSSs are already slow and expensive, cannot support these requirements and often force airlines to rely on inaccurate cache-based solutions

FLX Shop & Price

FLX Shop & Price Supports Both Traditional and Dynamic Airline Shopping Requirements with Low Cost of Ownership

- ✓ Full ATPCO shopping and pricing capability
- ✓ Dynamic pricing capabilities, with option to base price on ATPCO, RM² price or other airline fare
- ✓ Low cost of ownership, economically and linearly scalable, runs on commodity hardware
- No cache; all offers created in real time with millisecond response times
- ✓ Rules engine capable of accepting inputs based on human, big data or AI-driven inputs
- ✓ Large data range processing, affinity and attribute shopping
- ✓ Available as a stand-alone module or integrated with FLX Availability Calculator or FLX Schedule Builder

Real World Challenges

- ✗ Airlines seek shopping/pricing technology that supports exponential growth in search volumes and dynamic pricing as required by retailing and NDC
- ✗ Incumbent solutions are limited to traditional (ATPCO) pricing and unable to accommodate high volumes
- ✗ Dynamic pricing capabilities are viewed by airlines as a way to increase revenues and improve customer experience¹

1. Atmosphere Research
Revenue Management data



FLX Merchandise

FLX Merchandise Enables Dynamic Retailing Across Channels

- ✓ Extremely high speed to market for ancillary products / bundles, fully under the airline's control
- ✓ No hard coding; easily integrated with airline systems; PSS, channel and IBE¹-agnostic
- ✓ Serves multiple sales channels, including airline.com, mobile, check-in, kiosks, call centers and travel agencies
- ✓ Rules engine capable of accepting inputs based on human, big data or AI-driven inputs
- ✓ Additional seat revenue opportunity with optional interoperable Seat Manager engine (off-PSS seat inventory)
- ✗ Includes a developer tool fully integrated into an airline's proprietary technology stack

Real World Challenges

- ✗ Airlines seek to implement omni-channel merchandising strategies that enable fast speed to market for product updates and new product offers
- ✗ Airline revenue management leaders seek to dynamically price merchandising offers in real time based on a range of criteria such as frequent flyer status, corporation identity, channel, buying history and more
- ✗ Incumbent technologies do not enable these capabilities in a timely or cost-effective manner, nor are they fully under the airline's control

1. IBE - Internet Booking Engine for corporate or leisure travel

FLX Open Connect

FLX NDC API

FLX Open Connect and NDC API Deliver Dynamic Content and Merchandising to the Indirect Channel

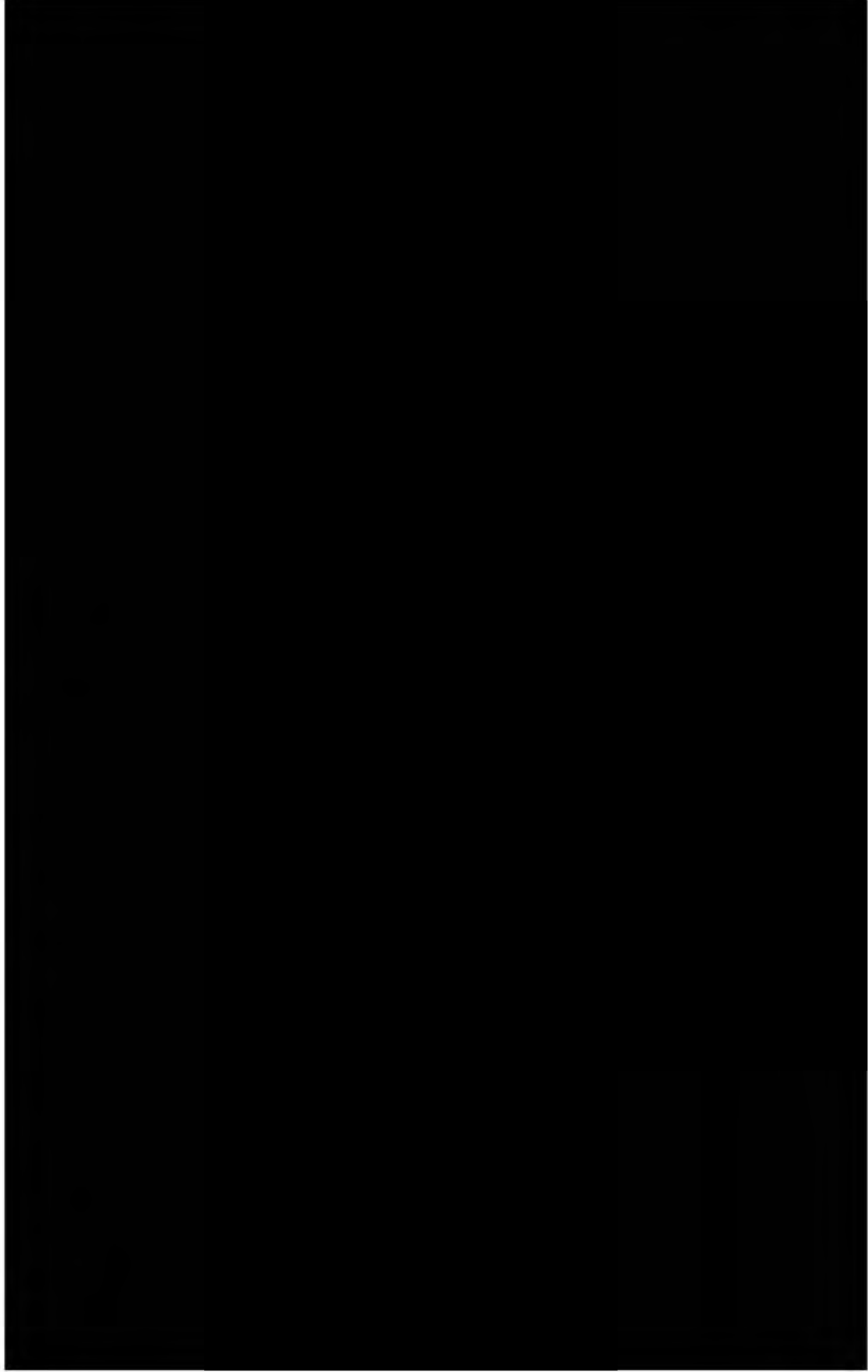
- ✓ Makes and manages bookings and reservations out of the PSS
- ✓ Manages all required orchestration, including integration with the airline PSS and other systems
- ✓ ARC¹ and BSP² certified in over 100 countries
- ✓ Provides airlines with an NDC API with the option to brand it (e.g., Emirates B2B Online, American AANDC)
- ✓ Includes Developer Support program to promote and facilitate NDC API integrations with third party integrators
- ✓ Allows the airline to control order delivery through both direct and indirect channels

Real World Challenges

- ✗ Airlines seek to deliver ancillary services and differentiated content in the Indirect Channel
- ✗ NDC requires proven technology expertly integrated with the airlines' systems and with functionality required for agency adoption
- ✗ Airlines wish to deploy a single, next generation, and cost-effective API for all indirect distribution channels

1 Airlines Reporting Corporation - Provides ticket transaction settlement services between airlines and travel agencies
2 Billing and Settlement Plan - an electronic billing system designed to facilitate the flow of data and funds between travel agencies and airlines

○ Customer Milestones Over the Last 18 Months



The Fully Integrated and Flexible Design of the Airline Commerce Gateway Limits Risk of Customer Churn



- Limits PSS / GDS dependency
- Cloud and airline hosting option
- Unlimited scalability using commodity hardware
- Ability to off-load costly legacy transactions (availability, search/price)



- Create, modify, and test new offers instantly
- Transitional support for traditional pricing and next generation dynamic / NDC offers
- PSS-agnostic enabling easier PSS change
- Functions as an airline-developer platform supporting airline-initiated innovation

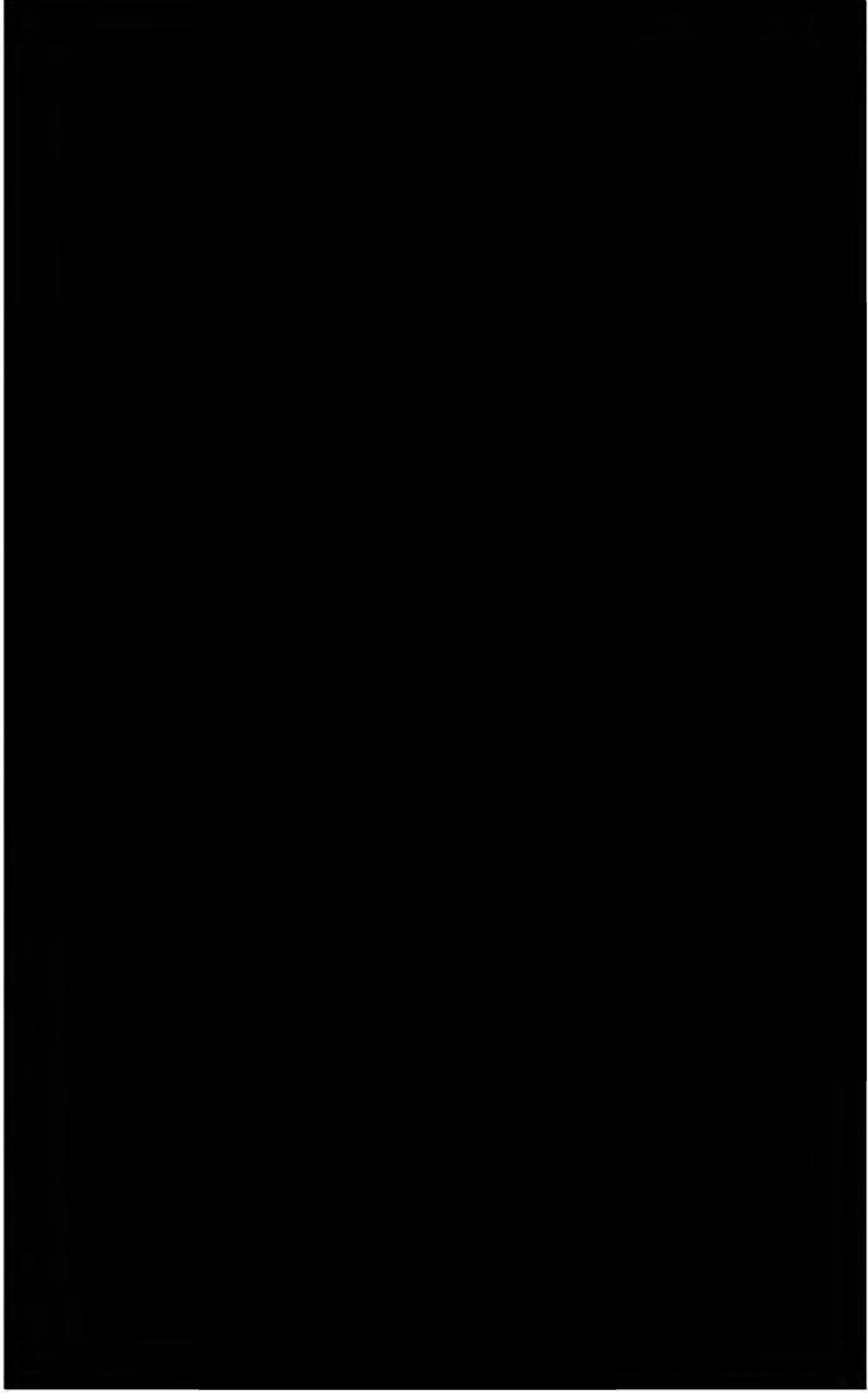


- Millisecond transaction response time
- Single platform supports NDC volumes, affinity, & Large Date Range search
- Results never cached, always calculated for accuracy
- No Look-to-Book limitations



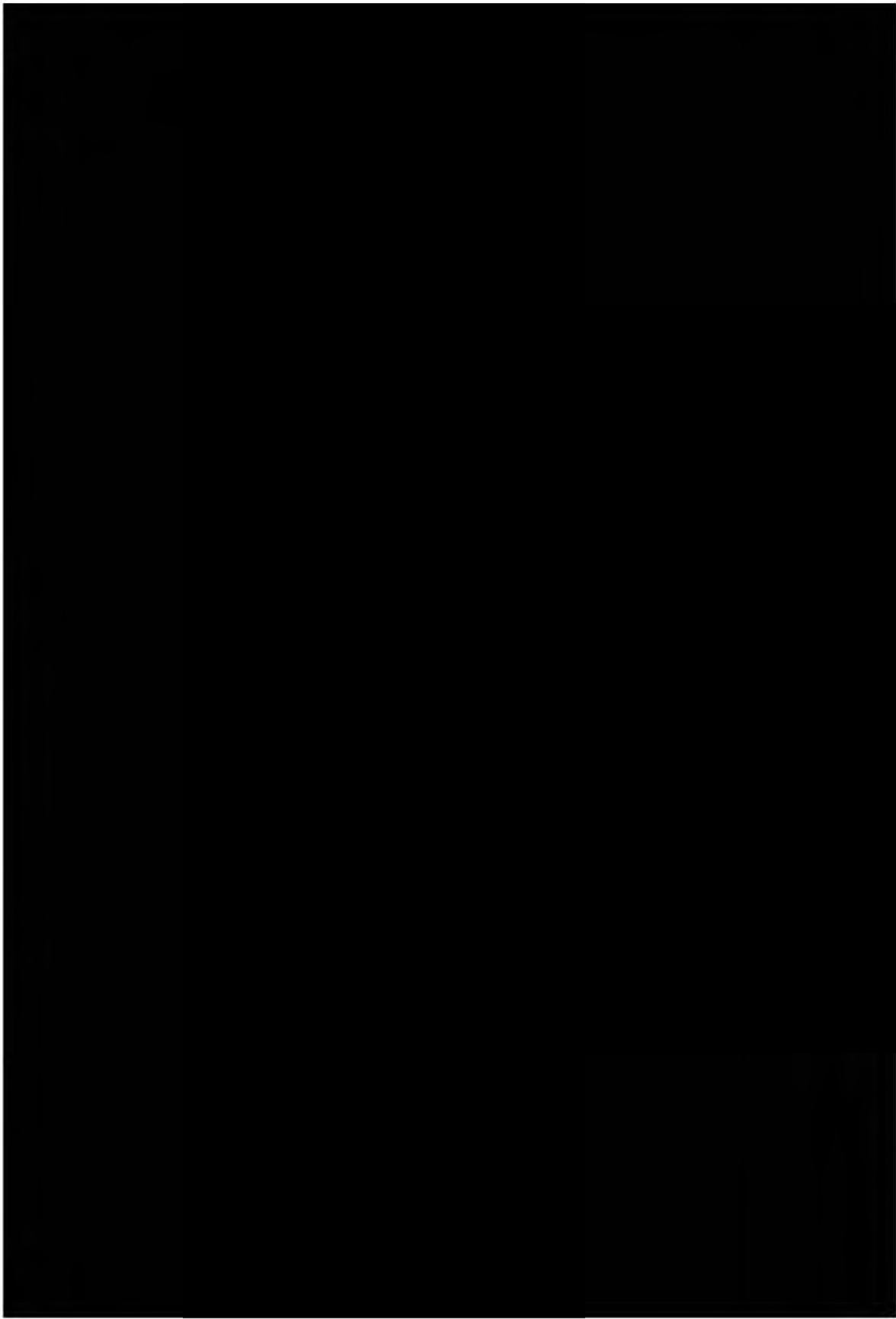
- Engines work stand-alone or optimally together – expand at airline's timeline
- Common Rules Engine, User Interface, and BI module to engage with entire platform
- Services-based connectivity for easy application extension and integration
- Easily integrated with existing airline technology stack

○ Farelogix Airline Commerce Gateway has Unmatched Flexibility through a PSS-Agnostic, Scalable Architecture



○ Track Record of Recurring Revenue Growth and Profitability

(\$ in millions)



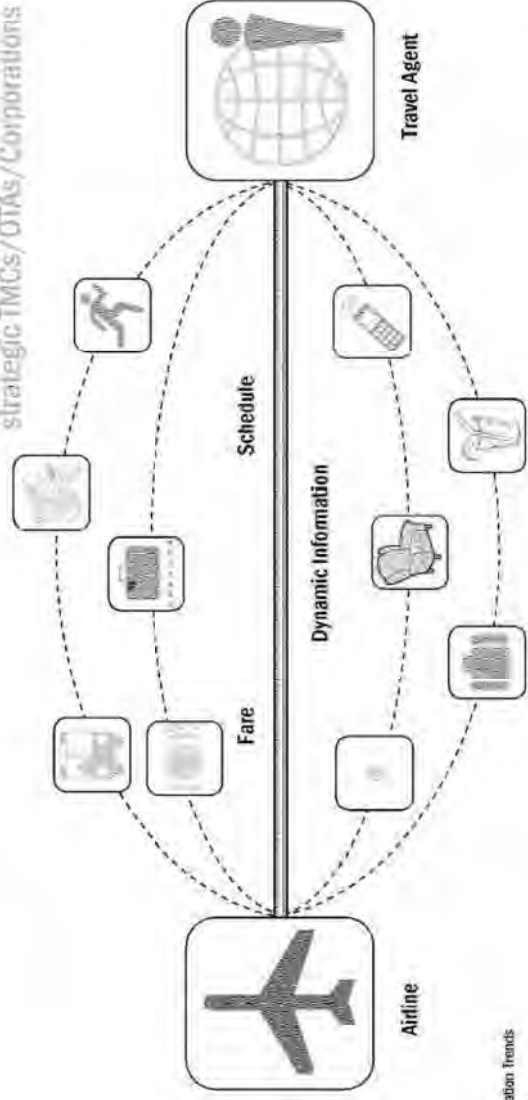
2 Airlines are Seeking to Take Control of Offer Management and NDC Order Delivery to Become Effective Retailers

The Case for Airline-Controlled Offer Management

- Travelers seek custom travel experiences (Seat Upgrades, In-Flight Purchases, Priority Boarding, Premium Meals, Door-to-Door Service, etc.)
- Today, 33% of airline executives report that personalized offers are critical to their strategy; this number is forecast to grow to 79% by 2021¹
- Airlines are looking to utilize retailing sciences, machine learning and artificial intelligence to better optimize their offers

The Case for Airline-Controlled NDC Order Delivery

- Airline industry initiatives such as NDC are delivering essential "Distribution Freedom"² to drive the ubiquity of airline retailing and increasing airline revenue and profitability
- Engagement with hyper-connected, mobile travelers requires the airline to deliver a consistent offer ubiquitously across channels
- Deleverages the traditional GDS-Airline commercial relationship
- Enables content differentiation by channel, e.g., leisure vs. corporate
- Strengthens commercial relationship between airline and strategic TMCs/OTAs/Corporations

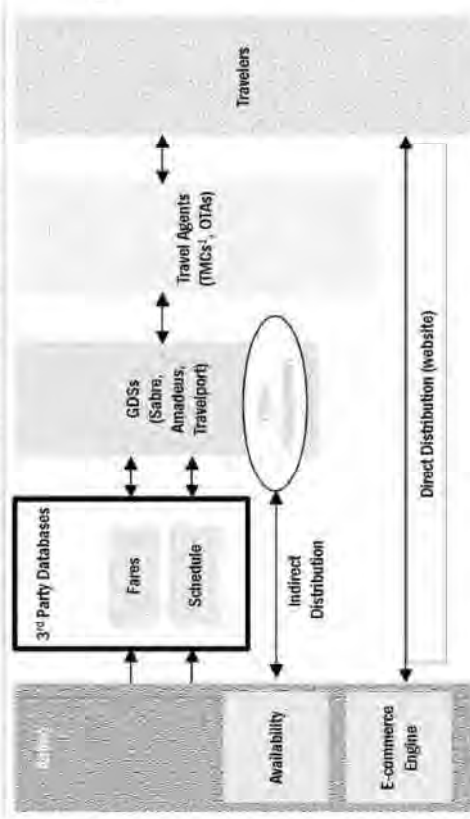


1. PWC 2017 Commercial Aviation Trends
2. Deutsche Bank, April 2018

NDC Addresses Longstanding Distribution Limitations that Have Prevented Airlines from Retailing in the Indirect Channel

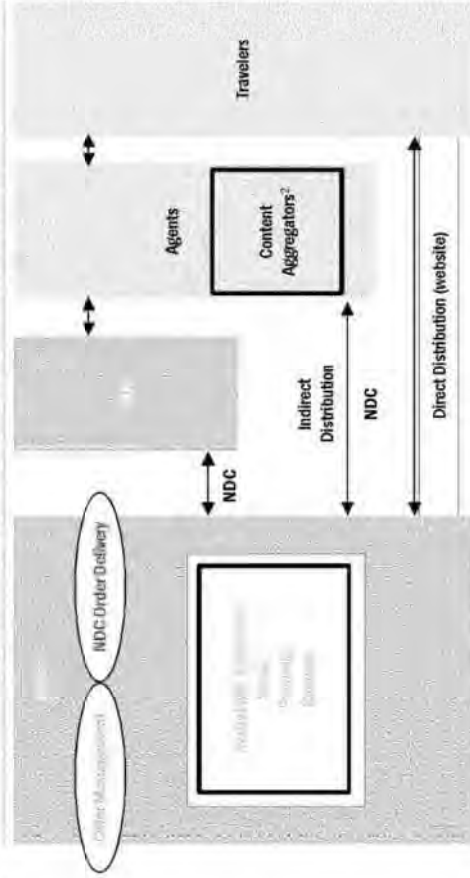
~50% of passenger bookings are completed through indirect channels, primarily relying on GDS systems for content and delivery

Traditional Airline Distribution



- Airlines forced to outsource offer management to the GDSs that can only generate commodity offers using static fares and schedule information in the indirect channel
- Airlines unable to generate ancillary revenue via indirect channels
- Airlines unable to leverage their own data in real time to optimize and personalize the offer
- Limited opportunity to engage travelers during the trip cycle, e.g., post booking ancillary sales

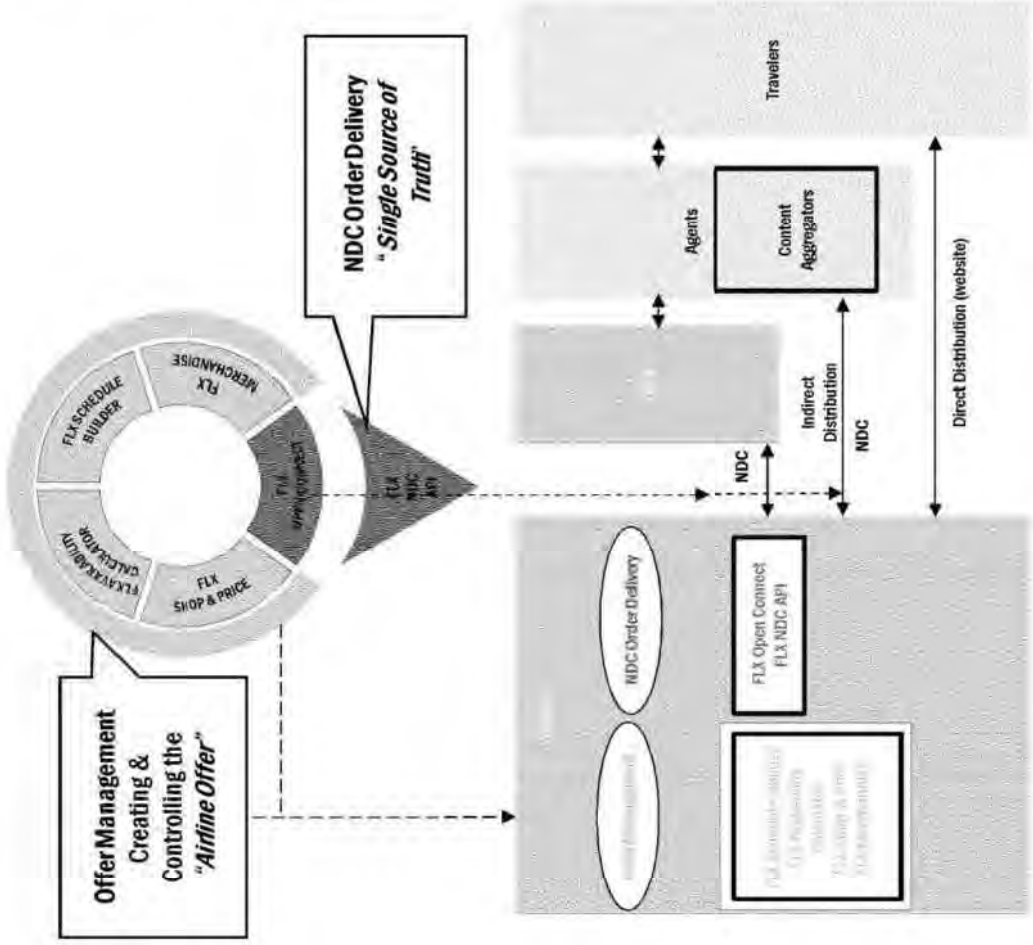
New Distribution Capability (NDC)



- Airlines control the technology to create and deliver customized offers to all channels
- Offers are customized and based on demand, real-time inventory, customer and airline data
- Airlines can deliver personalized offers throughout the trip cycle, including post-booking ancillary sales
- Enables airlines with two distinct distribution paths:
 - FLX NDC Connect enables airlines to connect their NDC API directly to aggregators, OTAs and agencies
 - FLX NDC GDS Connect enables airlines to connect their NDC APIs to the GDS

1. Travel Management Company is a type of travel agent that specializes in managing travel for large corporations
 2. Content Aggregation are third party (non-GDS) technology companies that specialize in acquiring and aggregating content for travel agencies, OTAs and corporate booking tools

4 Farelogix is the Leading Platform for Offer Management and NDC Order Delivery, Enabling Next Generation Retailing Across All Channels



- Airlines have flexibility to create and distribute offers consistently across all channels based on demand and real-time inventory
- NDC standards enable airlines to make offers to sellers via the GDSs or directly to travel agencies/OTAs and independent third party content aggregators
- Airlines are in control to:
 - Personalize offers to reach customers through multiple touchpoints via single NDC API
 - Rebook complex itineraries, interlining and back-end functions
 - Advance merchandising capabilities delivered using a multi-channel business-rules engine
 - Issue documents and respond with guaranteed confirmations
 - Introduce fare and product bundles
 - Incorporate AI/ predictive analytics for offer optimization

GDSs are Now Endorsing NDC and are Implementing 8 Airlines with 11 NDC API Integrations with Farelogix Accelerating NDC Order Delivery Transactions

Public Statements on NDC



x "We are happy to support IATA in involving the field of distribution. Still, it's very early stages"

November 2012

✓ "Over the years, Amadeus has actively contributed to evolving IATA NDC...it is our aim to deploy NDC..."

November 2017



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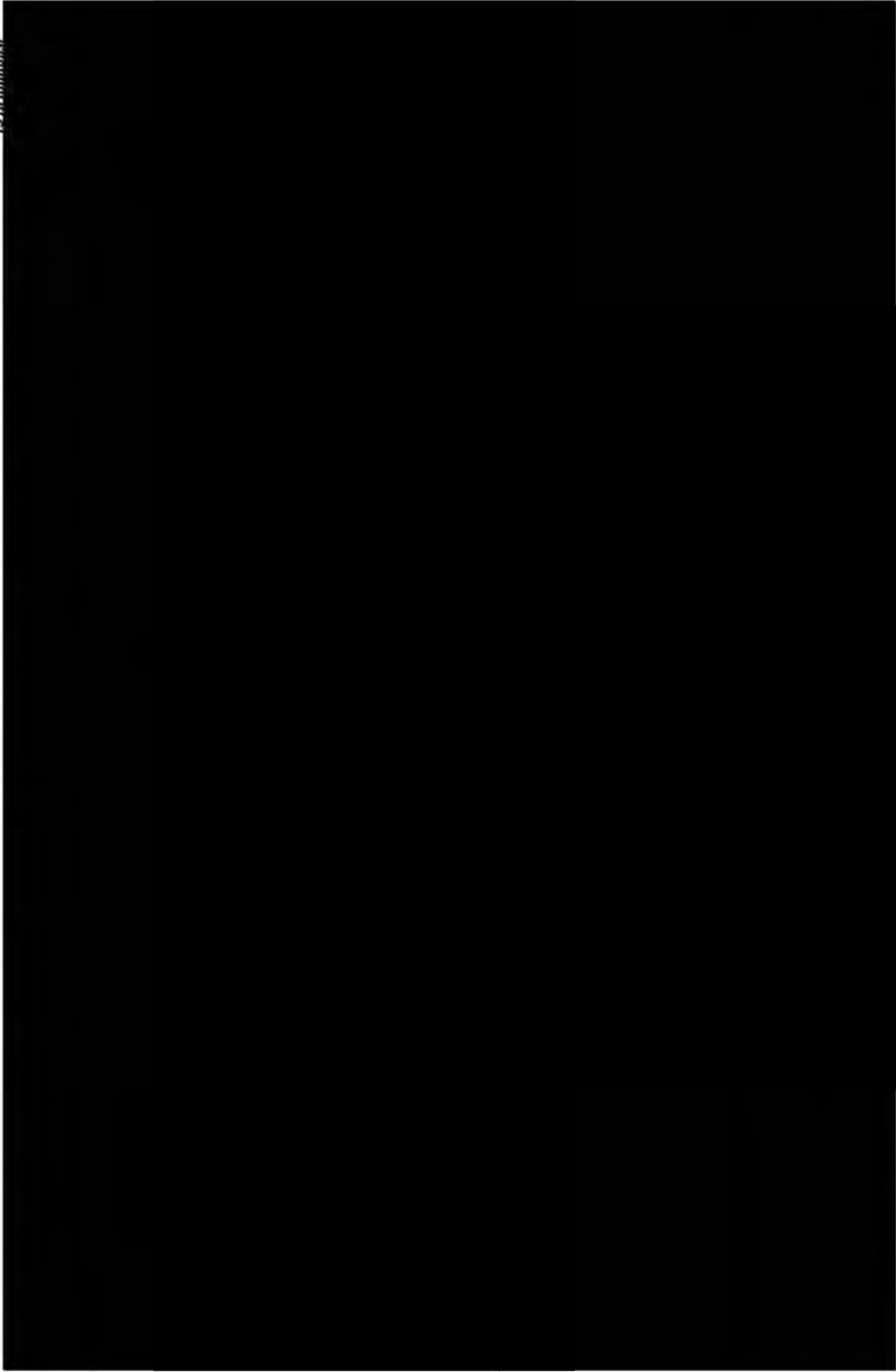
December 2017



C NDC Order Delivery Revenue

NDC Order Delivery Revenue Growth Driven Primarily by TMC Adoption of GDS NDC Enabled Platforms from Existing Farelogix Customers

(\$ in millions)

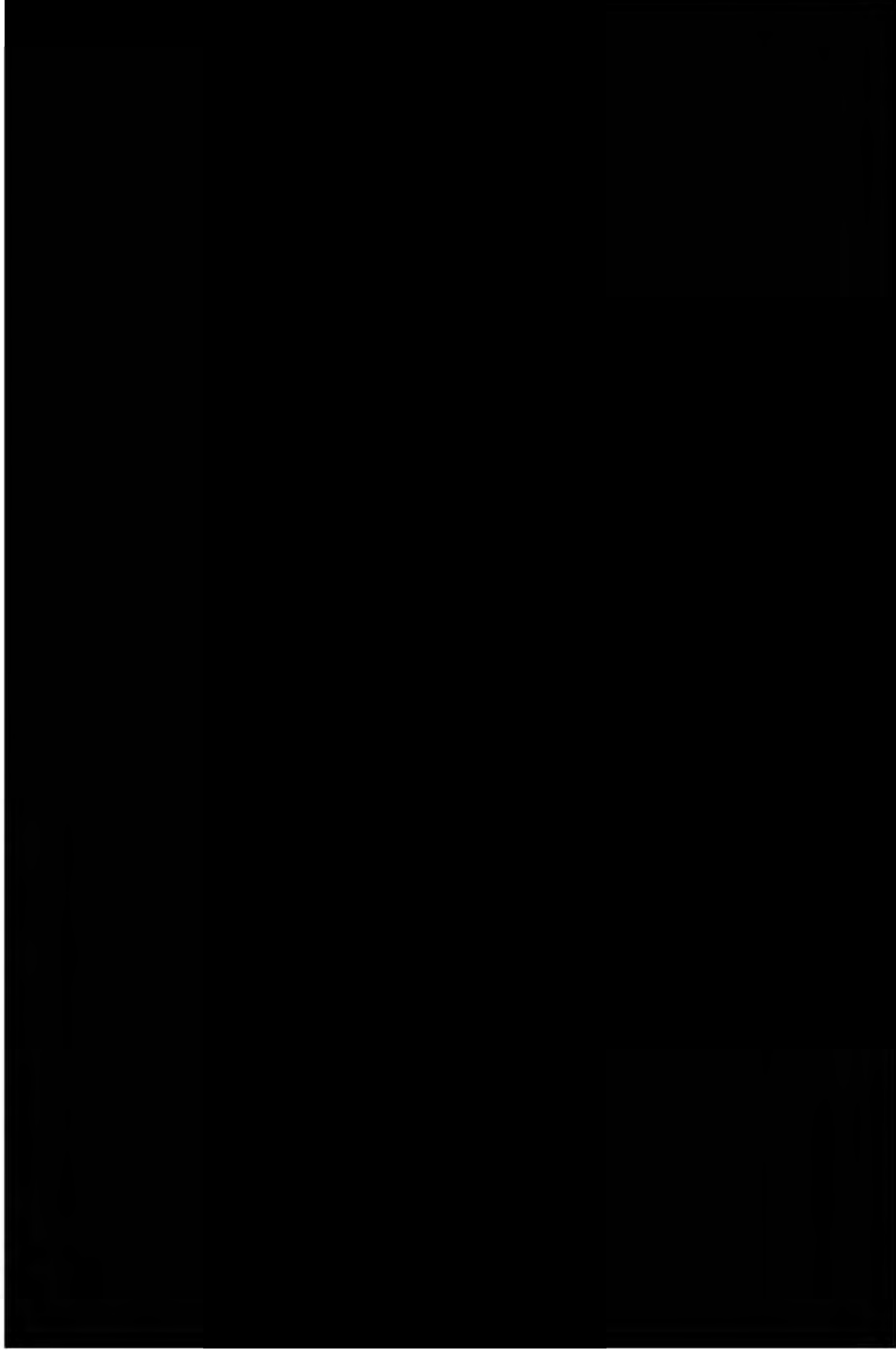




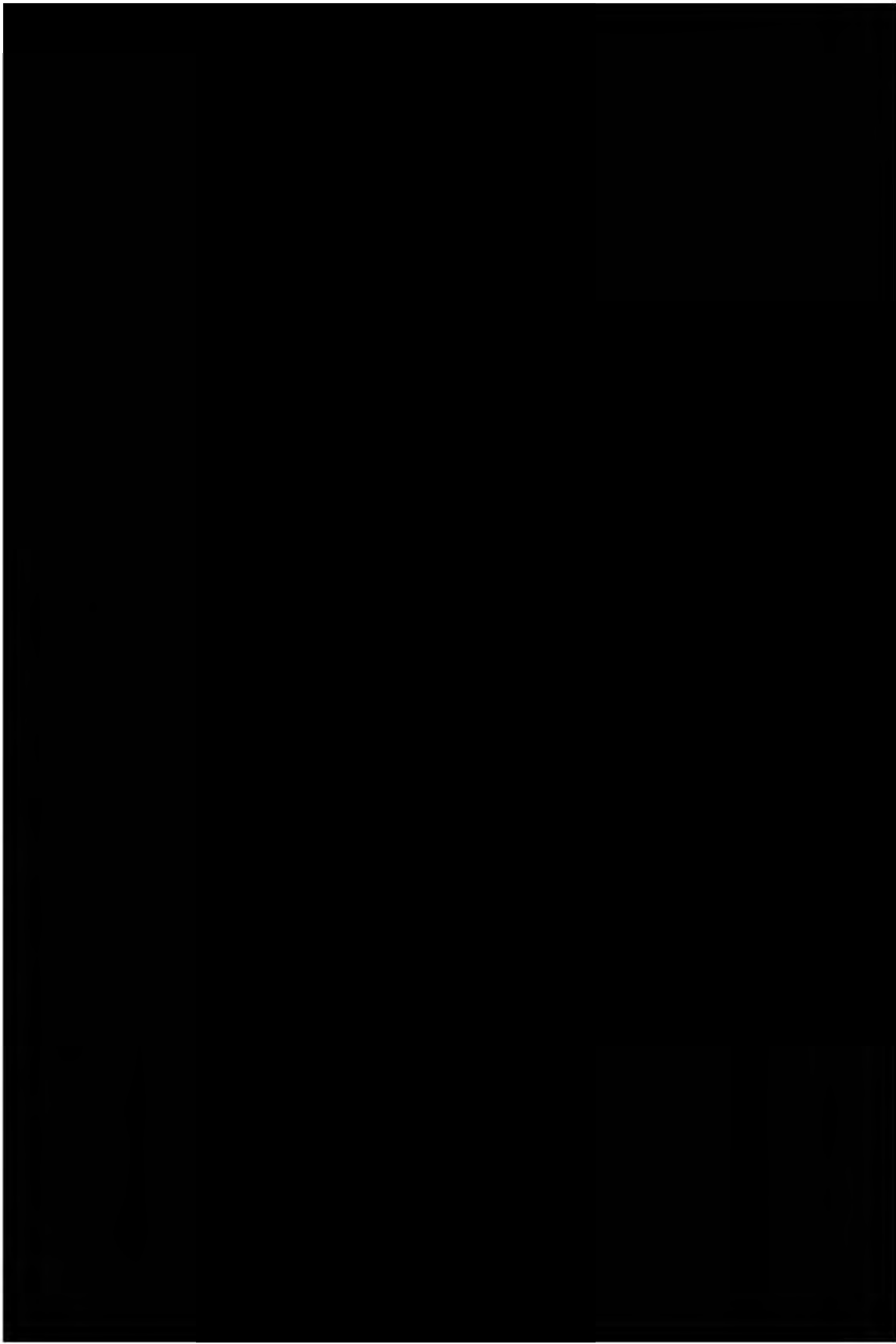
III. Revenue Generation Models & Drivers



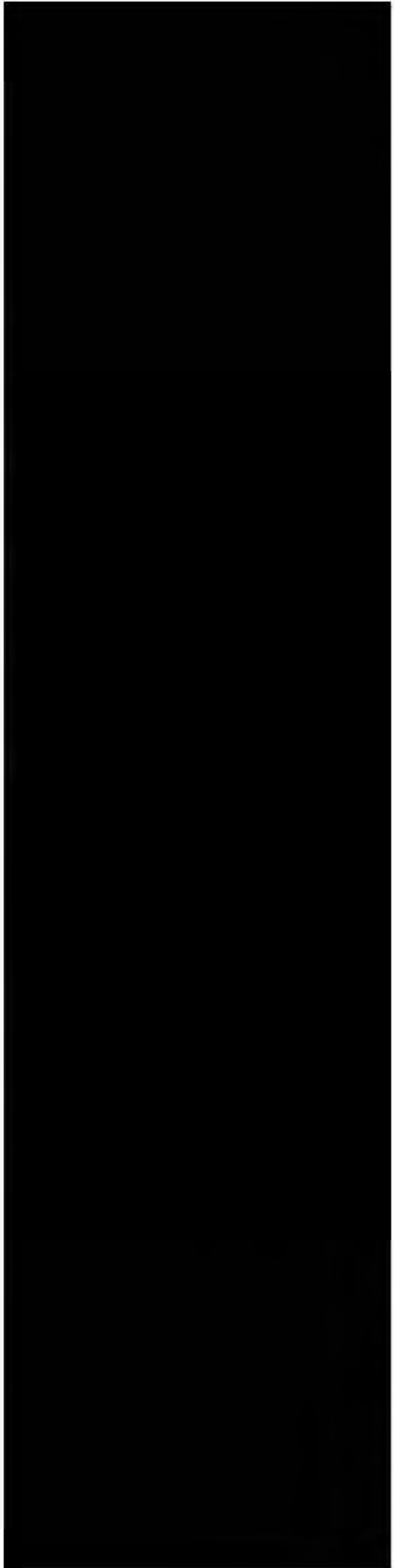
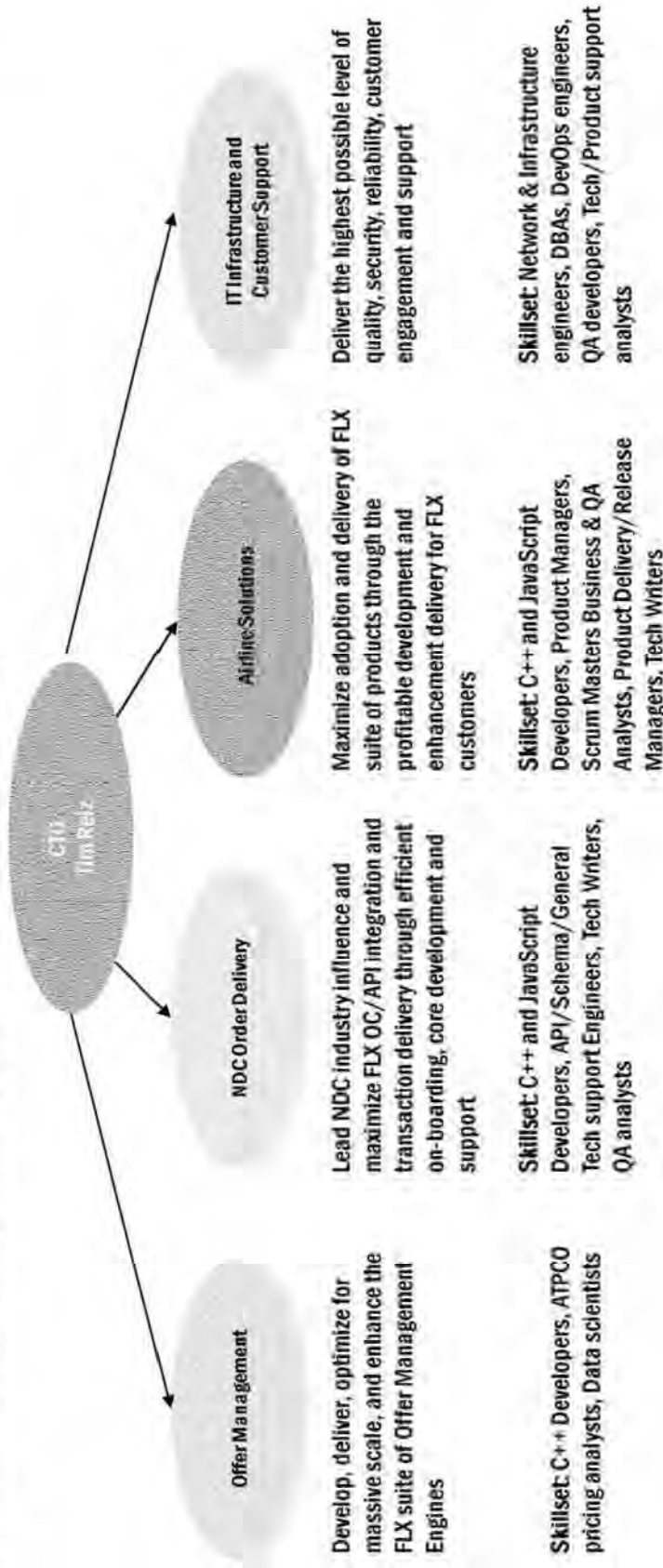
Revenue Generation Models & Drivers



○ Revenue Generation Models & Drivers (Cont'd)



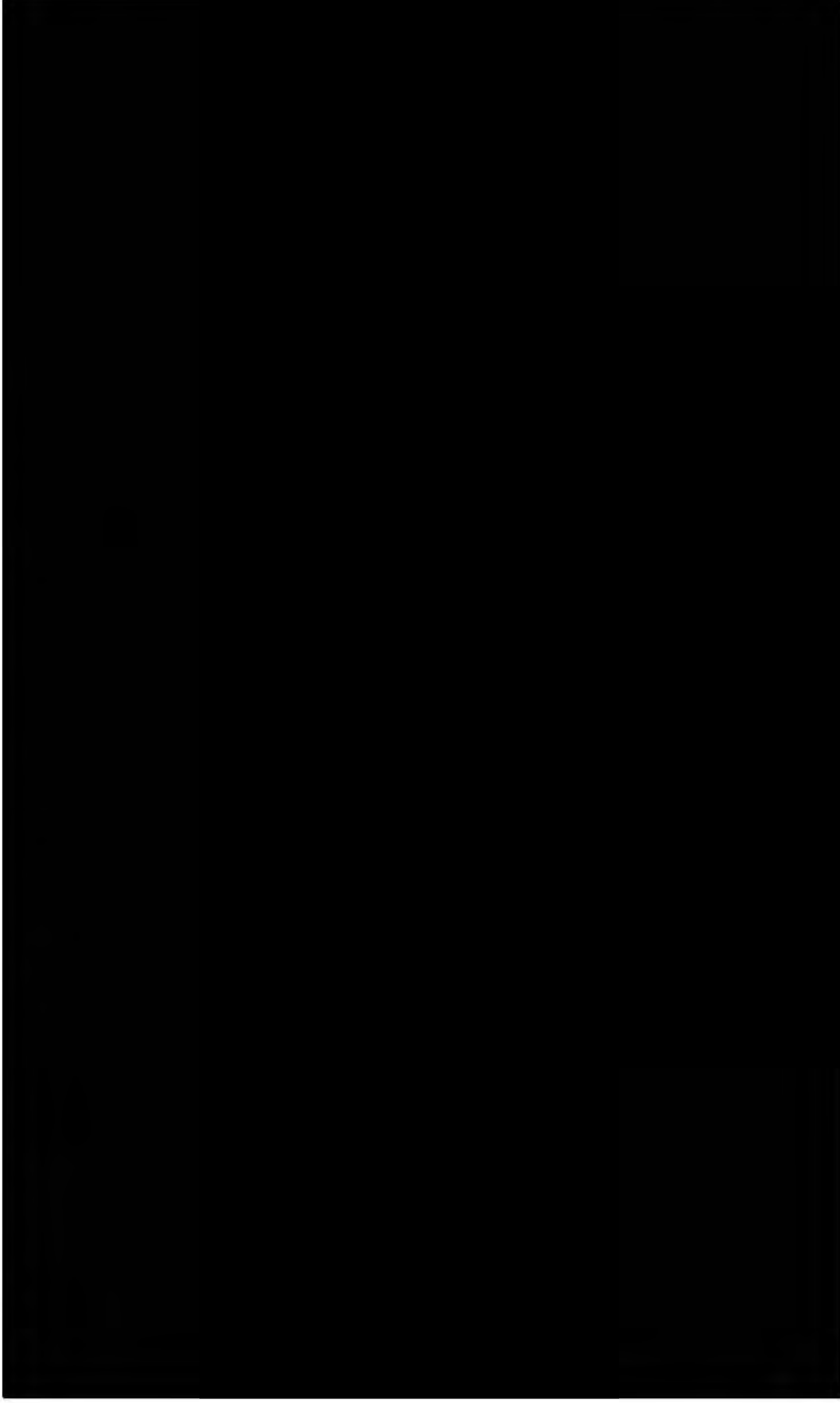
Technology Driven Organization, with ~90% of Employees Dedicated to Delivering FLX Airline Commerce Gateway Solutions to the Customer





Farelogix Offer Management and NDC Order Delivery Products

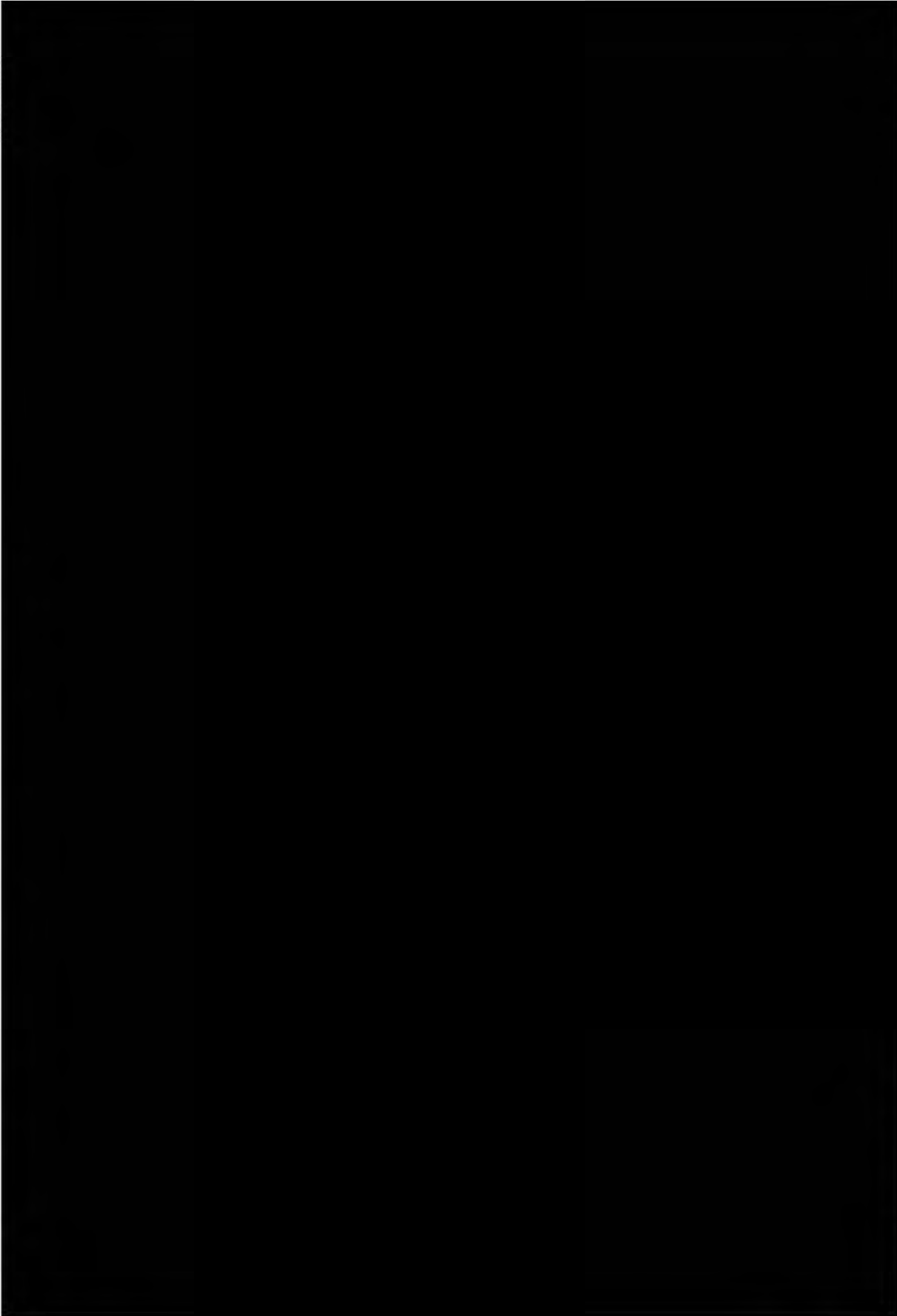
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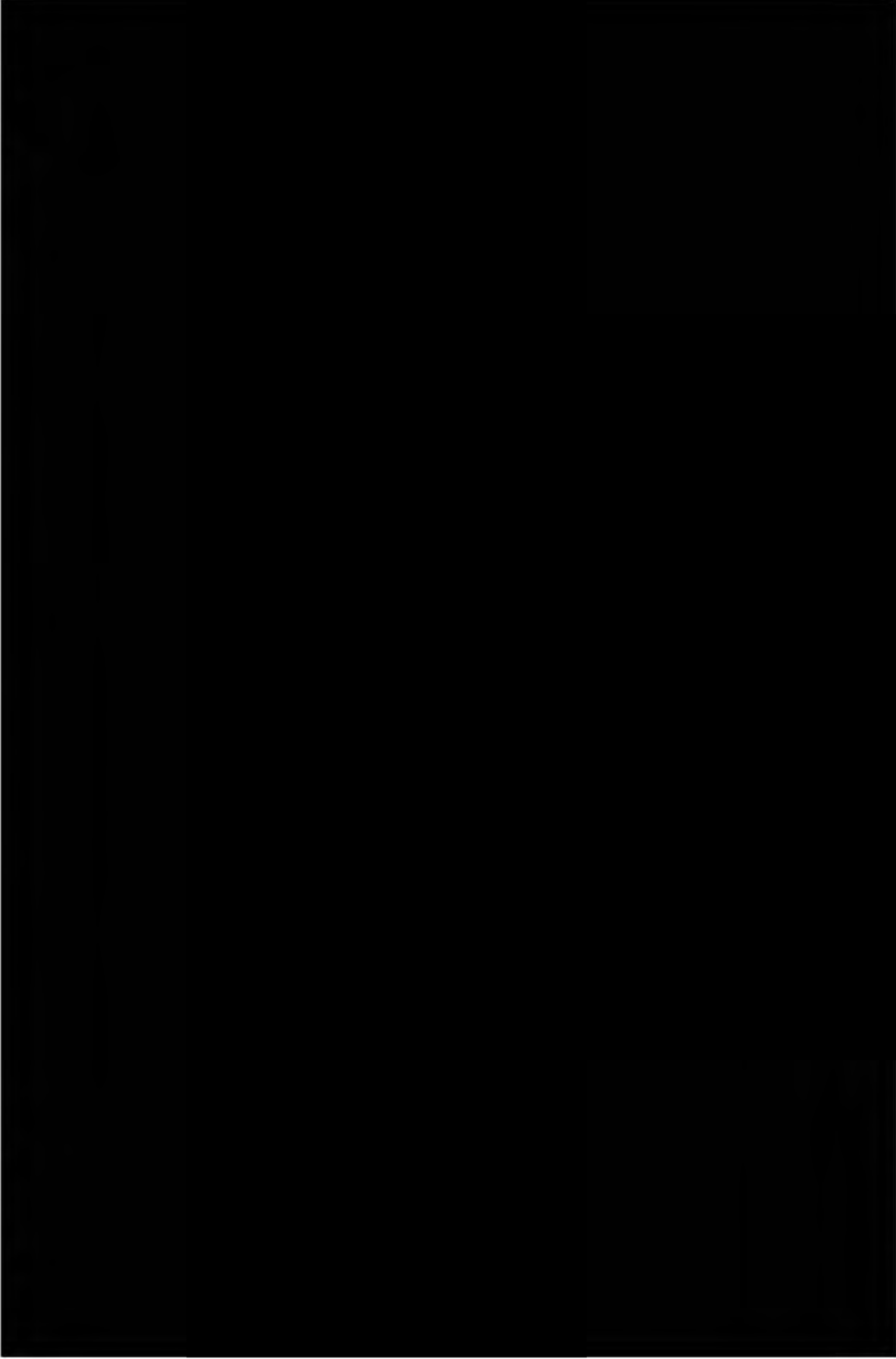
Track Record of Recurring Revenue Growth and Profitability

(\$ in millions)



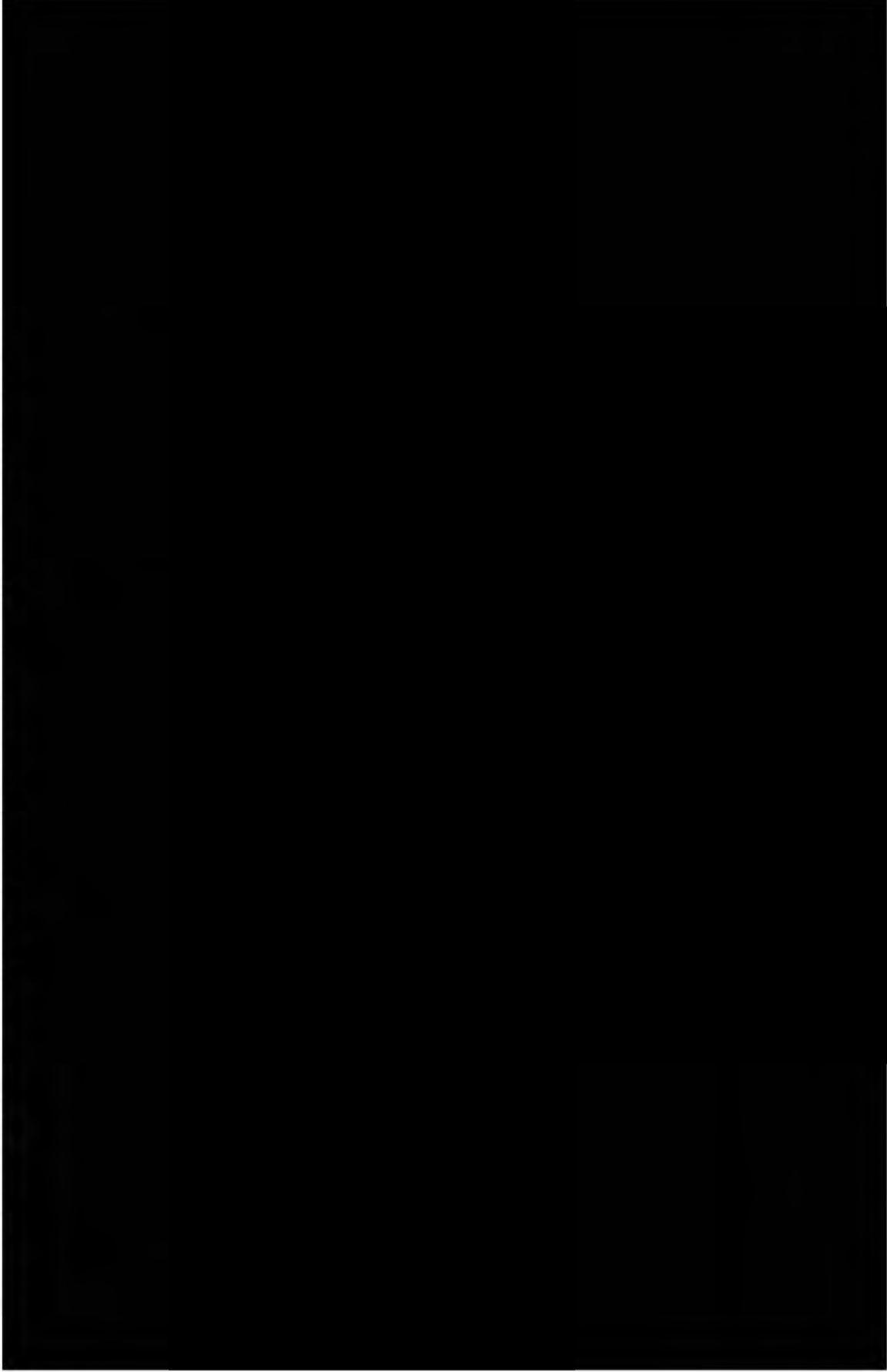
○ Attractive Financial Profile: High Growth and High Margin, with Significant Operating Leverage

(\$ in millions)



A Product Sales

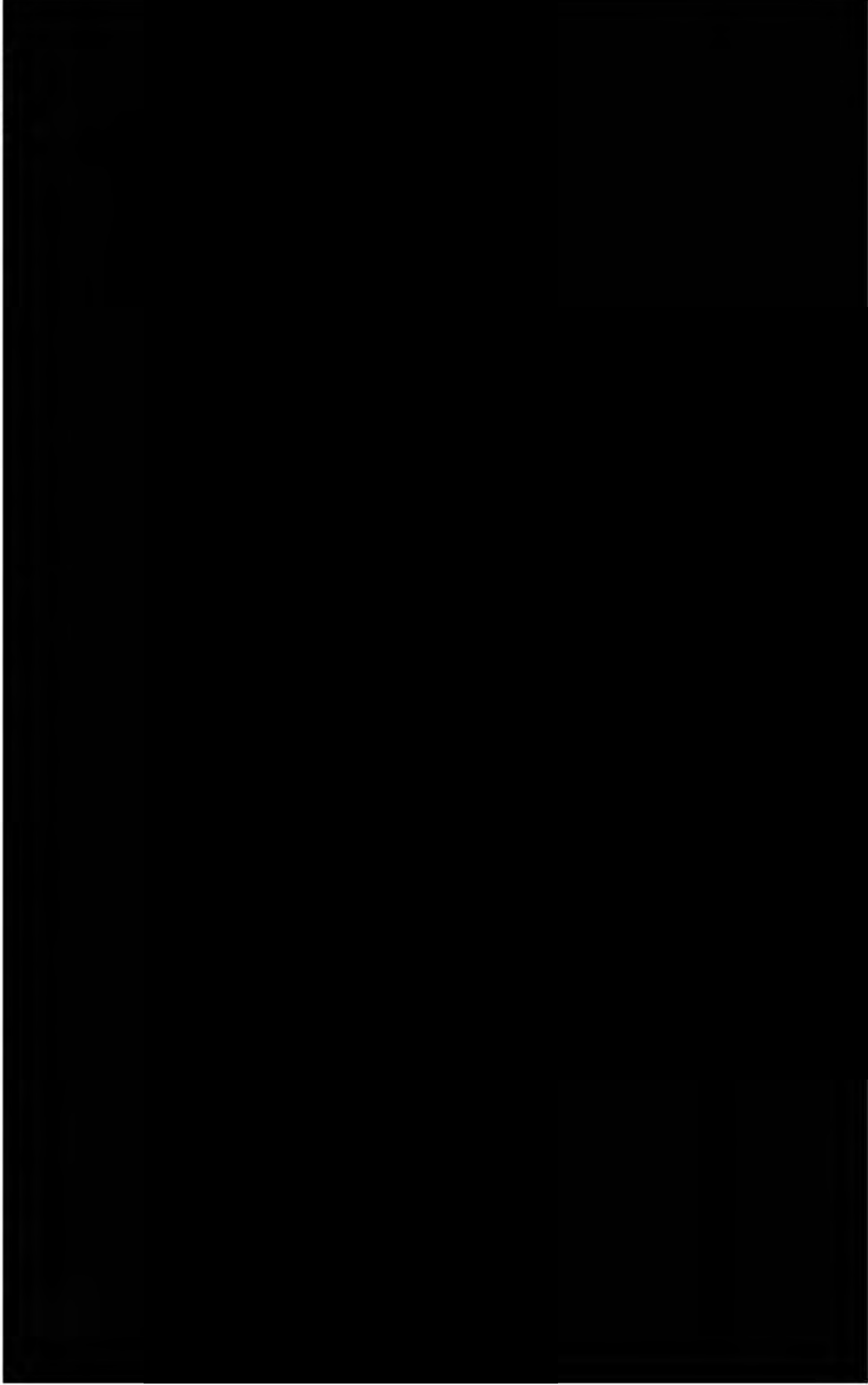
Increased Breadth of Products Across a Growing Customer Base Drives Farelogix's Near-Term Product Sales



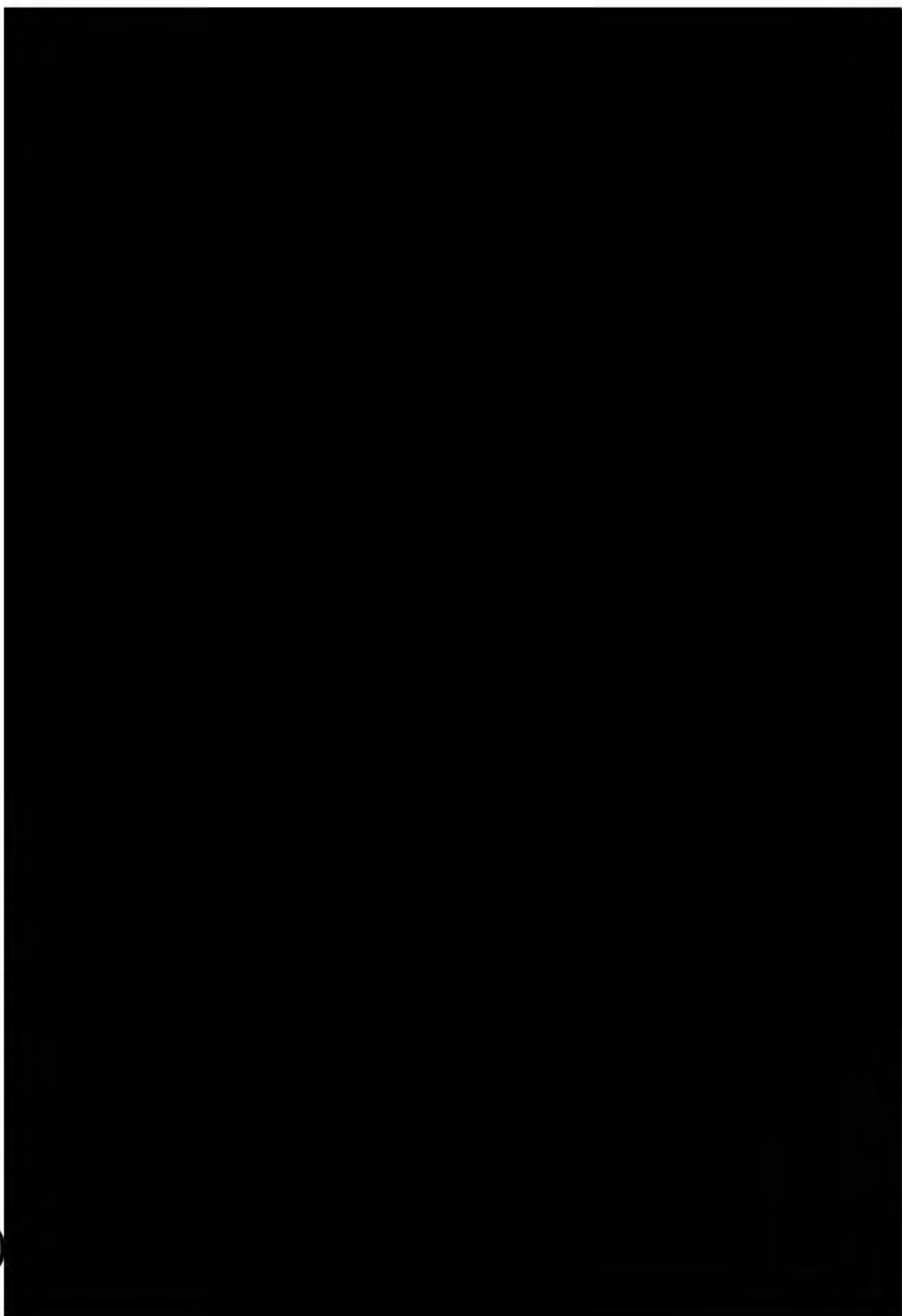
B Offer Management Revenue

Highly Visible Offer Management Revenue with Consistent Growth Driven by New Product Sales to Existing and New Customers

(\$ in millions)

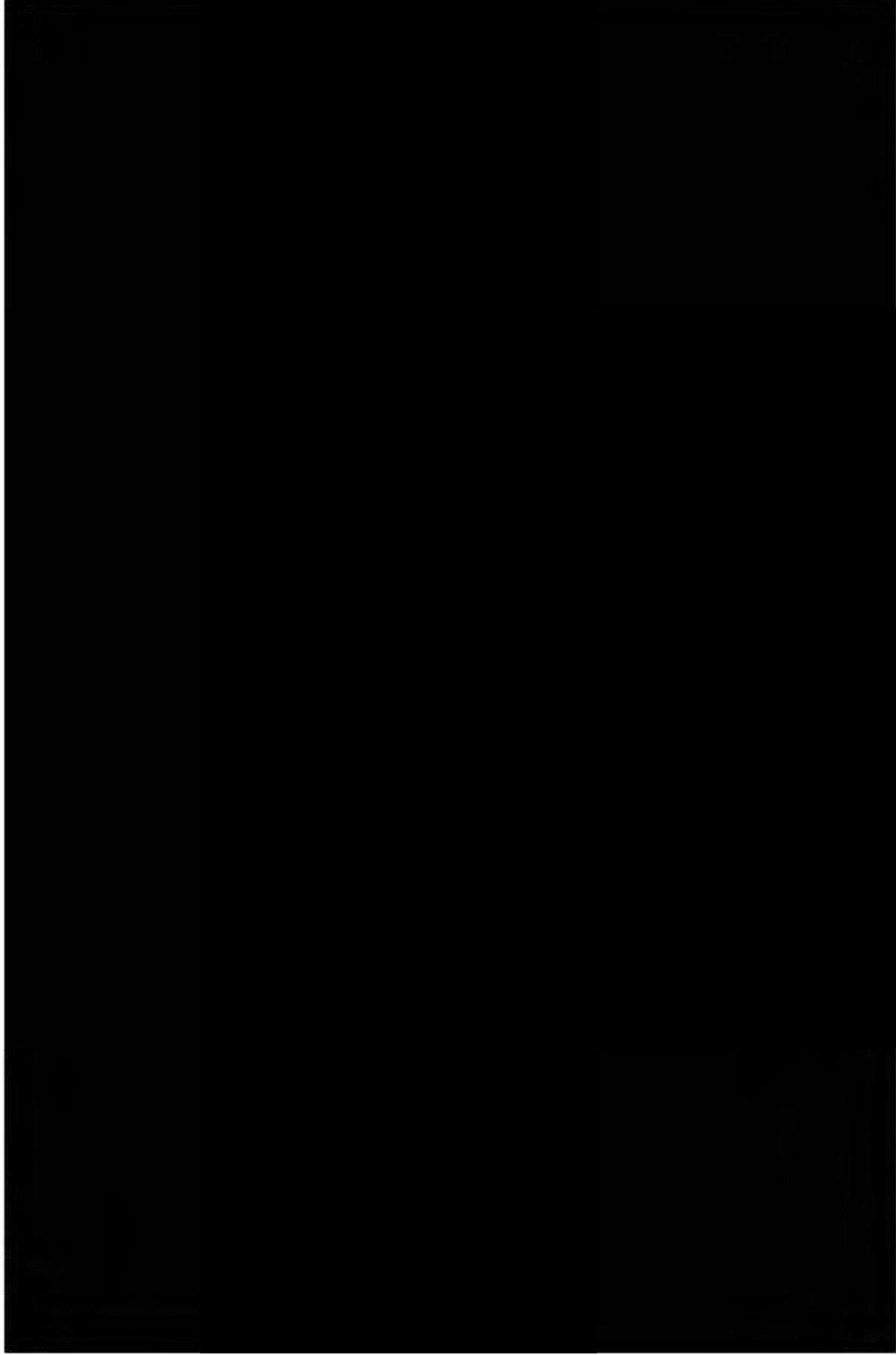


(c) NDC Order Delivery Revenue



D

Net Revenue



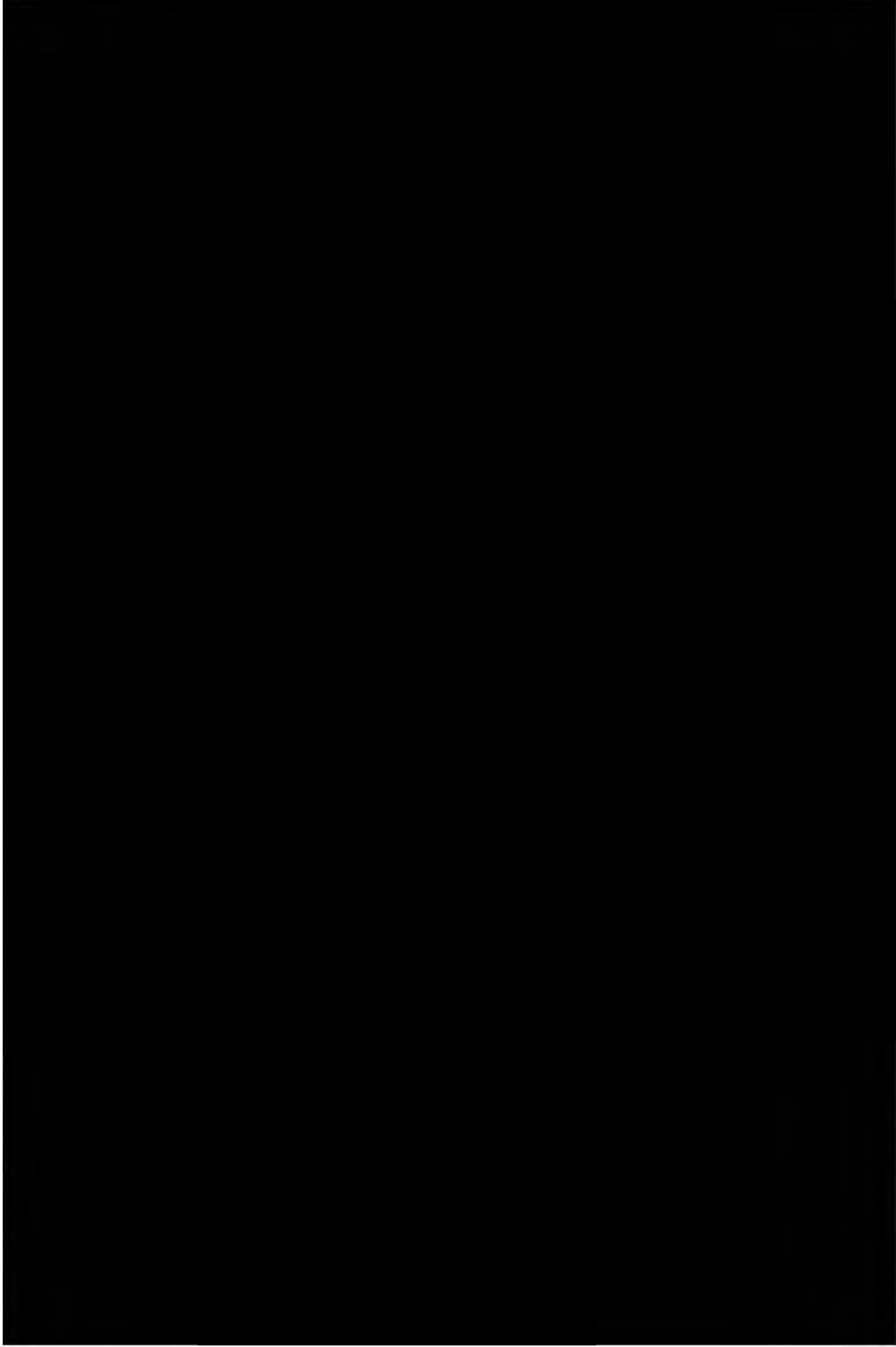
(E) Operating Expenses



F

Headcount

42



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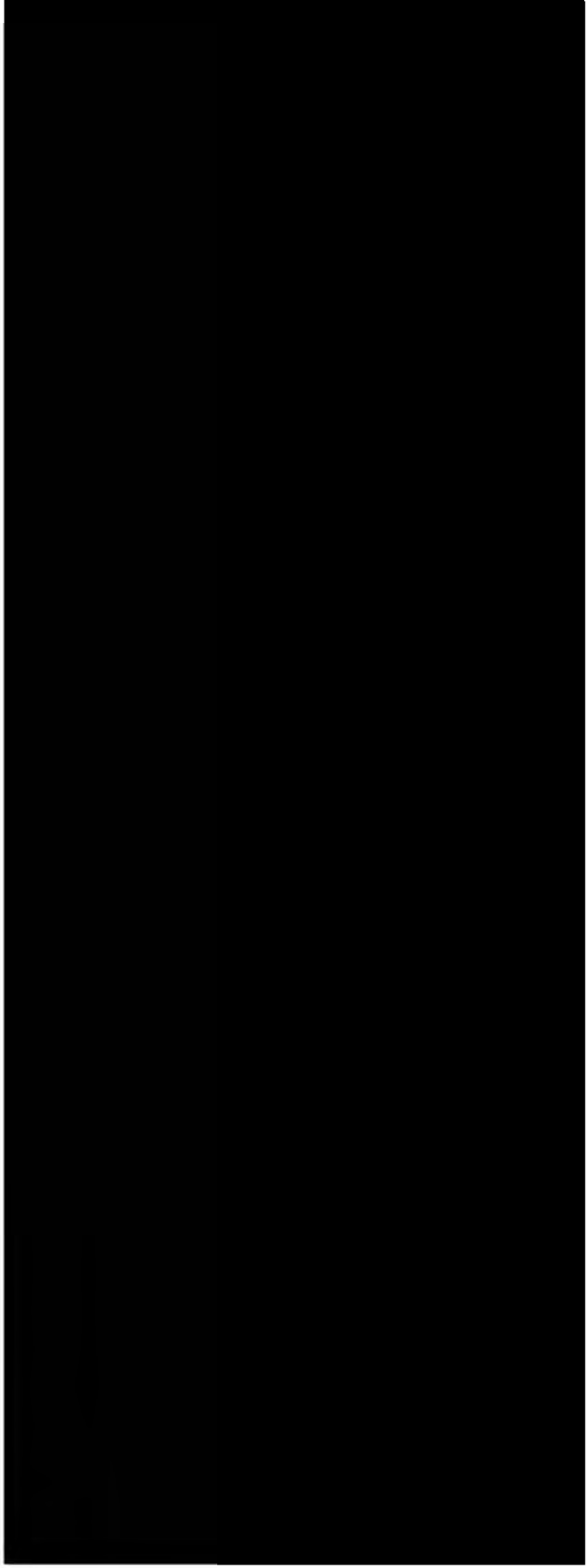
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December 2017

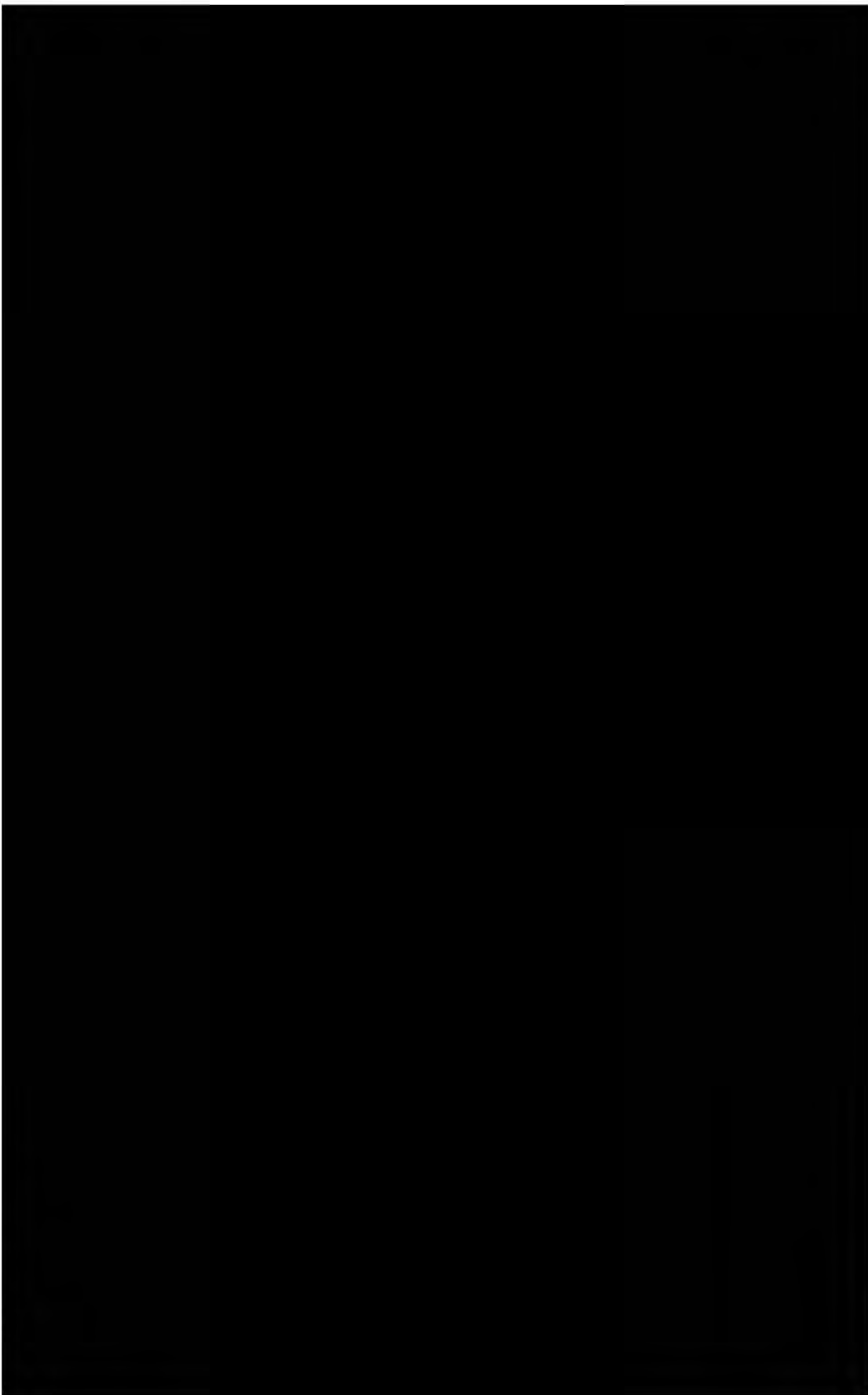




IV. Unit Economics



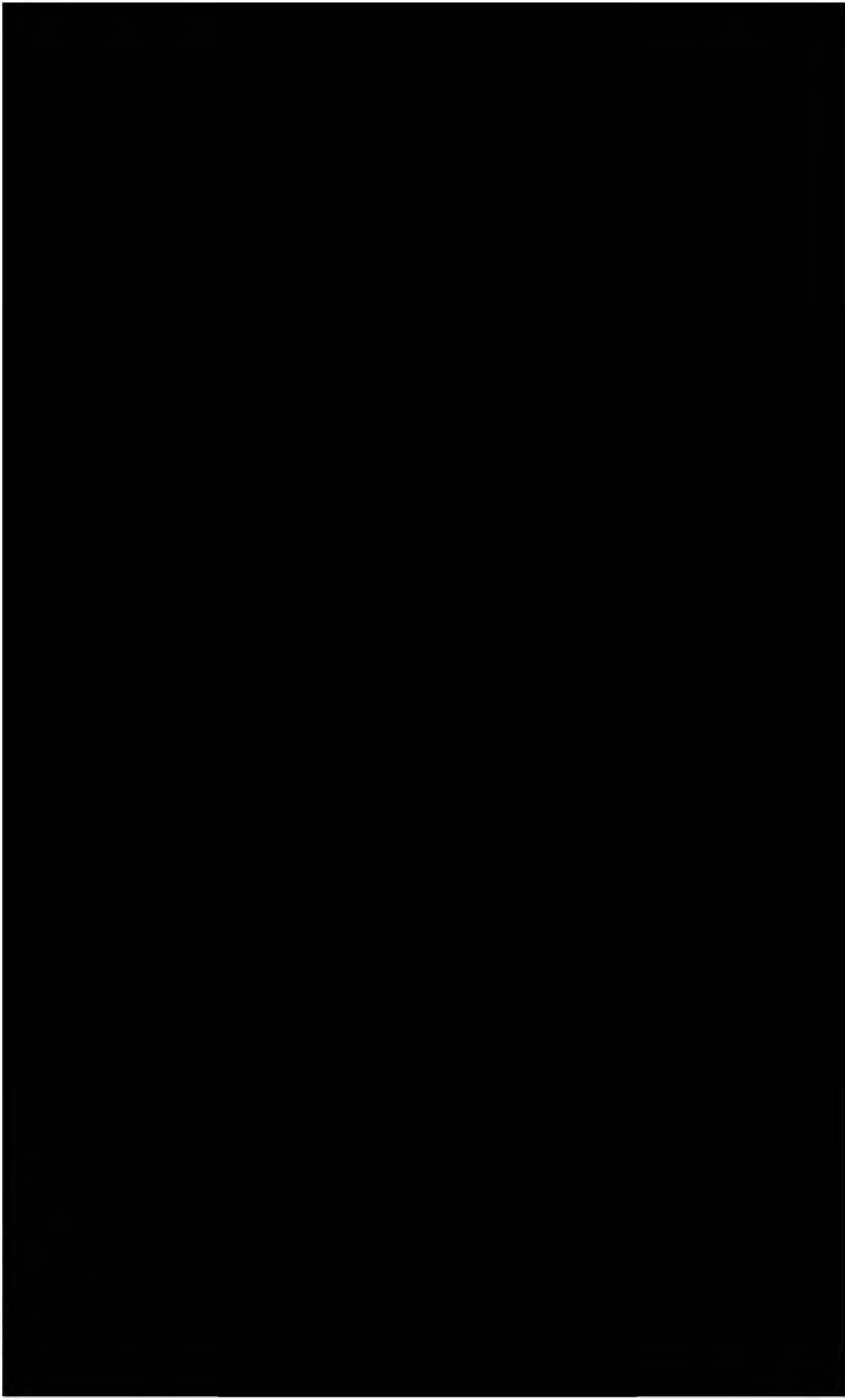
G EBITDA



1. In 2017, revenue and EBITDA were \$34mm and \$3mm, respectively

G EBITDA

44

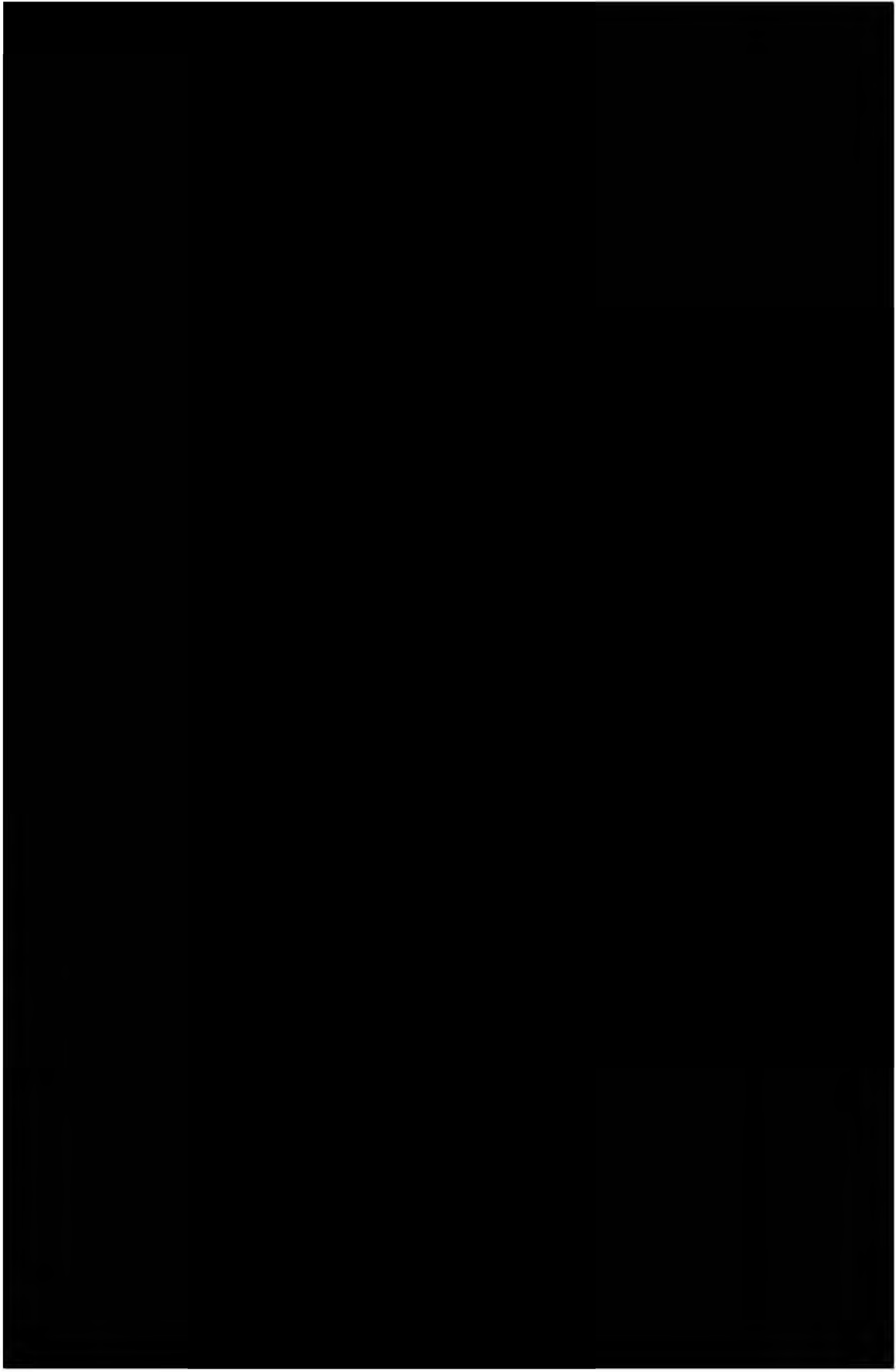


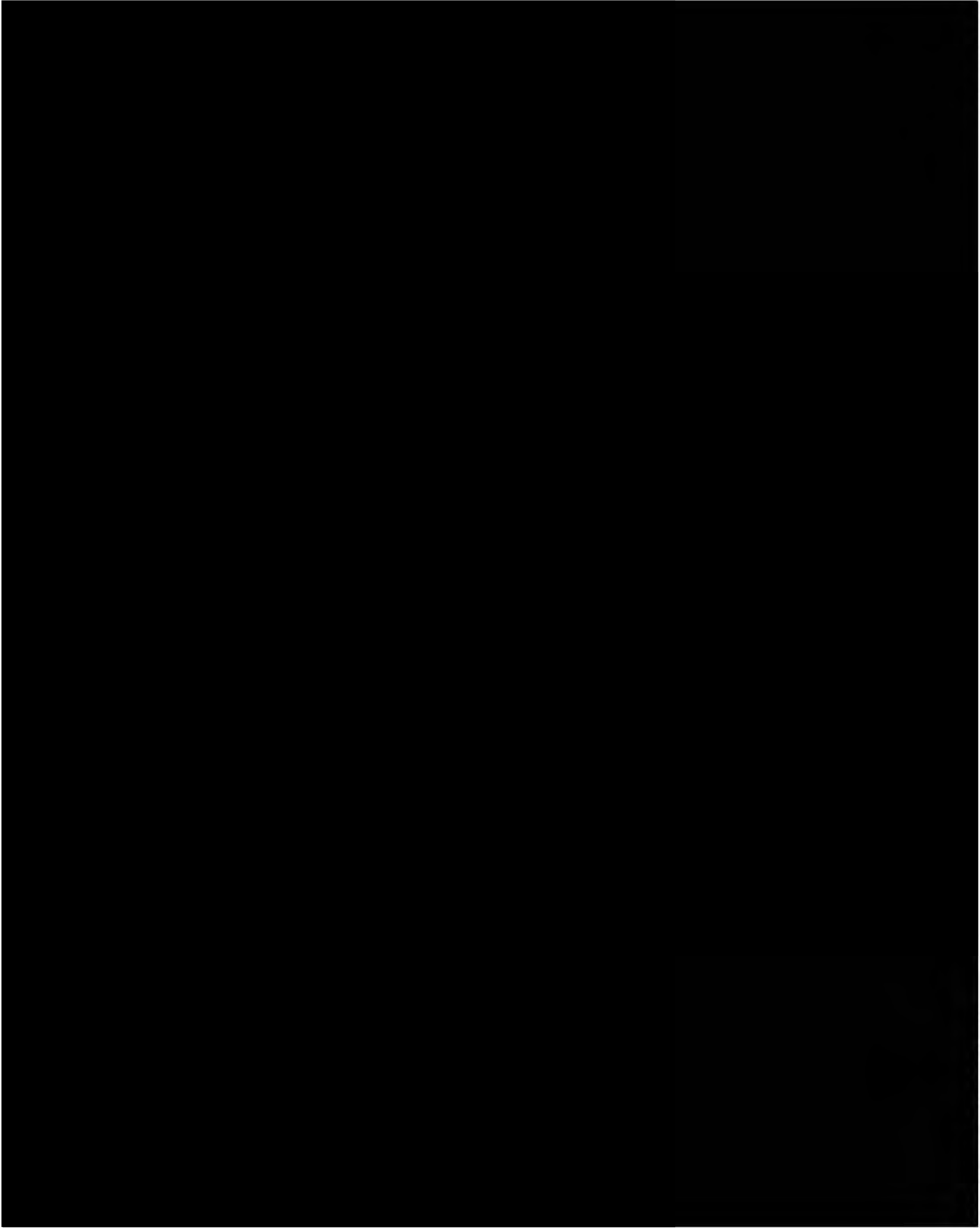
45



V. Client and Product Pipeline

○ Client and Product Pipeline

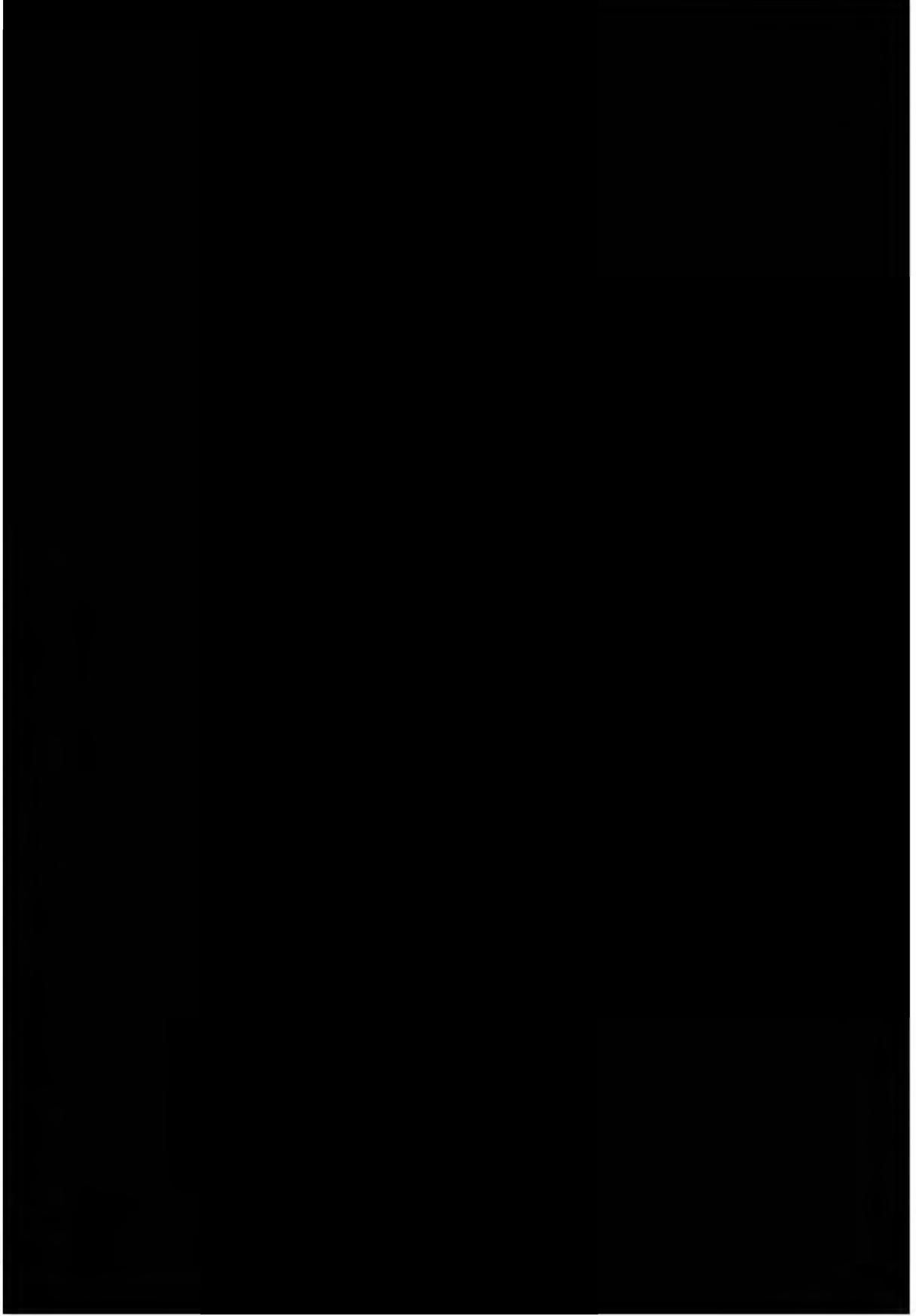






VI. Further Questions – Historical and Projected Financials

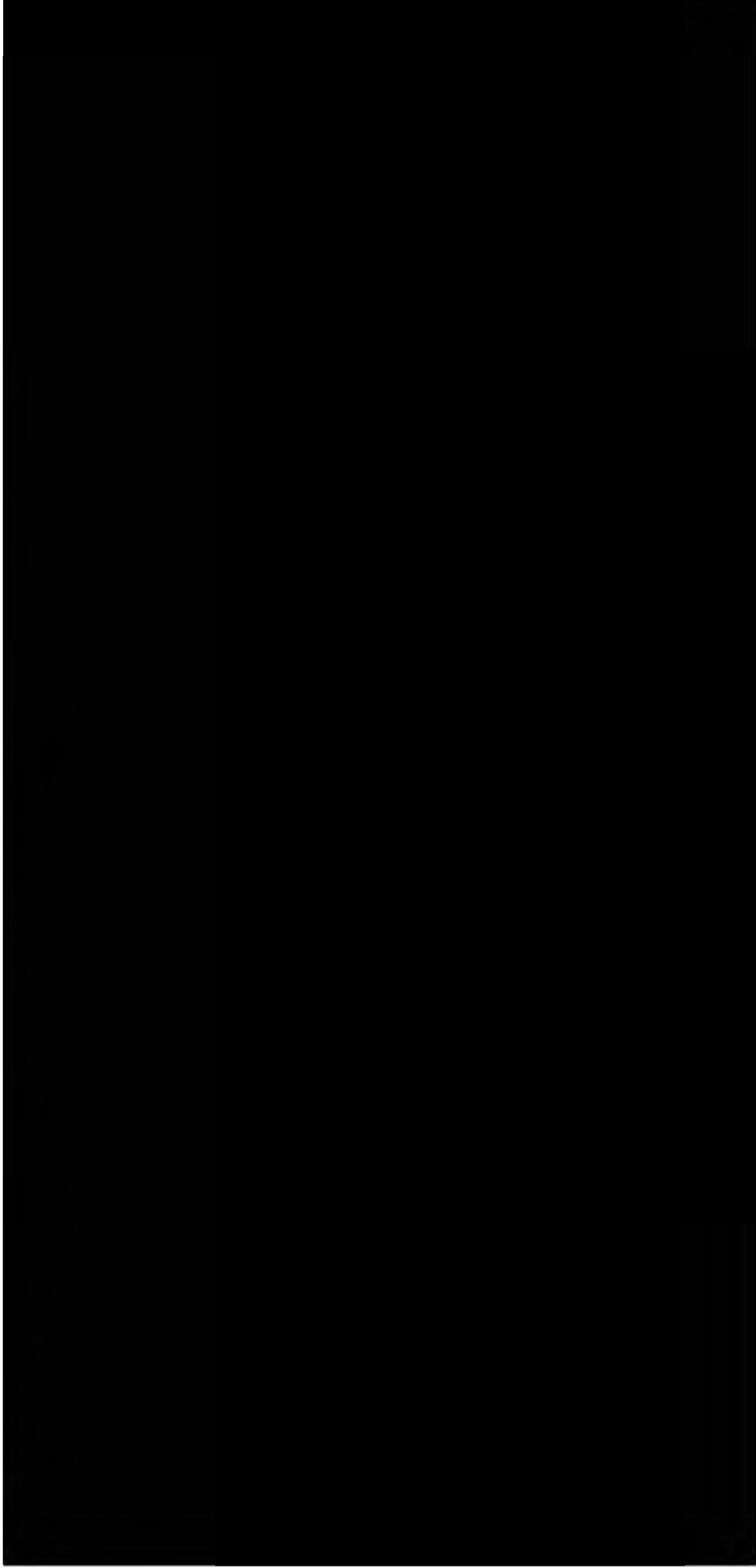
○ Further Questions -- Historical and Projected Financials



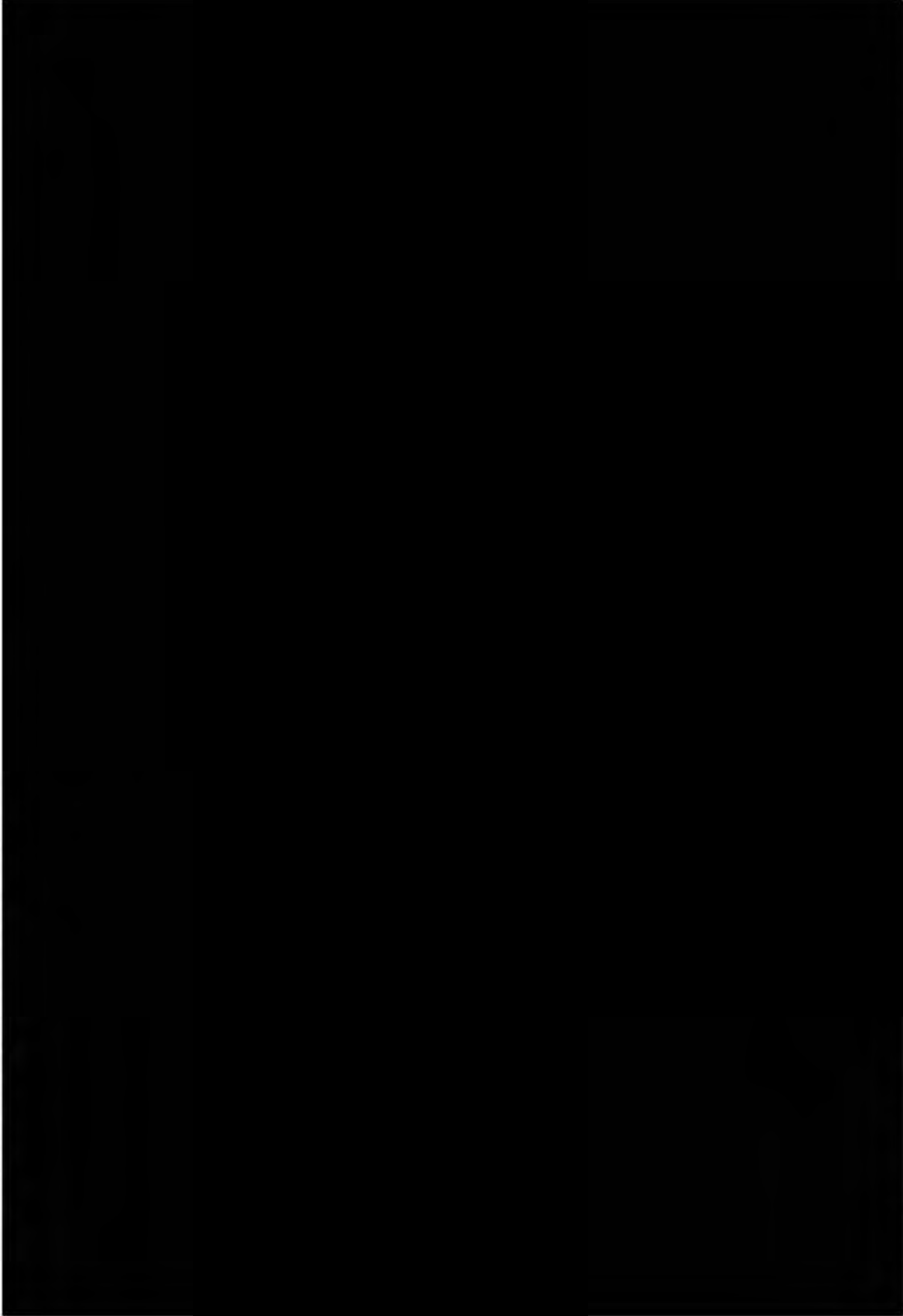
○ Further Questions -- Historical and Projected Financials (Cont'd)



○ Further Questions -- Historical and Projected Financials (Cont'd 2)

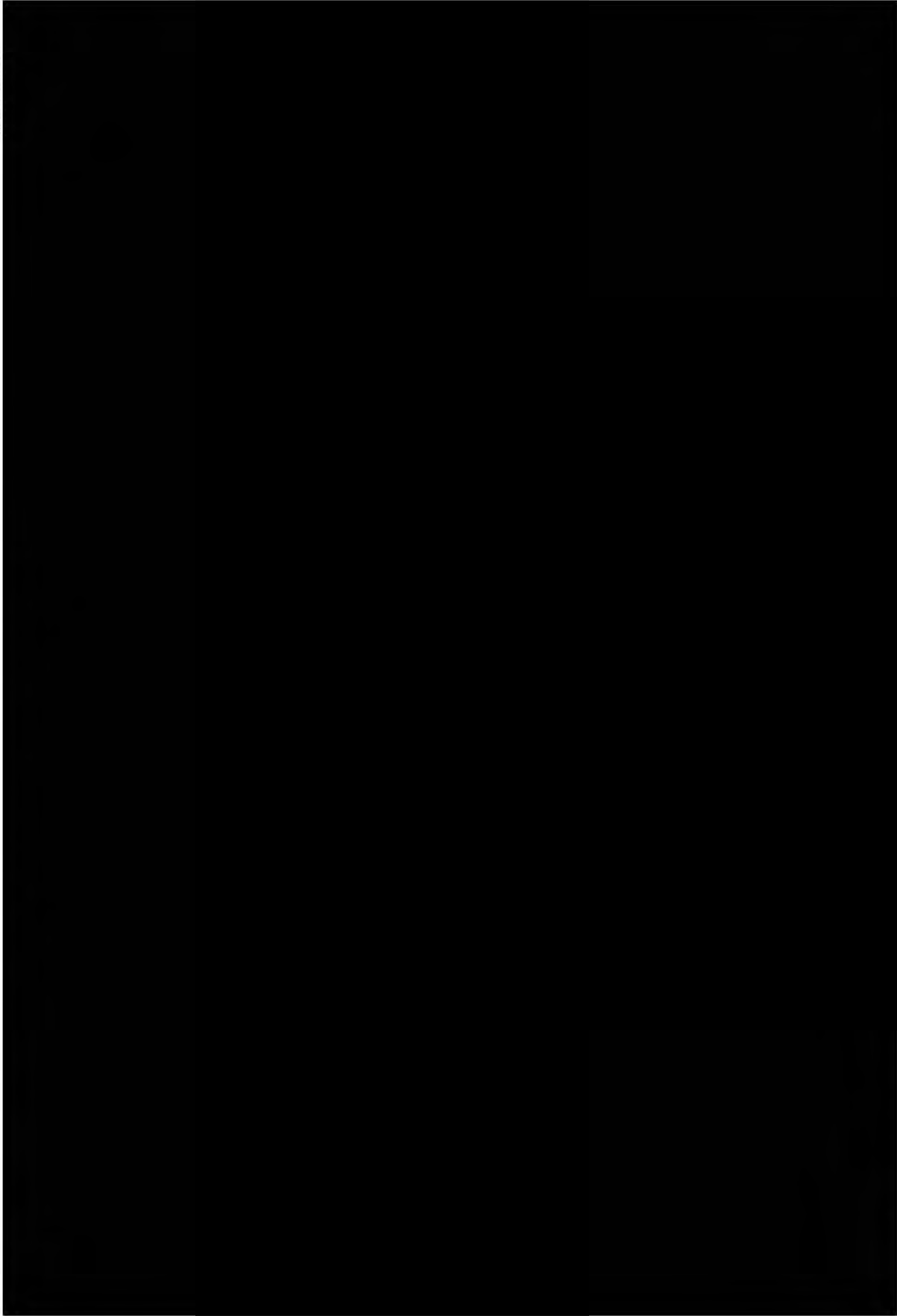


5 High Growth, High Margin SaaS Platform with Significant Operating Leverage Driven by Accelerating Customer Adoption

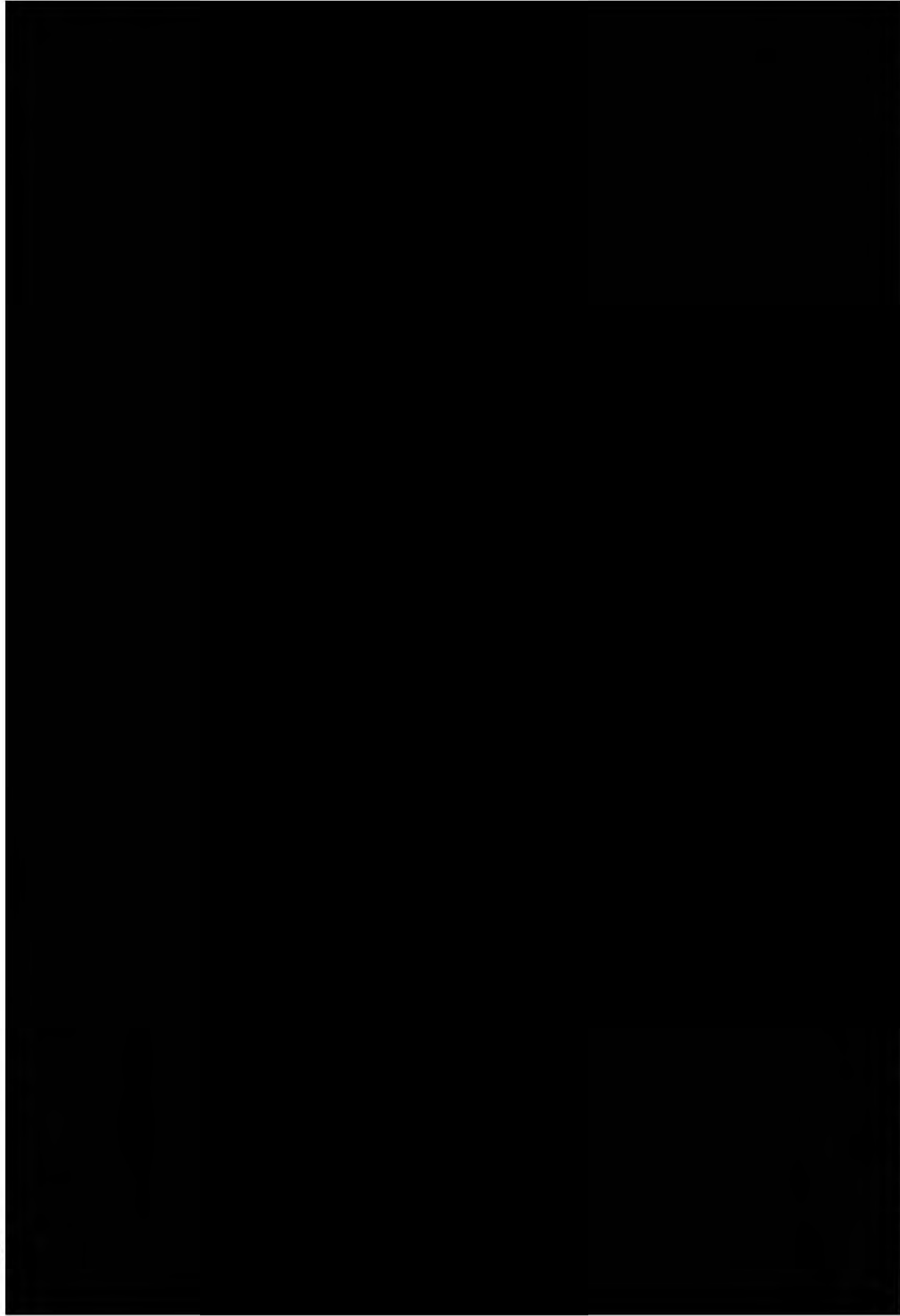


Track Record of Recurring Revenue Growth and Profitability

(\$ in millions)

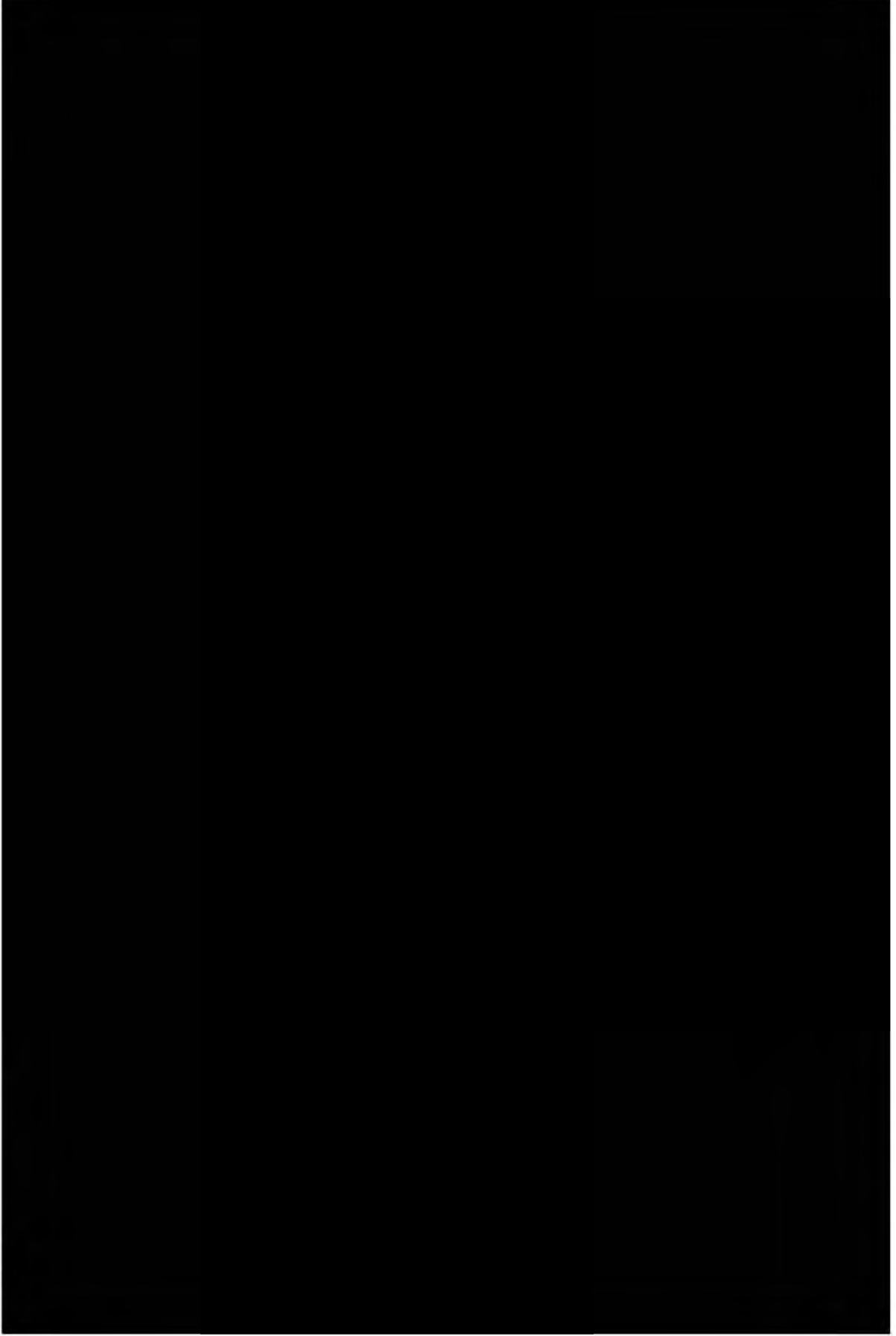


E Operating Expenses



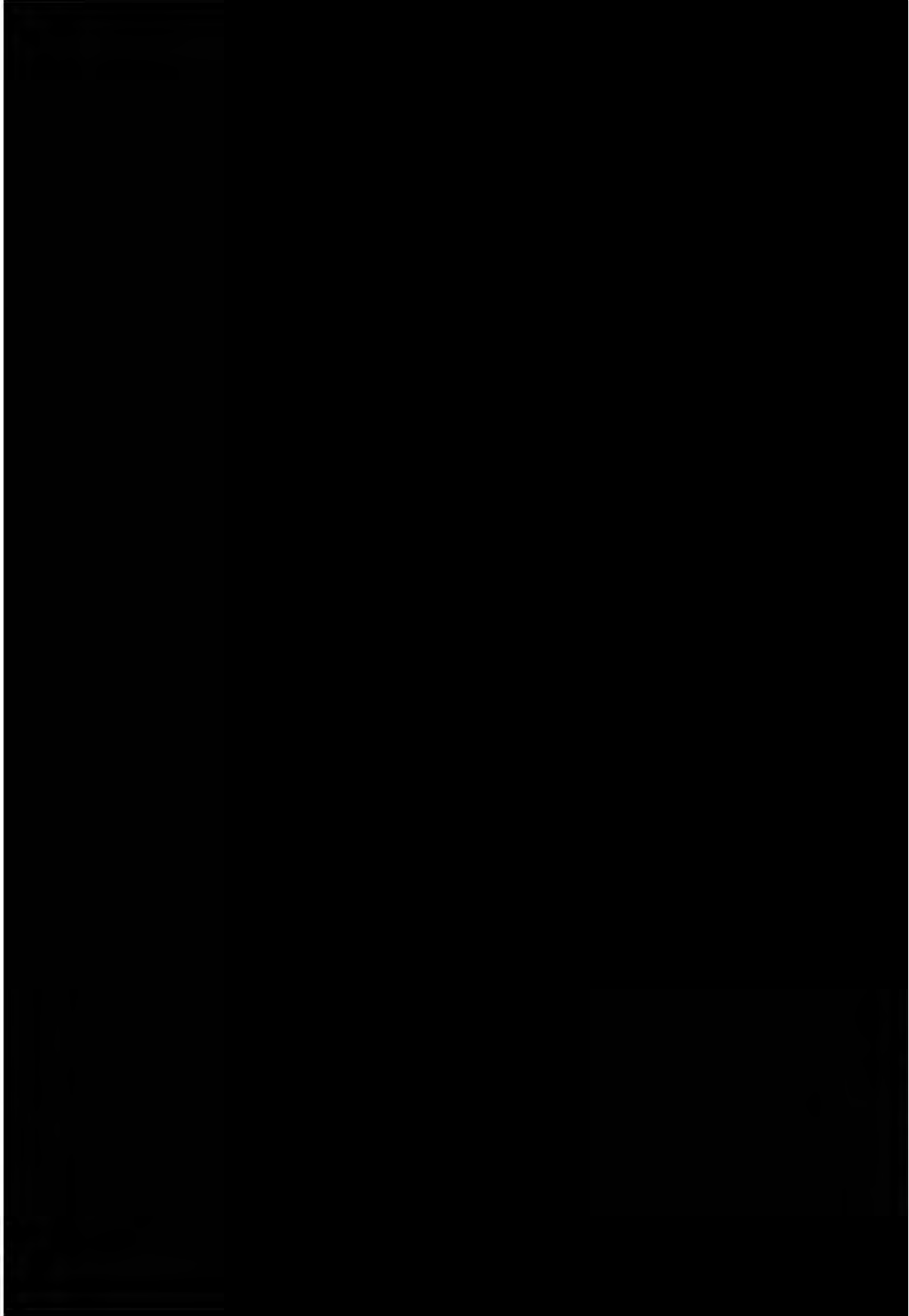
F Headcount

42





EBITDA





VII. Cash Flow

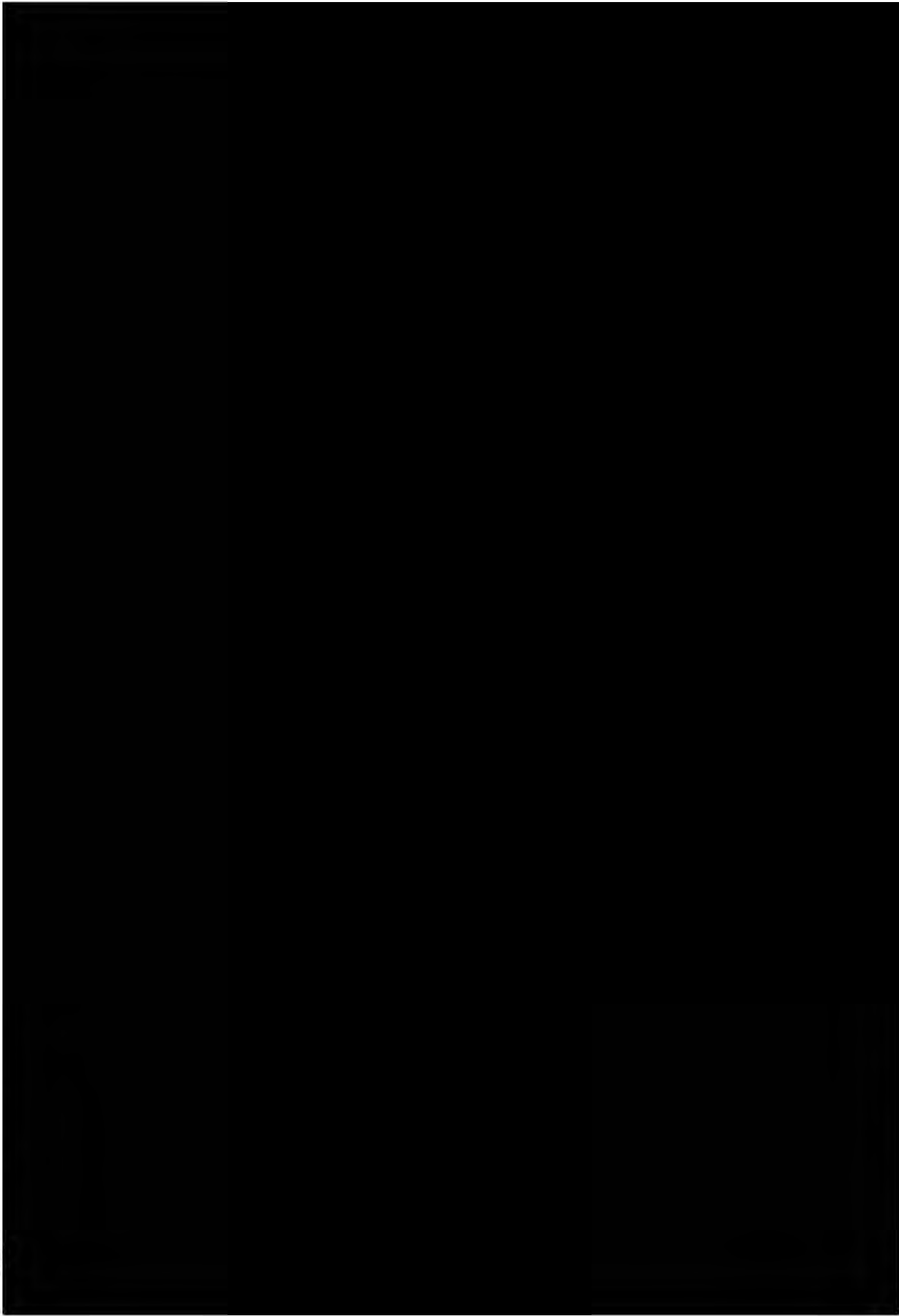
As of 12/31/2011, the Company has cash and cash equivalents of \$1.1 million. The Company's cash and cash equivalents are primarily composed of cash on hand and accounts receivable. The Company's cash and cash equivalents are reported in the accompanying balance sheet and statement of cash flows.

CastFlow





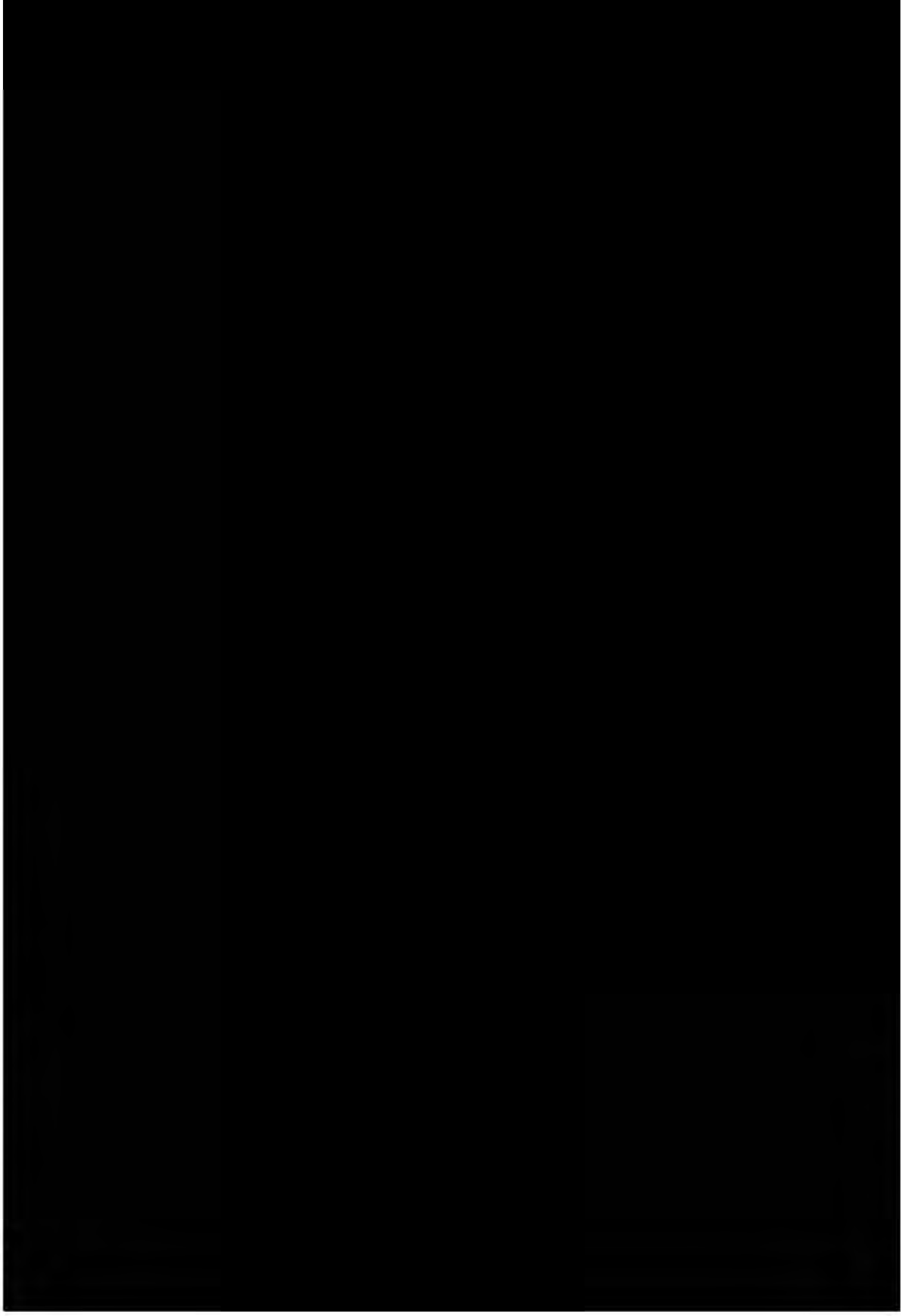
THE CASH FLOW





VIII. Technology & Product Development

○ Technology 8. Product: Development



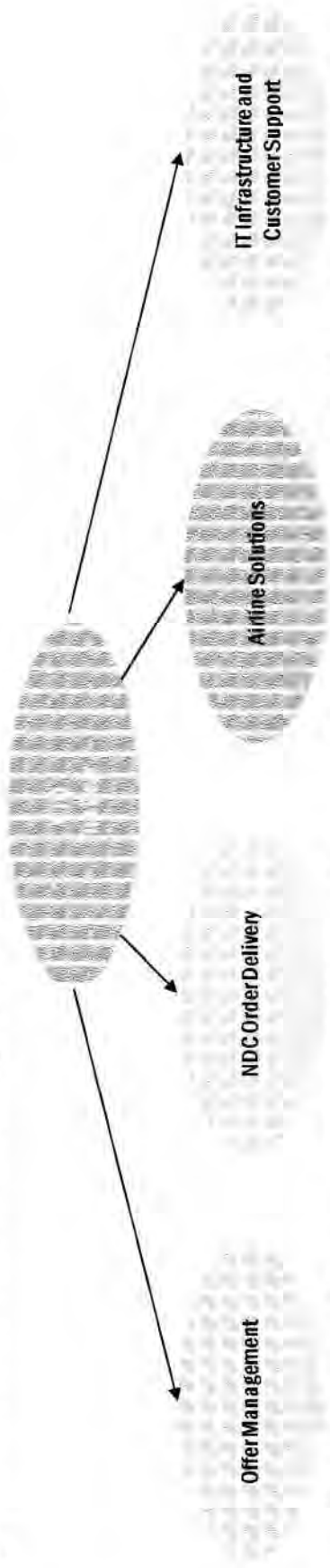


Enables Airline Connectors Gateways Unmatched Flexibility through a PSS-Agnostic,
Scalable Architecture





**Technology Driven Organization, with ~30% of Employees Dedicated to Delivering FLX
Airline Commerce Gateway Solutions to the Customer**



Offer Management
Develop, deliver, optimize for massive scale, and enhance the FLX suite of Offer Management Engines

Skillset: C++ Developers, ATPCO pricing analysts, Data scientists

NDC Order Delivery
Lead NDC industry influence and maximize FLX OC/API integration and transaction delivery through efficient on-boarding, core development and support

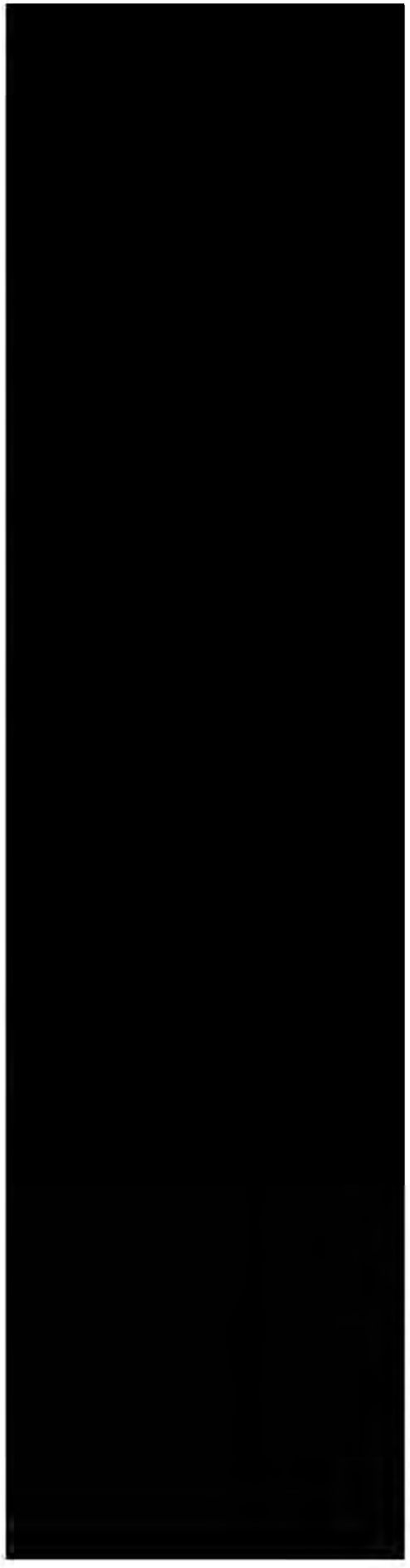
Skillset: C++ and JavaScript Developers, API/Schema/General Tech support Engineers, Tech Writers, QA analysts

Airline Solutions
Maximize adoption and delivery of FLX suite of products through the profitable development and enhancement delivery for FLX customers

Skillset: C++ and JavaScript Developers, Product Managers, Scrum Masters Business & QA Analysts, Product Delivery/Release Managers, Tech Writers

IT Infrastructure and Customer Support
Deliver the highest possible level of quality, security, reliability, customer engagement and support

Skillset: Network & Infrastructure engineers, DBAs, DevOps engineers, QA developers, Tech/Product support analysts



○

IX. Other

○ **CONFIDENTIAL**

