

Regional Jet

The winds of change at Regional Jet

Take your seat, we will begin shortly

Regional Jet

Mr. Jan Palmer

CEO, Regional Jet

Regional Jet

**The Aviation industry in Europe
is changing fast, and so are we**

Fundamental changes

- ▶ Globalization = Growth + 6%
- ▶ Global Alliances
- ▶ Consolidation continues
- ▶ No room for smaller independent Commercial Airlines
- ▶ Production will be more and more separated from Commercial side
- ▶ BRAND
- ▶ Who will sell tickets in the future – Airlines or Google or Amazon, Ebay ...?
- ▶ Environment is and will be an important issue

CPA - CAPACITY PURCHASE AGREEMENT

US REGIONAL-MAINLINE RELATIONSHIP

10 – 12 year contract

Mainlines



- Network and Scheduling,
- Pricing, Reservations, Revenue Management
- Marketing, Branding;
- Fuel, Airport Fees, Passenger Insurance

\$ Fee



Capacity



Revenues

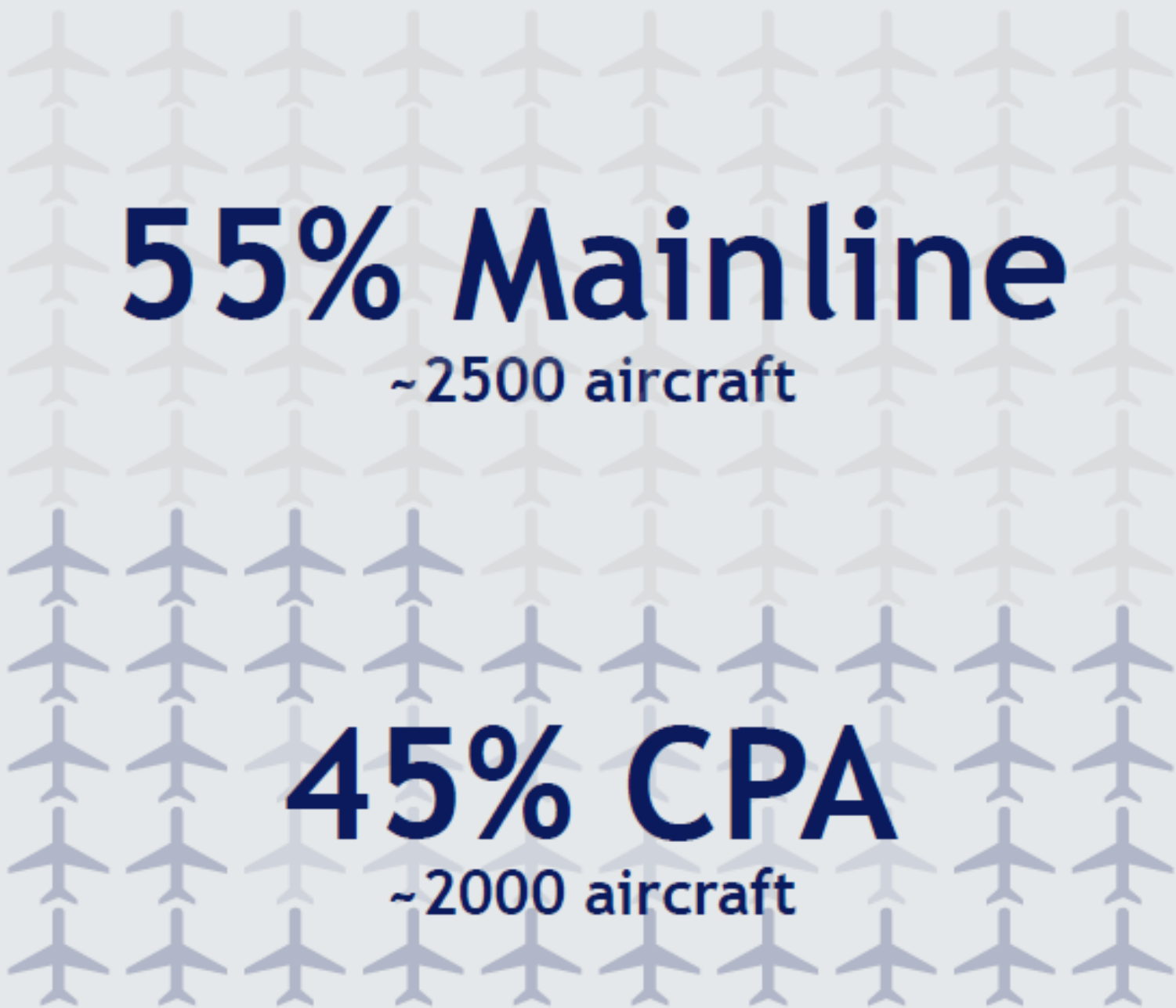
Regionals



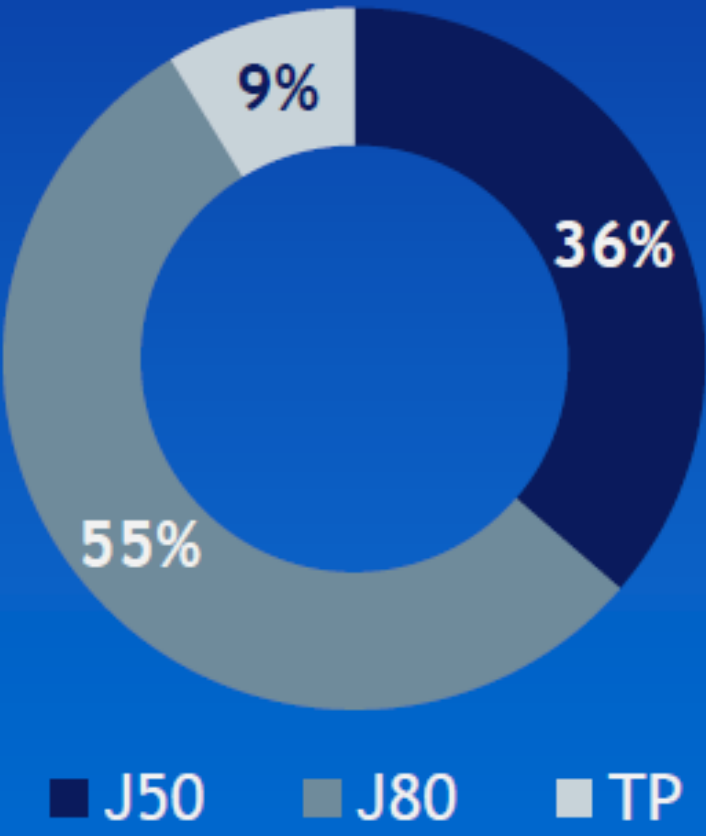
- Crews and other operating expenses;
- Maintenance and Aircraft Ownership

MAINLINE AND REGIONAL RELATIONSHIP

US Environment



CPA Composition in the US



MAINLINE AND REGIONAL RELATIONSHIP

Profile Details

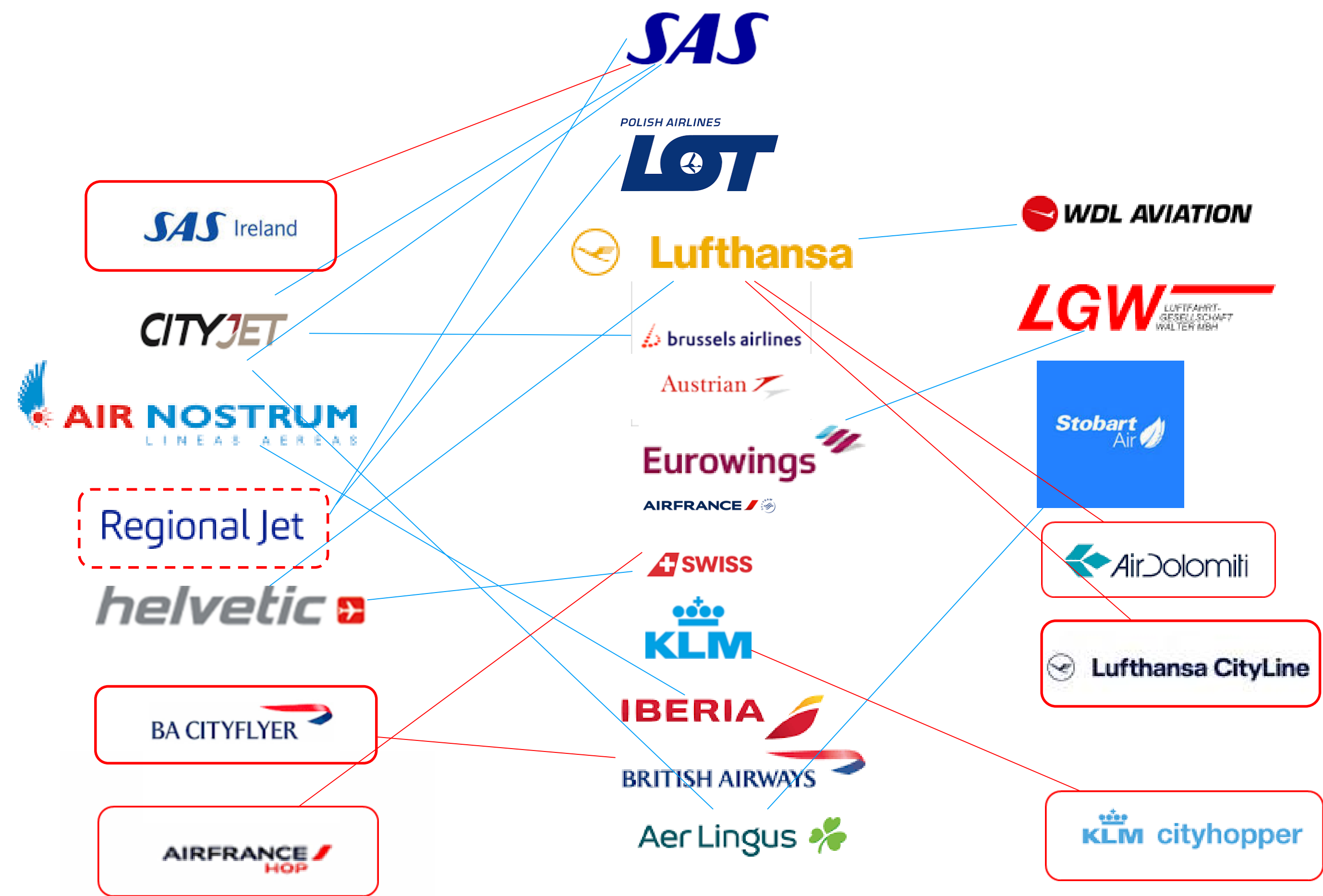


Owned by the Mainline

(1) Turboprop only
(2) Embraer operator
(3) Wholly owned subsidiary
Dashed line represents codeshare operation

EUROPEAN MARKET

Regional Jet



**We are already the biggest Airline
in Estonian Aviation history and
one of the biggest Capacity
Providers in Europe**

What do we do differently?

Wet-leasing is not new as such.

**But there is a new
philosophy in town!**

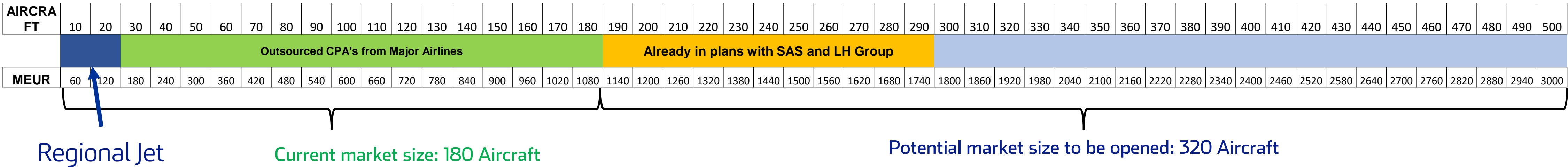
Regional Jet

We are a Long-Term
Strategic Capacity
Provider for Commercial
Airlines in Europe

What is a Strategic Capacity Provider?

- ▶ Long-term contracts
- ▶ Performance
- ▶ Part of the Clients future long-term plans
- ▶ Audited by the Clients and Authorities
- ▶ We do not decide over the Network

The market for Capacity Providers in Europe



› A CPA Provider to Major Airlines:

- No commercial ticket sales risk
 - Provides a safety culture similar to Mainline and industry performance
 - Has to be extremely flexible to adapt to changes of aircraft types, bases, etc
- ## › Our market position is strong due to SAS is the leading CPA Contractor
- We have ca 11% of the current CPA market

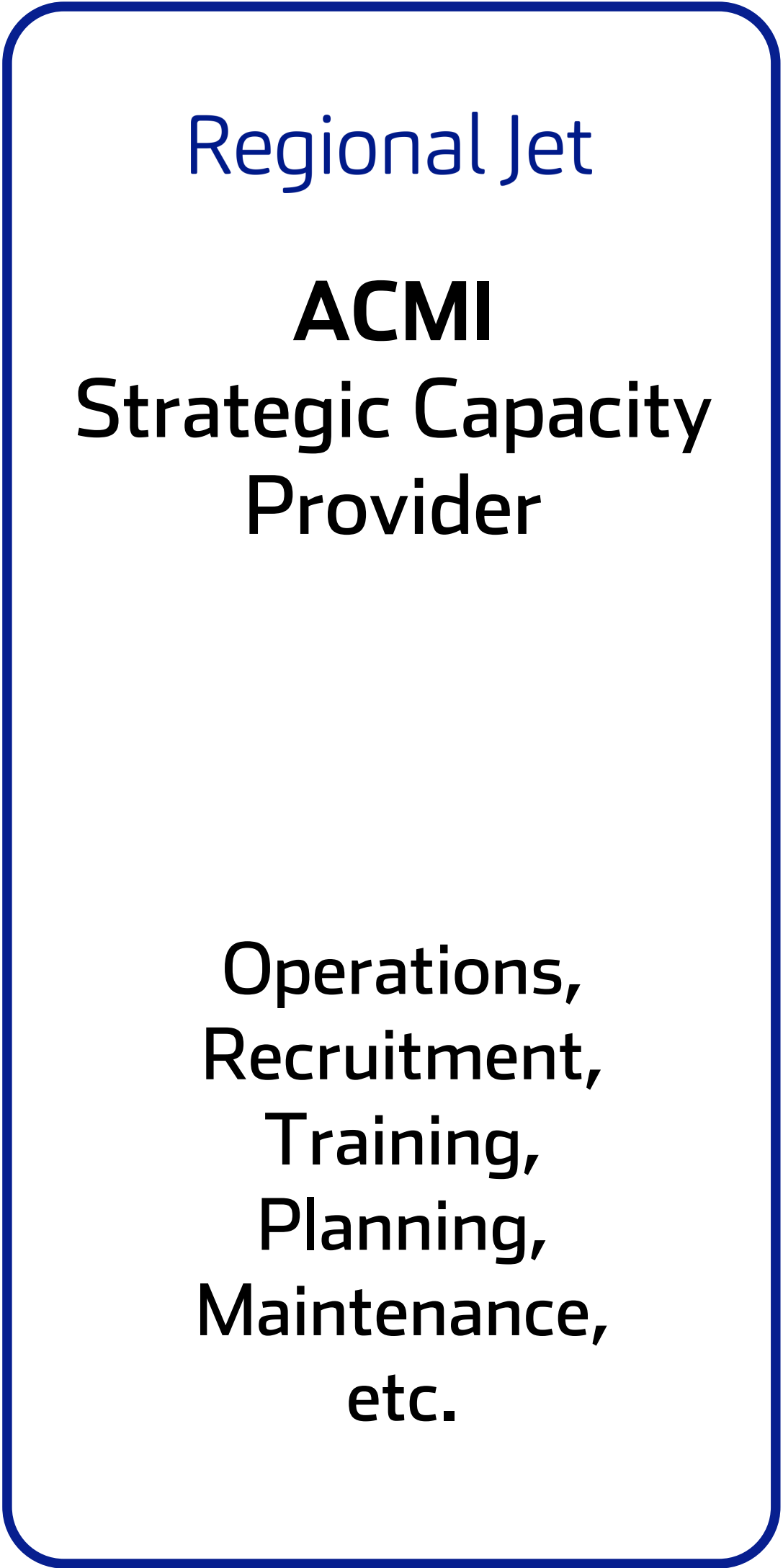
The potential market size for Capacity Providers in Europe is 500+ Aircraft

Business model in action

Our partners provide us with planes and crews, to bolster our own.



As a **Strategic Capacity Provider**, we provide a well-trained, motivated crew and branded plane wherever it is needed



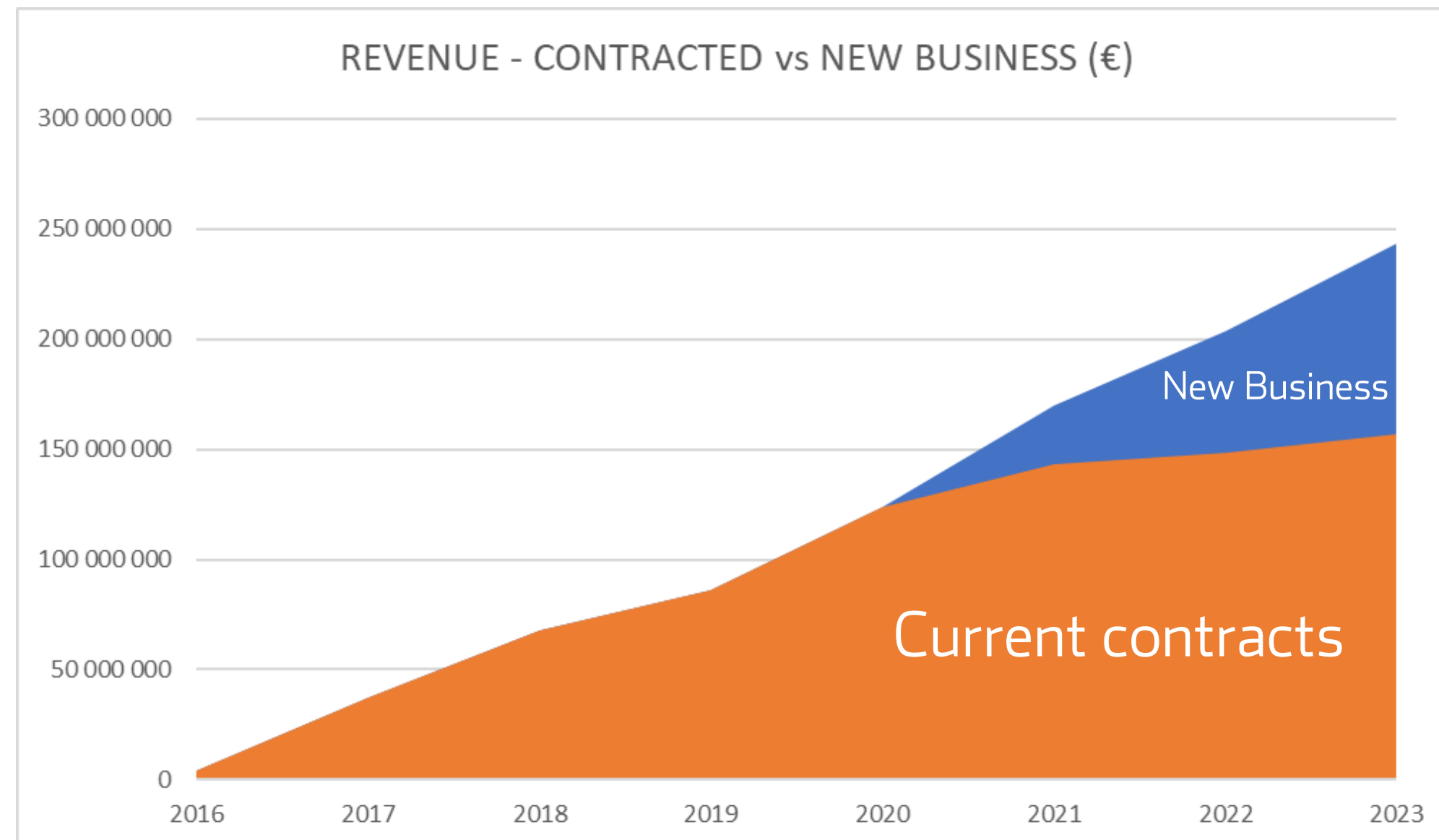
Our clients manage their client-base, sell tickets and plan routes



Regional Jet

The passengers fly enjoying the top level service they expect.

Regional Jet business development

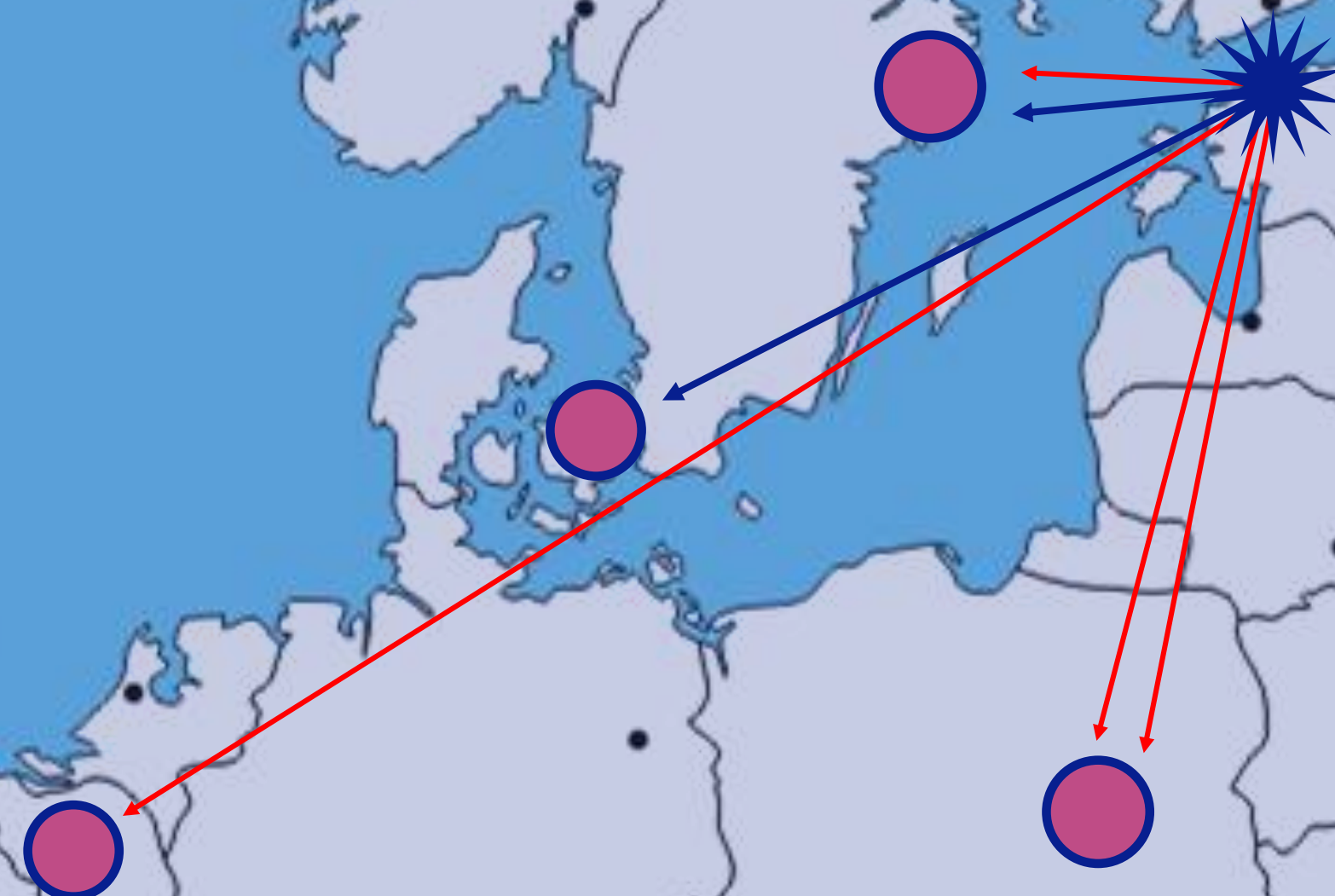


- › We have already contracted CPA business up to abt 150 MEUR/Year for some years ahead.
- › We just passed “Critical Mass” and we will become profitable and sustainable because of scale.
- › We will be able to win more CPA Provider contracts in the future, and more customers.

How do we help to connect Estonia?

- ▶ We have home base advantage – lower costs to operate from Tallinn
- ▶ We are able to attract other Airlines to open new routes from/to Tallinn

We are helping to
connect Estonia in a
different way



We operate 6 aircraft for other Airlines from Tallinn, which is and will be the new way to connect Estonia.

Connectivity for smaller markets on the outskirts of the European market is important but challenging.

Regional Jet and Nordica have the ability to ensure relevant need for Estonian connectivity in the future.

A map of Europe with a dense network of orange lines representing flight routes. The lines are most concentrated in Western and Central Europe, with many lines radiating from a central point in Western Europe towards other parts of the continent and beyond. The lines are thin and numerous, creating a complex web of connections across the map.

We are everywhere

Now we will make the most important step in our development by adding another aircraft type into our fleet.

We are increasing our fleet by
7 Embraer 190/195 aircraft
during the next 6 months



Regional Jet Fleet by the end of 2020

Regional Jet

Our fleet is well-suited to serve the needs of our current and future clients



Embraer 190/195

Number:	7
Seats:	118
Range:	3.990 km
Fuel/Seatkm:	0,328 Liter per 10 km



Bombardier CRJ 900 NextGen

Number:	12
Seats:	88
Range:	2.774 – 3.338 km
Fuel/Seatkm:	0,394 Liter per 10 km



ATR72-600

Number:	9
Seats:	70
Range:	1.528 km
Fuel/Seatkm:	0,253 Liter per 10 km

Regional Jet

**Our development and growth doesn't
come without challenges**

Our challenges

BACKGROUND

- Regional Jet has never had its own clear brand with defined goals and values.
- Confusion on the B2B market: "who are we talking to?"
- Confusion among employees: "who are we working for?"
- It become harder and harder for Regional Jet to recruit new people
- Customers are expecting us to be completely neutral
- Regional Jet opened its own marketing and communication channels to tackle these challenges

We need to re-brand Regional Jet!

PRACTICAL SIDE

- ▶ Trademark “Regional Jet” is confusing because it also means a specific type of aircraft at the same time and Regional Jet is NOT operating only jets but also turboprops
- ▶ Regional Jet as a company and a business is borderless and cannot limit itself to "regional" activity only
- ▶ Regional Jet as a brand name is confusing and not attractive enough to get attention from young generation, our future employees.



Q: So.. where do you work?

A: I work for a British company with an office in Switzerland, who rents me to a Polish airline with HQ in Estonia called Nordica, but I fly an ATR out of Glasgow on UK domestic flights operated by Regional Jet...

Confusing, but also very hard to feel loyalty towards anyone.

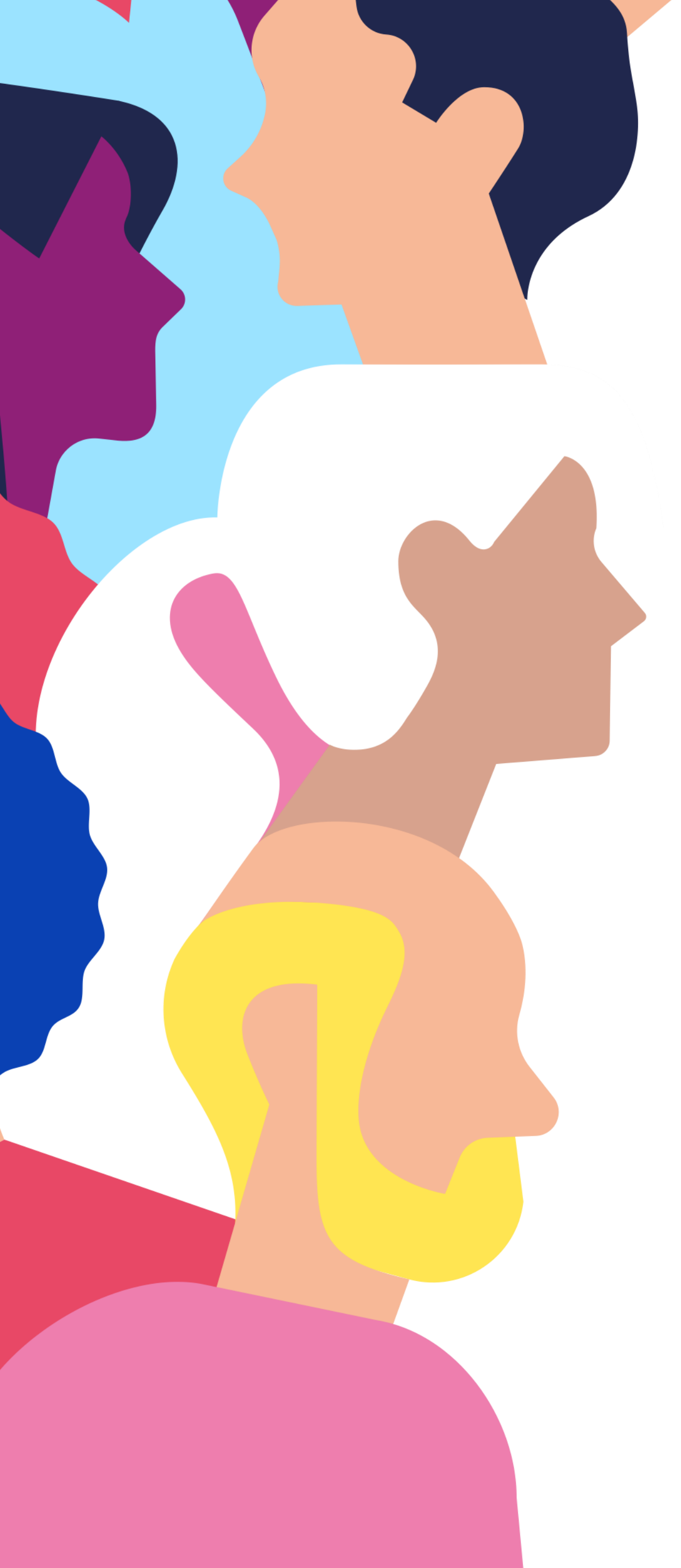
* This quote from one of our pilots (from interviews conducted by Velvet in fall of 2019) illustrates well how confusing and disconcerting the brand situation is. There is a need for a strong, simple, unified, single brand our people can feel loyalty towards.

People are
sharing the
confusion

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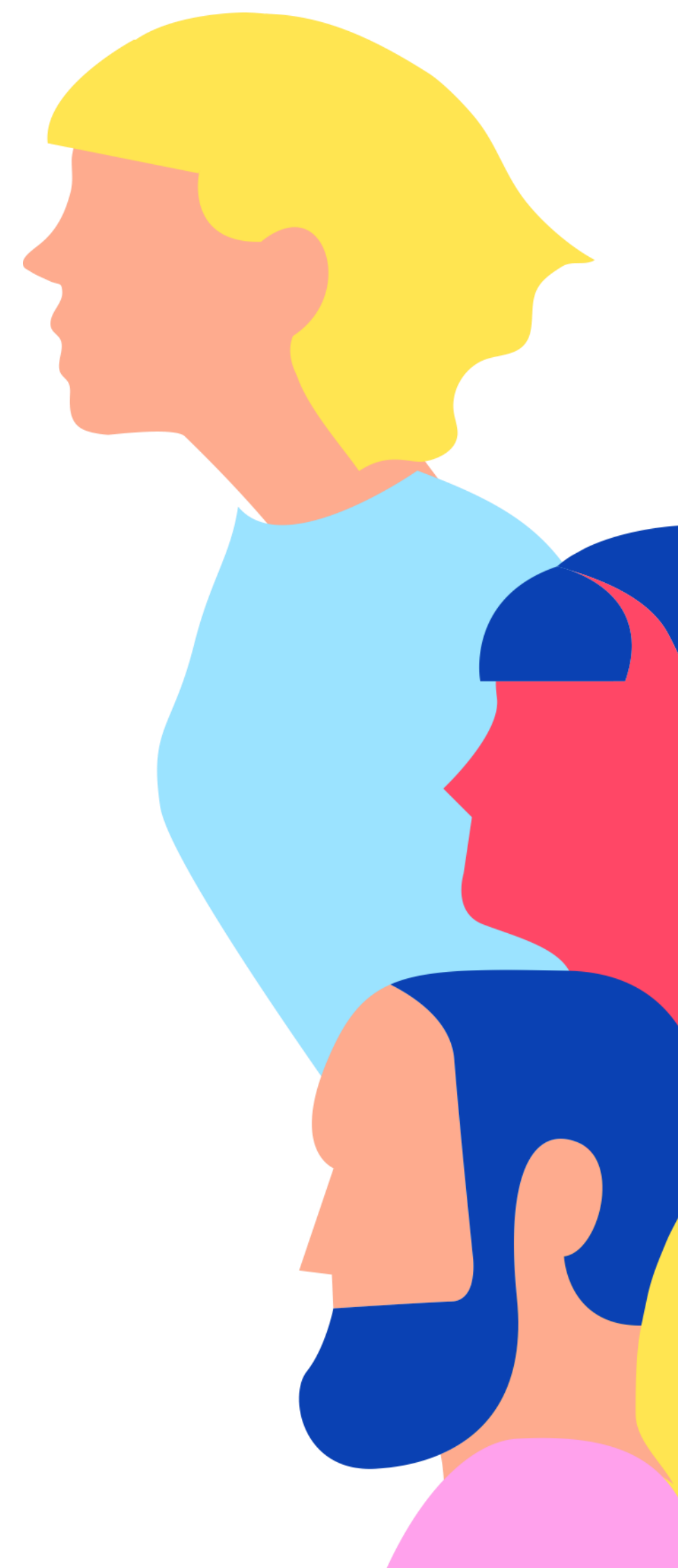


We need a new brand to
start building a new culture
around our new philosophy
but we are NOT creating a
new Airline!



**introducing a
new model and a
new philosophy**

by a group of
extraordinary people



taking it
beyond flexible
services





always prepared for
the unexpected

using and developing
ten decades of
**tradition and
experience**







xfly



The **X in our new name** stands for the client who's face we take on when we fly. It stands for the **flexible service** we are uniquely able to provide. It stands for **the unexpected** we are always prepared for. It stands for the **excellent service** our customers have come to expect from us. It stands for the **ten decades** of Aviation in Estonia... But most importantly, the X stands for us, soon more than 600 **extraordinary people** from all over the world who make it all possible.

The X stands for change and
we are claiming it as our superpower.

 is our
super-
power





For promotional purposes only







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We are Xfly.

We are the leading Strategic Capacity
Provider for other Airlines in Europe



Made
with love,
powered
by  Xfly xfly.ee



Our new brand is
distinctive, happy, colorful,
active,
it consists of us, the
people behind it and
**it's all about our
superpower!**

we are like actors
performing different
roles for different
audiences

A stylized illustration of a crowd of people is positioned on the left side of the image. The figures are represented by simple, colorful shapes for heads and shoulders, facing right. The colors include yellow, red, blue, white, and purple. The background is a solid blue.

not for the public,
just for us and
our clients

The scope and usage

- › **Xfly** is a **B2B** and **Internal** brand
- › **Xfly** will be used to **acquire new clients** and **negotiate new deals with existing ones**
- › **Xfly** will be used to build an **employer brand** and in **recruitment activities** in all our markets
- › **Xfly** will be used in our **internal communication**
- › **We will not be** selling our own tickets or advertising to end customers (that is done by our clients)

**For the unsuspecting passenger,
the new brand is very inconspicuous**



Xfly

+

POLSKIE LINIE LOTNICZE
LOT

..... ✈	Xfly
This LOT flight is operated by	

Xfly

+

 **Luxair**

..... ✈	Xfly
This Luxair flight is operated by	

Xfly

+

SAS



..... ✈	Xfly
This SAS flight is operated by	


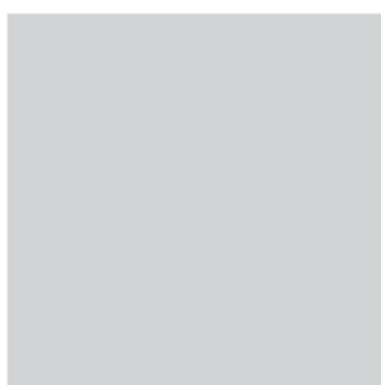
Xfly


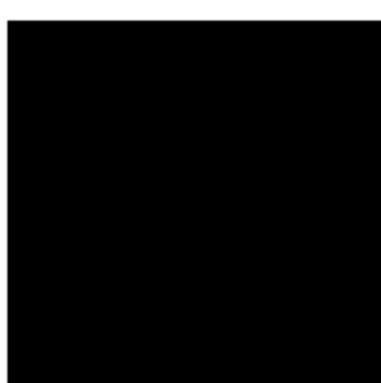
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nordica

..... ✈	Xfly
This NORDICA flight is operated by	

Xfly +  

Xfly +  

Xfly +  

Xfly +  

what will
change for me,
the passenger?

You'll still be flying the
best airlines in the
world, and we'll say
hello, when we meet.



Thank you for
your time guys!

Let's Xfly

Questions? Send an Email to:
toomas@xfly.ee

questions & answers

