

From: Menke, Sean <8e98071bfcbb4853a89b9bf9c7d69690-menke, sean@exchangelabs.com>
Sent: Monday, August 20, 2018 12:37 PM
To: Boyle, Chris <Chris.Boyle@sabre.com>; Shirk, Dave <Dave.Shirk@sabre.com>;
Barnett, Doug <Doug.Barnett@sabre.com>
Subject: RE: checking-in



K. I haven't responded to him and waiting for him to reach back to me.

From: Boyle, Chris
Sent: Monday, August 20, 2018 11:55 AM
To: Menke, Sean <Sean.Menke@sabre.com>; Shirk, Dave <Dave.Shirk@sabre.com>; Barnett, Doug <Doug.Barnett@sabre.com>
Subject: RE: checking-in

Sean,

To extend that there is a live conversation with Jim, and if earnout is a topic...if he suggests that there can be a bridge to value there. Then I think that our starting position should be to connect the risk in GDS Connect revenue to the earnout. That is, an earnout that only pays on GDS Connect revenue is our best outcome for an earnout. I think that with this limit, we could be willing to do the earnout through 2020. I would not want to have an earnout go past 2019 if all products are included, and we will have to come to an understanding about how to carve out products, etc. if we go that route. It is not impossible but difficult if we don't want them to continue to develop Shopping, and/or we want them to work on integrating to PSS, etc., so we will get into strategy misalignments with the Offer products in the earnout.

Thanks,
Chris

From: Menke, Sean
Sent: Sunday, August 19, 2018 5:36 PM
To: Boyle, Chris <Chris.Boyle@sabre.com>; Shirk, Dave <Dave.Shirk@sabre.com>; Barnett, Doug <Doug.Barnett@sabre.com>
Subject: Fwd: checking-in

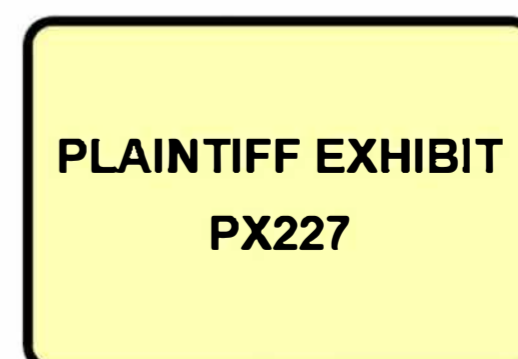
FYI

Sent from my iPhone

Begin forwarded message:

From: Jim Davidson <jdavidson@farelogix.com>
Date: August 19, 2018 at 3:05:53 PM CDT
To: "Menke, Sean" <Sean.Menke@sabre.com>
Subject: Re: checking-in

Hi Sean,
I have a call with Sandler and Evercore this evening. I reach out tomorrow. Lots going on and we certainly don't want to be "gray" with anyone.
Thanks for the note.
Jim



SABR-000054129

Sent from my iPhone

James K. Davidson
Farelogix
305.222.5401

Check out www.iflybags.com

On Aug 19, 2018, at 1:43 PM, Menke, Sean <Sean.Menke@sabre.com> wrote:

Hi Jim, hope you are enjoying your time in upstate NY, beautiful area.

I was able to connect with Chris late Friday after he spoke with Jeff. I think it might be helpful for the two of us to get on the phone as I would deem the response and next steps to be rather grey. We are pleased that Farelogix is wanting to move forward, but Jeff essentially put the ball back in our court to allow us to seek more information on questions surrounding valuation and we don't think there really are any.

As you know our team has done a significant amount of work, and while normal confirmatory diligence will be done, we don't see big gaps to understand. The only area that we may gain confidence is the possible uplift on GDS transaction fees. This is something we discussed on the phone and you had a strong level of confidence surrounding the opportunity. Our valuation focuses on 2019 forecast revenue and longer term opportunity together, though discounted somewhat based on execution risk and the realization of GDS connect revenue was a specific area of concern given timelines and various dependencies.

The one thing that I alluded to on the phone was the potential of putting an earnout into the agreement if management and owners felt strongly about the growth in the business beyond what we may be forecasting, specifically associated with key areas. We would have to find something simple and relatively short term as earnouts are challenging to strategy and alignment. Most importantly, I think an understanding from Farelogix on what it will take to get a deal done is needed. We put forward a good faith offer that recognizes the strategy and growth of the business. In the conversation Jeff had with Chris he alluded that this was a positive sign, but was on the lower end of expectations. You and your team would provide a lot of value to what we are trying to accomplish, but I need to balance an acquisition and the cost versus using those dollars to accelerate our own efforts.

Both parties have invested a significant amount of time over the past several months. My guess is that you and your team, like ours, want to know if we are going to find a path forward and be able to focus on common direction as ongoing deal discussions are a distraction that both parties would probably prefer to do without.

Look forward to your response.

Cheers,
Sean

From: Jim Davidson [<mailto:jdavidson@farelogix.com>]

Sent: Thursday, August 16, 2018 8:10 PM

To: Menke, Sean <Sean.Menke@sabre.com>

Subject: Re: checking-in

Hi Sean,
Thanks for reaching out and glad to hear about your trip.

Our wires must have crossed as I literally just got off a marathon call with our owners and banker. Jeff from Evercore is connecting with Chris tomorrow to get things going. Seems this is vacation time for everyone.

And speaking of vacation I'm in Michigan to pick up my daughter and we are heading to visit family to boat and motorcycle tour around the Finger Lakes in NY for a week.

If Chris doesn't think things are moving forward after tomorrow, we can have a chat.

Thanks. Jim

Sent from my iPhone

James K. Davidson
Farelogix
305.222.5401

Check out www.iflybags.com

On Aug 16, 2018, at 4:30 PM, Menke, Sean <Sean.Menke@sabre.com> wrote:

Hi Jim,

Hope all is well. Had a great trip to Greece and Turkey and was able to shutdown for a few days.

I know you have communicated with Chris, but let me know if it makes sense for the two of us to get on the phone so I can better understand the thinking on your side. I am traveling back to Dallas from Salt Lake City and have time available tomorrow if it makes sense.

All the best,
Sean