Optiontown™

Enjoy unique travel options™

A Disruptive Technology Platform for Flight Pass Subscription & Ancillaries

Confidential

IATA | Strategic Partner

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Optiontown = Disruptive Innovation: A 'Game-Changer'!

- Revenue Managed Subscriptions + Ancillaries via Dynamic Options
- **40+ airlines (combined sales $100+ Billion)**
- **Patented :** Based on R&D at MIT's Center for Transportation & Logistics
- Creating a "**win-win**"
  - Airline: Incremental revenues (up to 10%), branding, loyalty
  - Customers: Enhanced travel experience, utility
- **Plug-n-Play** - No Capital Investment, No IT Development, Minimal resources
- **50+ Product Installations worldwide**
- **Global** : Boston, Ireland, UK, India, Spain, Vietnam, Egypt, Canada

US Patents 7,418,409; 7,424,449; 7,472,080; 7,983,956; 8,140,399; 8,145,535; 8,145,536, 8,165,920 and 8,275,667. Australia Patents 2007330457 and 2007284408. Singapore Patents 160,492; 160,493, 160,441 and 160,446. South Africa Patents 2010/00529; 2010/00530, 2010/00531 and 2013/03248. Russia Patent 2555231

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Optiontown global airline partners

BRITISH AIRWAYS

AIRFRANCE

中國東方航空 CHINA EASTERN

KLM

THAI

Alitalia

Avianca

Ethiopian
A STAR ALLIANCE MEMBER

एअर इंडिया AIR INDIA

SINGAPORE AIRLINES

TAP PORTUGAL

Vietnam Airlines
REACH FURTHER

الملكية الأردنية ROYAL JORDANIAN

vistara

Kenya Airways
The Pride of Africa

الخطوط الملكية المغربية royal air maroc

EGYPTAIR

THAI Smile

HOP!

PEGASUS

الطيران العُماني OMAN AIR

porter porter porter porter

nokscoot

Biman BANGLADESH AIRLINES

العربية للطيران airarabia.com

Cambodia Angkor AIR

RwandAir
Fly our dream to the heart of Africa.

Air Namibia
Carrying the spirit of Namibia

ADRIA
A STAR ALLIANCE MEMBER

JOON

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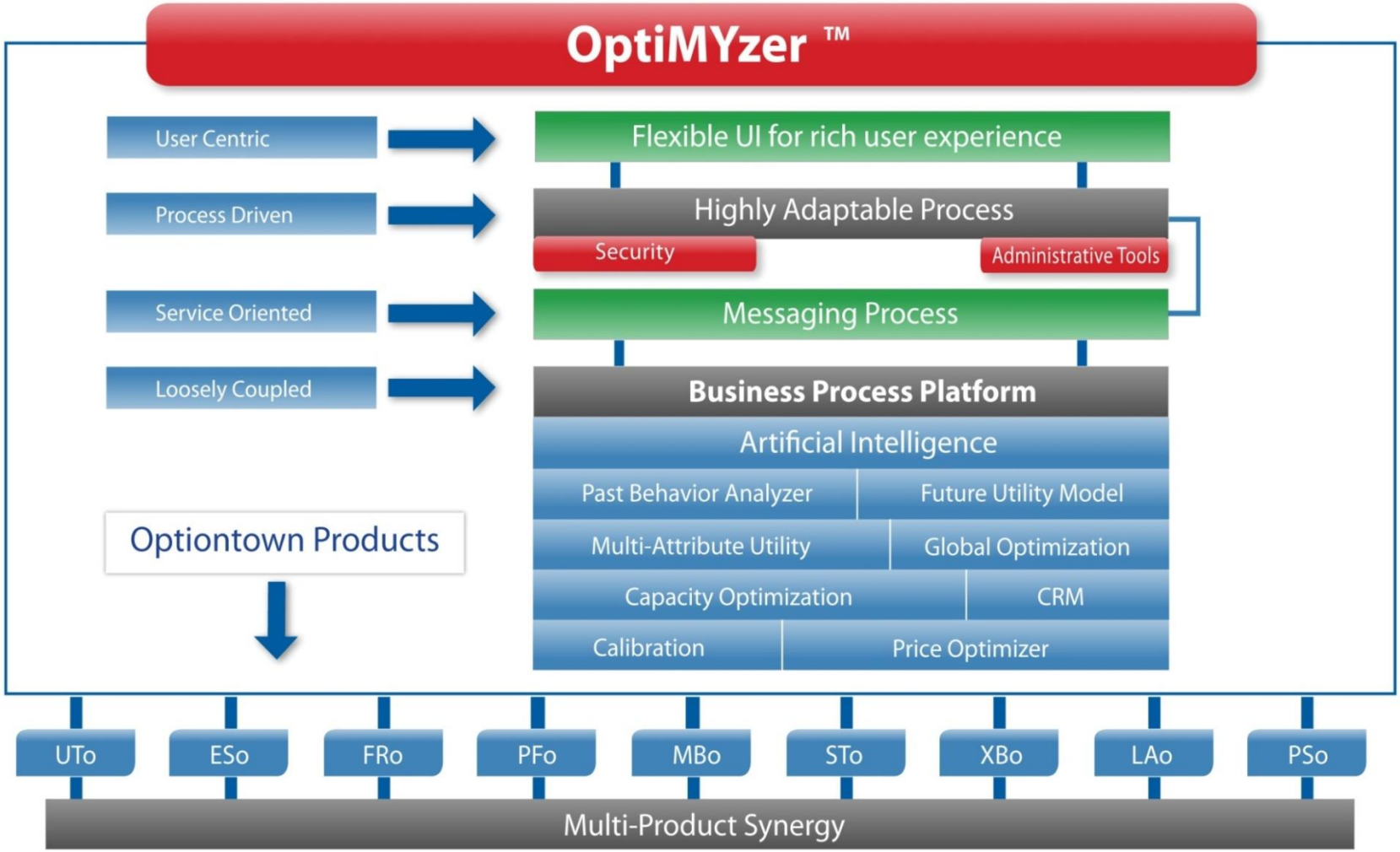
OptiMYzer : Core Technology Platform

Core technology backbone - OptiMYzer algorithms enable options to achieve 'concurrent optimization' for partner airlines and consumers



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Optiontown = Disruptive Innovation: A 'Game-Changer'!

OptiMYzer algorithms enable options to achieve 'concurrent optimization' for partner airlines and consumers

Science + Math

- Artificial Intelligence
- Big Data

+

Personalized Economics

- Consumer Psychology
- Behavioral Economics
- Optionality

- Dynamic computation of hundreds of millions of price and product options in real time
- Offering full personalized choices to customers
- Obtaining and analyzing demand curves of the customers by offering variety of customizable features and price points
- Concurrently optimizing demand curves with capacity/cost economics of the airlines

- ✓ **Mass collaboration** and **subscription model**
- ✓ **World's first & Only Provider**
- ✓ **Patented:** Based on 15+ years of R&D at **MIT's Center for Transportation & Logistics.** 21 patents granted.
- ✓ **Network effect:** The more data and customers we process, the higher the optimization of the economics
- ✓ **Plug-n-Play** - No Capital Investment, No IT Development, Minimal resources
- ✓ **Complete turn key solution:** technology platform + 360 degree support services to run, operate, sell, market and produce revenues

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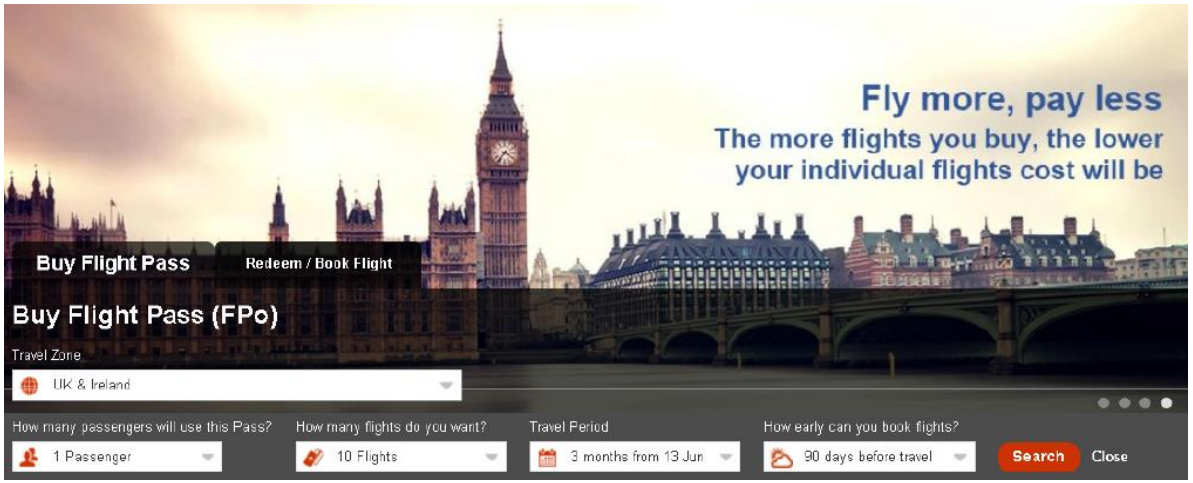
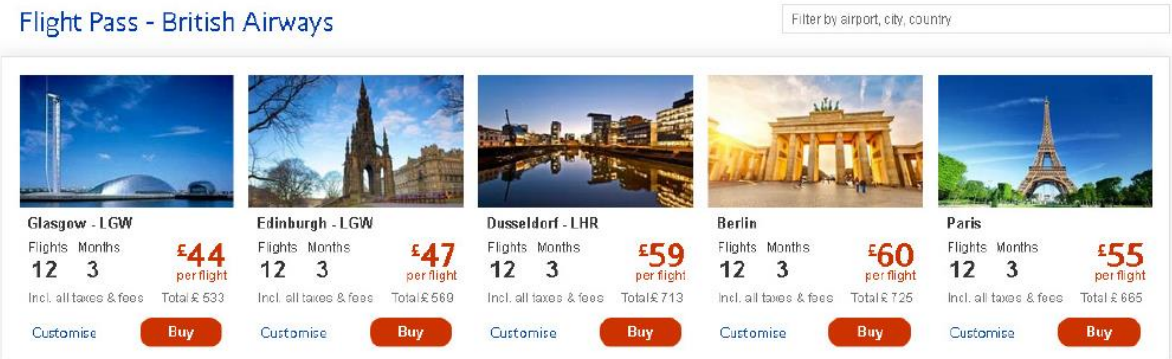
FlightPass = Sell revenue-managed flight subscriptions online

Pack of multiple flights purchased in advance at a pre-defined price & fare rules, where tickets can be booked up to 1 year later for one or more passengers





- **Fully Revenue Managed –** dynamic real-time computation of hundreds of millions of FlightPass fares for RM driven rules including O&Ds, black-out, advance booking, no of flights, no of pax names, branded fare, day of week, time of day, minimum stay, Last cabin seat availability or Fare Brand/RBD based availability
- **Fully Customizable -** customer selects desired flexibility/restriction level for each variable to find most suitable pass and pays the price accordingly
- **Plug-n-Play -** No IT Development. No Capital investment from airline. 4-6 week quick and easy launch
- **Easy to Operate –** Minimal RM resources to manage. All heavy lifting done by Optiontown. Need only 4-6 hrs/month for 1 airline RM analyst to review/fine tune.
- **Pool & Share with friends, family:** Anyone can fly individually or together

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m.com/home/nl/en https://flightbundle.klm.com/en

KLM Royal Dutch Airlines

Log in | Register | Netherlands

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Find an answer

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I want to see all destinations >

From: Amsterdam – Schiphol (AMS),

To: New York – John F. Kennedy I

Departure: Between now and November

Passengers: 1 adult

Travel class: Economy Class

One way >
Multi-city >

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KLM Flight Bundle

Pre-purchase a number of flights for a pre-set fare and book your flights later as per your need. Relax at your own holiday home every chance you get.

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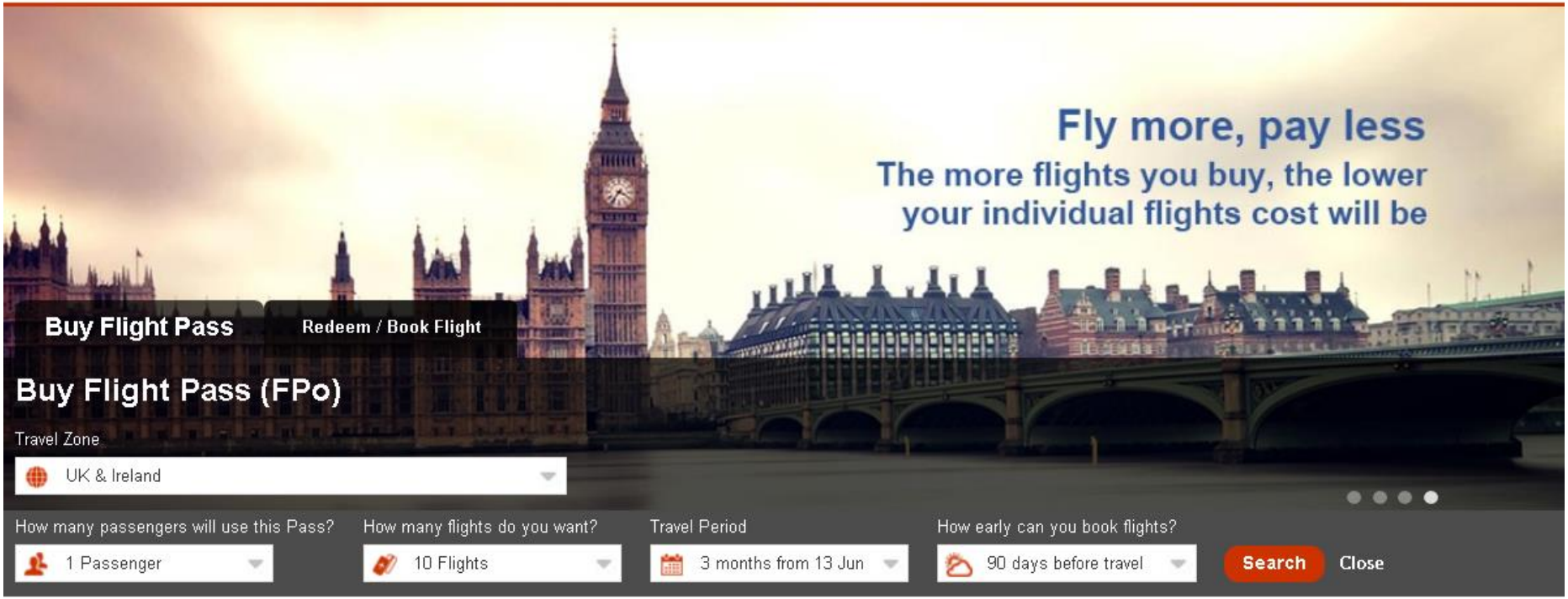

Flight Pass - British Airways

Filter by airport, city, country

Glasgow - LGW

Flights	Months	
12	3	£44 per flight

Incl. all taxes & fees Total £ 533

Customise Buy

Edinburgh - LGW

Flights	Months	
12	3	£47 per flight

Incl. all taxes & fees Total £ 569

Customise Buy

Dusseldorf - LHR

Flights	Months	
12	3	£59 per flight

Incl. all taxes & fees Total £ 713

Customise Buy

Berlin

Flights	Months	
12	3	£60 per flight

Incl. all taxes & fees Total £ 725

Customise Buy

Paris

Flights	Months	
12	3	£55 per flight

Incl. all taxes & fees Total £ 665

Customise Buy

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Travel Zone - Enter Depart/Arrive to create a bespoke travel zone

Enter inputs to filter or create your bespoke travel zone.

Origin

LHR London, UK

Destination (one or more)

CDG Paris, Fra.. FRA Frankfurt,..

Add More..(Type 3 Letters)

Select your Travel Zone

Full Match

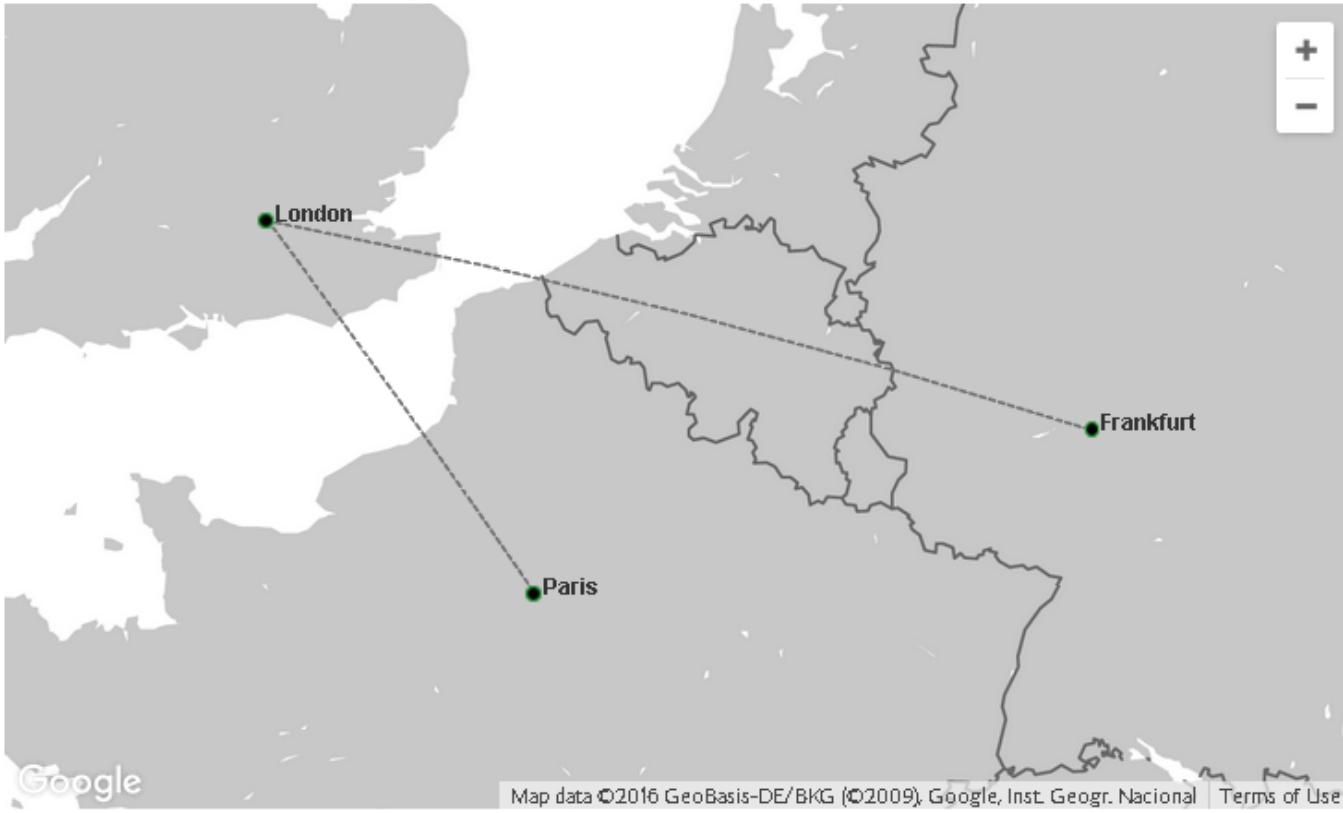
Your personalized zone : LHR-CDG / LHR-FRA — Select

Partial Match

France	Select
Paris	Select
Paris (CDG) - LHR	Select
Germany	Select
Frankfurt	Select
Frankfurt - LHR	Select

Your personalized zone : LHR-CDG / LHR-FRA

Travel valid on all British Airways operated flights between London (LHR) and the following destinations: Frankfurt (FRA), Paris (CDG)



Select Passengers Type and Number, Number of Flight Coupons, Travel Period

Who will use this Pass?

Individual	[1 - 3 Users]
Group - Family & Friends	[2 - 9 Users]
Small & Medium Business	[4 - 10 Users]
Large Corporate	[10 - 20 Users]

Travel Period

3 months from 13 Jun

Travel valid from **13 Jun 2016**

Travel Period **3 months**

- 1 month
- 2 months
- 3 months
- 4 months
- 6 months
- 9 months

Book any flight d
subject to availabili
terms.

How many flights do you want?

10 Flights

- 10 Flights
- 12 Flights
- 14 Flights
- 16 Flights
- 18 Flights
- 20 Flights
- 22 Flights
- 24 Flights

Total flights that can be booked with a Flight Pass. A single passenger needs 2 Flights to book a return-trip. The more the flights, the cheaper the price. For example, price per flight is cheaper for a flight pass with 20 flights than the one with only 10 flights.

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Create your own Flight Bundle

Where do you want to travel? UK

How many passengers will us... 1 Passenger

Total flights for all passengers? 200 Flights

Travel Period 12 Months from 7 ...

How early can you book fligh... 60 days before travel

Fare Type Light

Minimum Stay Minimum 3 day or ...

Search Close

Flight Bundle : KLM Most popular

Geneva
Flights 20 Months 12 €134 per return
Advance Booking 90 days
Includes all taxes Total € 1340
Express Check Out Buy

Toulouse
Flights 20 Months 12 €112 per return
Advance Booking 90 days
Includes all taxes Total

Milan - Malpensa
Flights 20 Months 12 €112 per return
Advance Booking 90 days
Includes all taxes Total

Offer different fare products and also add ancillaries such as **Baggage** **Seats Upgrades** **Lounge** **Meals** **Transfers** etc.

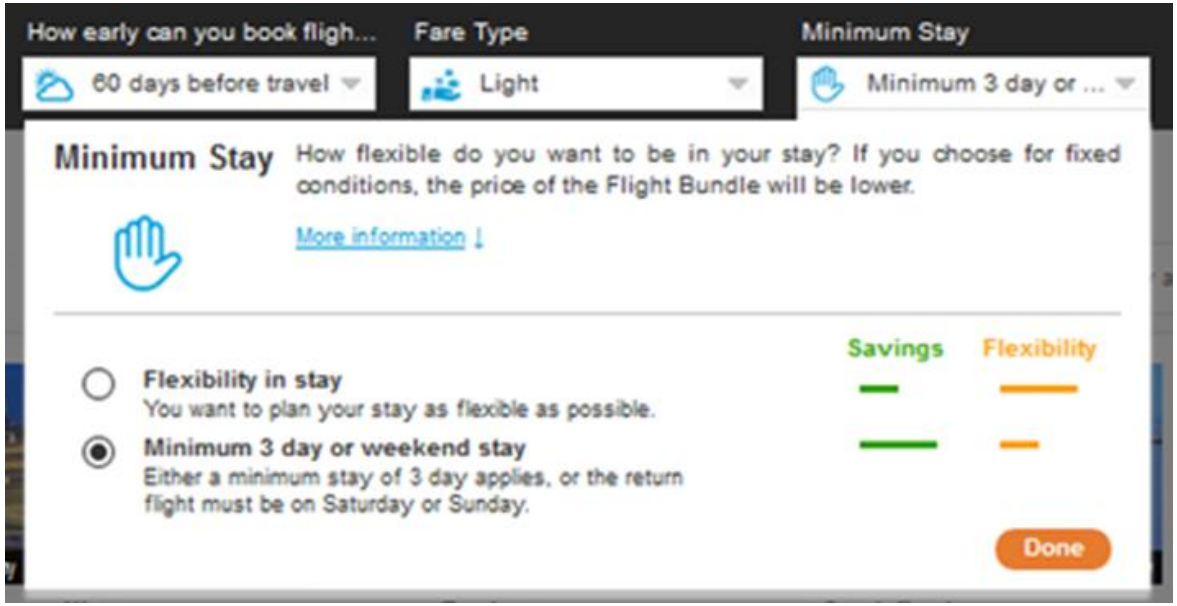
Fare Type

For flying within Europe we offer three ticket options, allowing you to find the ideal ticket to fit your travel needs. Every fare type offers different benefits. Kindly select the fare type according to your travel needs.

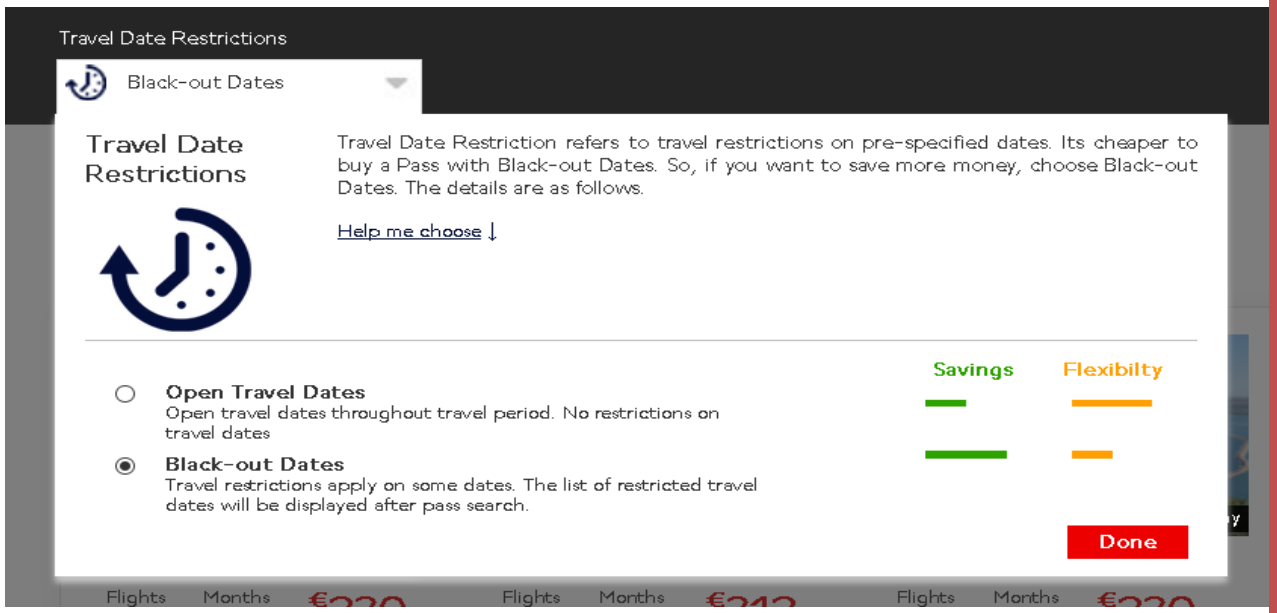
A comparison of the different fare types is given below.

More information

	Light	Standard	Flex
Hand Baggage	✔	✔	✔
Check-in Baggage	✘	1 Bag - 23 KG	1 Bag - 23 KG
Sky Priority	✘	✘	✔
Flight Change*	EUR 70*	EUR 70*	FREE*
Cancellation	✘	✘	FREE
No Show	✘	✘	FREE
Savings	👍👍👍	👍👍	👍
Flexibility	★	★★	★★★
	✔ Selected	Select	Select



Ability to add Minimum Stay to All or specific routes



Ability to add Black-out Dates for specific routes / direction of travel/flight numbers

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Customize Advance Booking (days before travel)

1 Select | 2 Customize | 3 Review | 4 Purchase | 5 Confirm

↓ Customize your Flight Pass Option

Customize the selected pass to match your exact requirement. The unique Pass Options allow you to tailor make the entire package to address all your travel needs.

Advance Booking

Book 60 Days before travel

Advance Booking (in Days) required before travel. The earlier you book, the cheaper it gets.

Help me choose ↓

I want to book closer to my travel date

- ○ I want to book at anytime till 1 Day before travel **(Add GBP 128)**
- ○ I want to book at anytime till 3 Days before travel **(Add GBP 105)**
- ○ I want to book at anytime till 7 Days before travel **(Add GBP 76)**

I can book early to reduce my travel costs

- ○ I can book in advance at least 14 Days before travel **(Add GBP 42)**
- ○ I can book in advance at least 30 Days before travel **(Add GBP 18)**
- ◉ I can book in advance at least 60 Days before travel (included in price)

← Back

Continue →

Flight Pass Summary

Travel Zone	: United Kingdom
Cabin	: Economy
Number of Flights	: 10
Travel Period	: 6 Months
Advance Booking	: 60 Days
Travel Flexibility	: 2 Days
Users	: 2
Price Per Flight*	**: GBP 345**
Number of Flights	: 10 X GBP 345
Total Pass Price*	: GBP 3450

Regular Total Price+ ~~GBP 5800~~

GBP **Save 2350** 40% OFF

Flexible Payment Plan.

Pay now only GBP 690

*Includes all taxes and fees

+Based on historical price avg.

Travel Flexibility

Users

Express Check Out →

(If you are ok with your Flight Pass, click here for Express check-out and move to next step to Add Passengers.)

Flight Pass Consumer Behavior - Advance Booking Breakage (% of Bookings)

97% of 3D AB customers booked sooner than 3D

Redeemed Advance Booking	*Purchased Advance Booking with Flight Pass*								
	4Hr	3	7	14	21	30	60	90	180
4Hr	30%								
3	10%	3%							
4		8%							
5	30%	14%							
6		3%							
7		6%	15%						
8		17%	12%						
9		3%	4%						
10			8%						
11	10%	3%	8%						
12		6%	9%						
13	10%		4%						
14		19%	11%	36%					
21		6%	13%	21%	27%				
30		3%	4%	6%	7%	22%			
40		6%	5%	9%	15%	31%			
50			4%	14%	16%	12%			
60			1%	4%	10%	6%	10%		
70				4%	3%	9%	23%		
80			2%	2%	3%	5%	18%		
90				3%	5%	5%	21%	18%	
120					5%	4%	15%	40%	
150					2%	1%	5%	13%	
180					7%	2%	1%	10%	20%
210						1%		4%	21%
240							2%	5%	16%
270						1%		4%	8%
300							3%	3%	6%
330							1%	3%	17%
360						1%	1%	1%	12%

85 %

64 %

73 %

78 %

70 %

90 %

82 %

97 %

80 %

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Flight Pass – Revenue Breakage Case Study – Airline X

27 % Revenue Breakage of Total booked revenue

27%

12%	Advance Booking Breakage – Pax booked one level or more in Advance compared to Purchased lead-time
10%	Breakage from No shows & Unused Credits that expired
3%	Breakage due to Travel Zone/ Other pass parameters
2%	Breakage due to Pass completely used in shorter time period compared to paid validity

Out of all Flight Pass purchased for Same Day Advance Booking only 6% booked in Same Day

Actual Advance Bookings when Same Day is purchased	
Same Day	6%
One Day	18%
Three Days	30%
One Week	20%
Two Weeks	21%
One Month	4%
Three Months	1%

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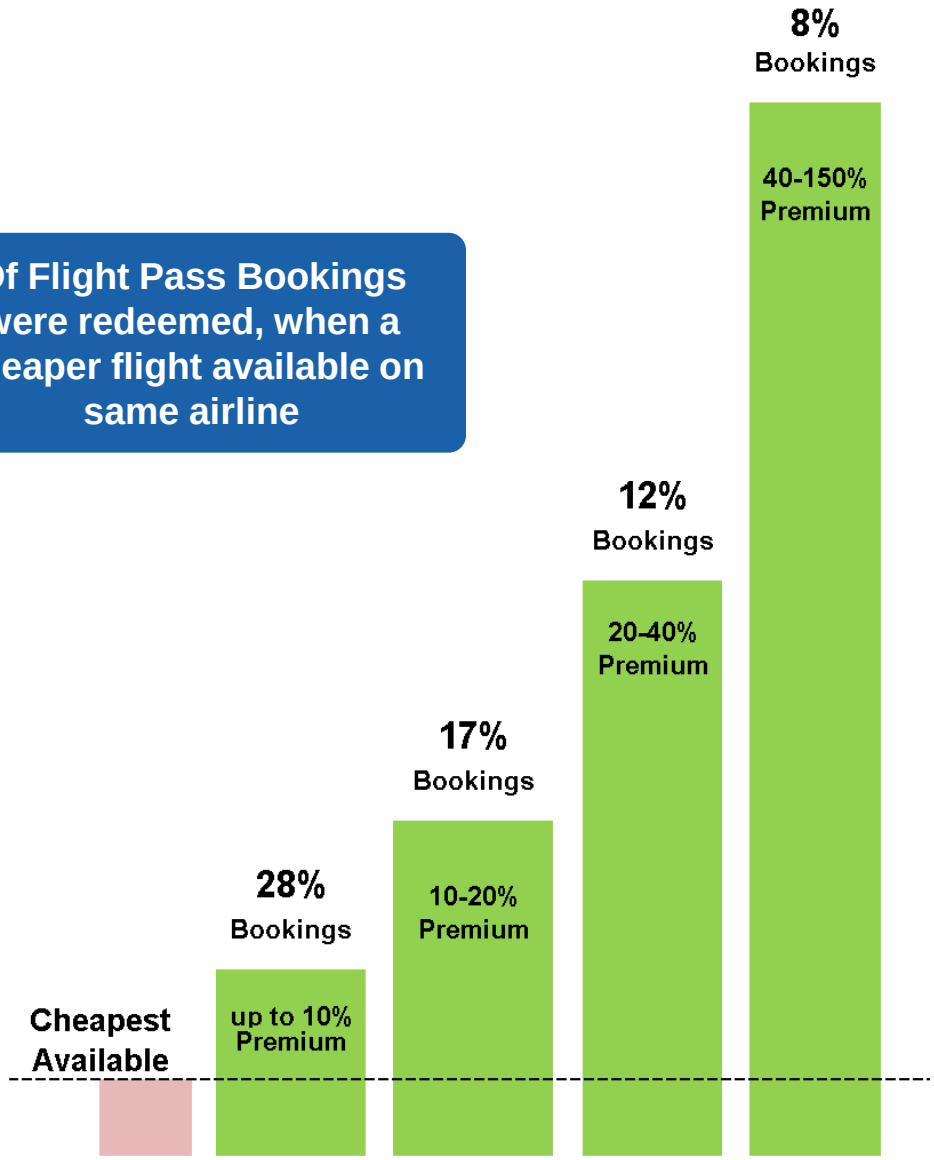
Flight Pass Yield Higher Than Market Price

For 65% Flight Pass Bookings, paid fare was 10-150% higher than cheapest available flight on SAME airline at the time of booking

Of Flight Pass Bookings were redeemed, when a cheaper flight available on same airline



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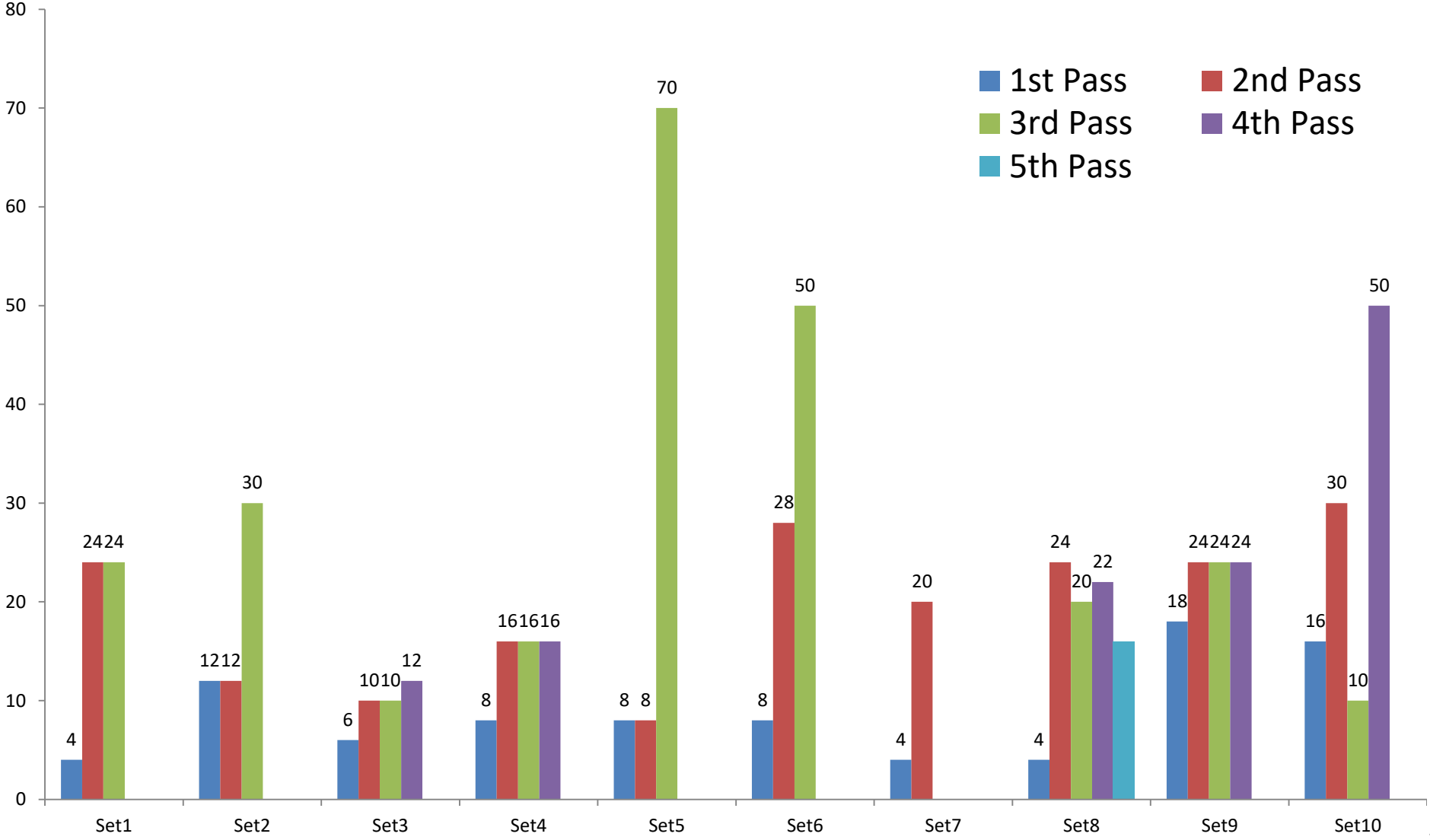
Customer buys higher volume flight passes for 2nd/3rd4th … repeat purchases

Initially, customers buy smaller volume passes to get experience and then they buy bigger volumes



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Flight Pass - Subscription Revenue Management

- **Increase Yield on Peak Flights** with enhanced offerings & flexibility
- **Increase yield in markets with too much competitive price wars**/fare dumping
- **Increase load factor/market share** on flights/markets with lower loads
- **Generate incremental Breakage revenue profit (20%+)** (money spent but not used) from unused/partially used credits/features
- **Increase flight change/ancillary revenue** from Flight Pass via changes made to Flight Pass
- Increase sales of other ancillaries (bags, seats, meals, etc.) by up to 3X by selling integrated Flight Passes (Flights + Ancillaries combined)

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Sell Ancillaries + Flights via Subscription

Priority Handling Pass | Meal Pass

Wi-Fi Pass | Ancillary Bundle Pass

Duty Free Pass | Insurance Pass

Parking Pass | Flight Change Pass

Subscription Sale for Ancillary

Sell all ancillary products via subscription. Sell Pass for 10 Extra Bags, 20 Meals Pass, 15 Lounge Access Pass etc, even without buying flights first.

More Usage and Repeat sale

With Subscription, customers will use more ancillaries for every trip, higher revenues and customer loyalty

Indirectly Lock-in customers for flights

Customers who buy subscription for 10 bags has to buy flights with your airline in future as well.

Enhance Customer Experience

Subscription enhances ease of usage, convenience and comfort for the customer

1 Flight Pass = 10 Flights + 10 Bags + 10 Seats

1 Ancillary Bundle Pass = 10 Lounge + 10 Bags + 10 Seats

1 Bag Pass = 10 Bags | 1 Seat Pass = 10 Seats

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Compelling value proposition to airlines and consumers

Airlines

- ✓ **Lock-in Customers, Lock-Out Competitors:** Customers switched from other airlines to Optiontown partners offering Flight Pass and airline receive guaranteed recurring revenue
- ✓ **Increase Demand/More Flying** - Customers fly more with Flight Pass and this expands total market size
- ✓ **Huge Advance Cash Benefit** from upfront bulk purchases

Consumer / SMEs / Large Organization

- ✓ **Save up** in flight tickets
- ✓ **Save time, effort and hassles** in searching for deals before every booking
- ✓ **Seat guarantee** and easy to change / cancel flights
- ✓ **Pool travel demand**
- ✓ Easy to pay in **installments**

Key statistics

20%+ total revenue breakage

60%+ booked earlier than advance purchase fare purchased

70%+ repeat customer sale

10-50% Savings for consumers

40%+ customers bought more volume in repeat purchases

20% pay only upfront and rest later

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Optiontown – Disrupting aviation for benefit of airlines & pax

Optiontown Airline Partners & Results

100+Bn Flight Capacity on Optiontown platform

40+ Optiontown Airline Partners and growing…

Top 5 5 out of Top 15 Airlines have signed-on

10+% Incremental Revenue Potential

2%+ Revenue achieved for existing partner

Testimonial from Air France KLM

"I would not like to share the reference about Optiontown's Flight Pass with other airlines. They are our competitors and why would I want them to know that the product has such great potential and results."

KLM AIRFRANCE

Consumer preferences

74% Appreciated Flight Pass offered huge savings in initial travel costs

75% Strongly agreed Flight Pass is a great time saver

80% Prefer Flight Pass airlines over others

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Flight Pass Target Segments – 90% of Flying Passengers

- Flight Pass is not a product but a “robust & diverse platform”
- Almost 90% of the flying population is the target segment
- Every individual customer/SME/large corporation can customize the flight pass to suit their individual needs (from someone flying twice a year to a company with 1000 trips per year)
- Including leisure, second home owners, students, VFR, SMEs, consultants, lawyers, mom-pop-business owners, etc.
- Fight pass can be shared across family/friends/colleagues -- even those flying only once or twice a year can buy a decent size pass

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Flight Pass Option – Key Features

- **Dynamic/Fully Revenue Manageable –** Can apply all revenue management parameters and maintain full control on pricing & inventory
- **No IT/No Cap Ex/ Minimal Resource** - Plug-n-Play
- **Sell Ancillaries integrated with Flight Pass** – Flights + seats + bags + upgrades + lounge + insurance + ancillary bundle etc. Customers can buy ancillaries on Flight Pass microsite
- **Travel Agency Access Portal –** TAs can sell via portal. Save GDS costs
- **Customers can change Flight Pass only with additional fees**
- **Enhance Competitive Advantage -** Customers value Large networks/frequency more in buying flight pass

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Requirements To Launch

No IT Development / No Cap Ex / Minimal Resources

Remote access to Reservation System
via API/Web Service or remote terminal access

Pricing & Other Business Rules
Booking reservation process & testing

Internal Communication
Banners/links on airline website/newsletters

Everything else is handled by Optiontown!

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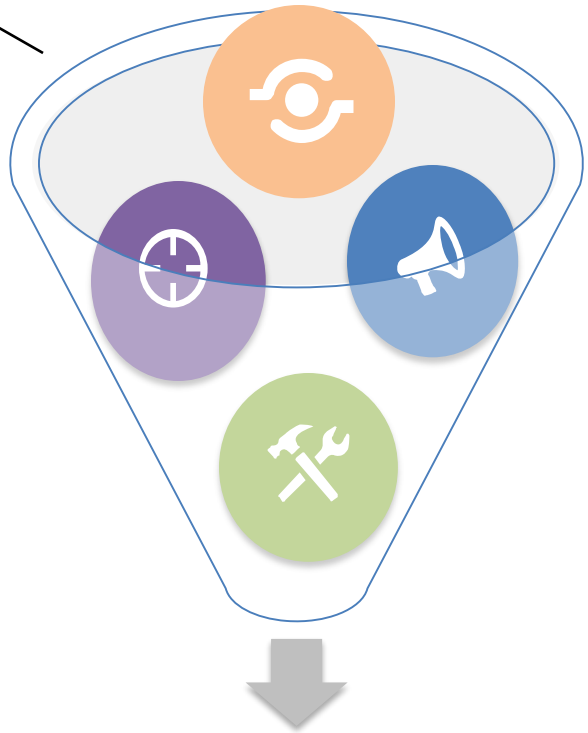
Subscription Revenue Management

Encompasses Traditional RM and opens up new RM frontiers

Traditional RM

Includes all traditional single seat revenue management including forecasting, nested fare classes, load factors, historical data, advance purchase, day of week, O&D, seasonality, blackout periods, country/city of sales channel , time of day, minimum stay, etc.



Consumer RM

Builds consumer profiles and predicts behavior to optimize multi-attribute consumer utility

Breakage RM

Subscription changes behavior; consumers tend to buy more features & flexibility, but not utilized fully, leading to up to 20% breakage

Market Share RM

Optimally monetize the power of network and market share via Market Share Revenue Management

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Optiontown provides Plug-n-Play 360^0 Turn-Key Solution

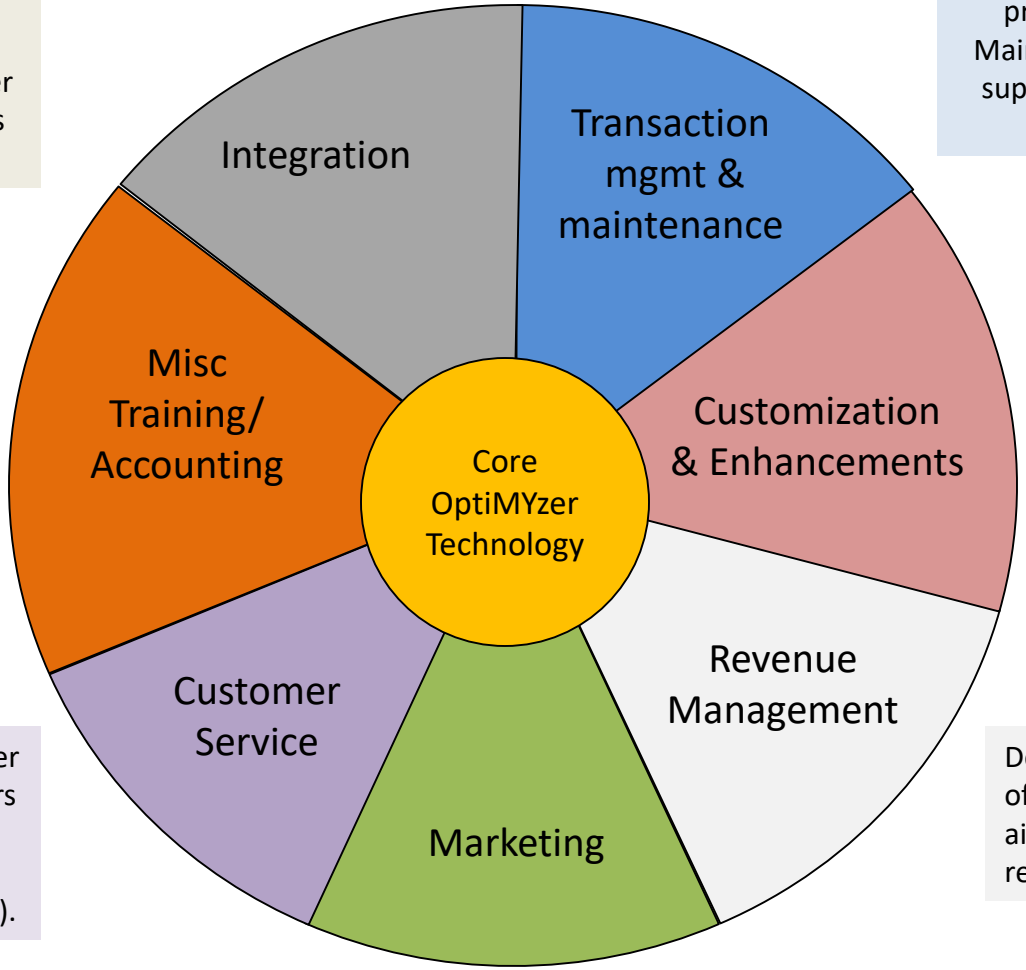
OT's offers dedicated End-to-End support services

Development & System Integration costs to launch as per airline requirements and systems

Transaction & Refund processing costs. Maintenance costs to support transaction volume.

Training to front line staff, reporting & reconciliation with various airline departments

Continuous customization, upgrades and R&D for the algorithmic backbone and system technology.



24 X 7 X 365 Customer service for passengers worldwide across multiple channels (phone/email/online).

Dedicated OT team of RM analysts for airline to meet revenue targets

Marketing support for design/campaigns , promotions to maximize penetration across entire airline network

a) Online marketing b) push marketing (sms/email/phone)

c) social media d) collaterals, surveys

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