



# Global Crossing Airlines

JET: TSX.V

**Investor Update**

**August 2020**



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With respect to forward-looking statements contained in this Presentation, Global have made assumptions regarding, among other things, the following: the completion of, and the expected closing date of, the Jetlines Transaction and related matters; the timely receipt of governmental approvals, including the receipt of approval from regulators in the United States, Canada and other jurisdictions where Global may operate; the timely commencement of operations by Global and the success of such operations; the ability of Global to implement its business plan as intended; the legislative and regulatory environments of the jurisdictions where Global will carry on business or have operations; the impact of competition and the competitive response to Global’s business strategy; availability of aircraft; timing and amount of capital expenditures; conditions in general economic and financial markets; and Global’s ability to obtain additional financing on satisfactory terms. The actual results, performance or achievements of Global could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below, including but not limited to: general economic conditions; the ability of management to execute its business plan; the competitive response from existing airlines in North America and potential new market entrants which may compete with Global; the impact of the COVID-19 pandemic; the availability of sufficient financial resources to fund Global’s expenditures; the possibility that government policies, regulations or laws may change or governmental approvals may be delayed, withheld or conditioned; stock market volatility and market valuations; and the availability of capital on acceptable terms or at all.

Although Global has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from what is anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding Global’s expected financial and operational performance and Global’s plans and objectives and may not be appropriate for other purposes. Management Global do not undertake to provide updates with respect to forward-looking information, except as may be required by law.

This Presentation also contains future-oriented financial information and financial outlook information (collectively, “FOFI”) about the pro forma revenue of the resulting issuer which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this Presentation was made as of the date of this Presentation and was provided for the purpose of providing further information about Global’s anticipated future business operations. Global disclaims any intention or obligation to update or revise any FOFI contained in this Presentation, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. FOFI contained in this Presentation should not be used for purposes other than for which it is disclosed herein. Such future-oriented production information is provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this Presentation.



# GlobalX:

The only publicly traded narrowbody - focused US Charter operator with a strong runway of growth

- Global X is uniquely positioned to capitalize on the ongoing disruption to commercial air travel industry
- Plan to launch revenue operations in late 2020 with a clean balance sheet and an incredibly competitive cost structure
- Positioned to take advantage of weakened and staggering competition
- Secured strategic alliances with scheduled and charter airlines, tour operators: accelerate growth, minimize start up investment and mitigate overall risk.
- Management has secured a draw down facility for up to \$100 million (CDN) with a private alternative investment group (if required).



## Risk Mitigation

- GlobalX has access to sufficient funds to secure certification and launch flight operations.
  - Capital requirements are approximately \$4M (USD), which can be met through a combination of warrants (up to \$3 million), the GEM facility and the potential to generate cash from airplane sale-leasebacks.
- The last two months of the certification process are the most capital intensive with flight crew and operating staff additions.
- The team controlling the certification process has successful past experience achieving certifications for other airlines and working with the FAA.
- Ed Wegel (CEO) was a co-founder or senior member of teams that successfully launched four other airlines.



# Scheduled Service vs. ACMI

## Scheduled Service

- Significant fixed costs
- Economies of scale required for profitability
- Distribution risk
- Fuel risk
- Capacity growth requires substantial capital investments

## ACMI

- Minimal fixed costs
- Profitability with a much smaller footprint
- No distribution risk
- No fuel risk
- Highly variable cost structure
- Designed to maximize profit from peak periods of demand



Lease rates  
and aircraft  
values are at  
historical lows

20 YEAR OLD AIRCRAFT							
Type	CMV 1/1/20	CMV 23/7/20	CMV % change	MLR 1/1/20	MLR 23/7/20	MLR % change	Remarks
A320-200	\$8.50m	\$6.70m	-21%	\$0.125m	\$0.070m	-44%	Soft market, PBH helps keep interest up
A321-200	\$11.65m	\$9.00m	-23%	\$0.160m	\$0.095m	-41%	Freighter conversion – not too late
A330-200	\$12.00m	\$11.00m	-8%	\$0.150m	\$0.120m	-20%	Discounted in 2019, already at a low

CMV = Current Market value MLR = Market Lease Rate

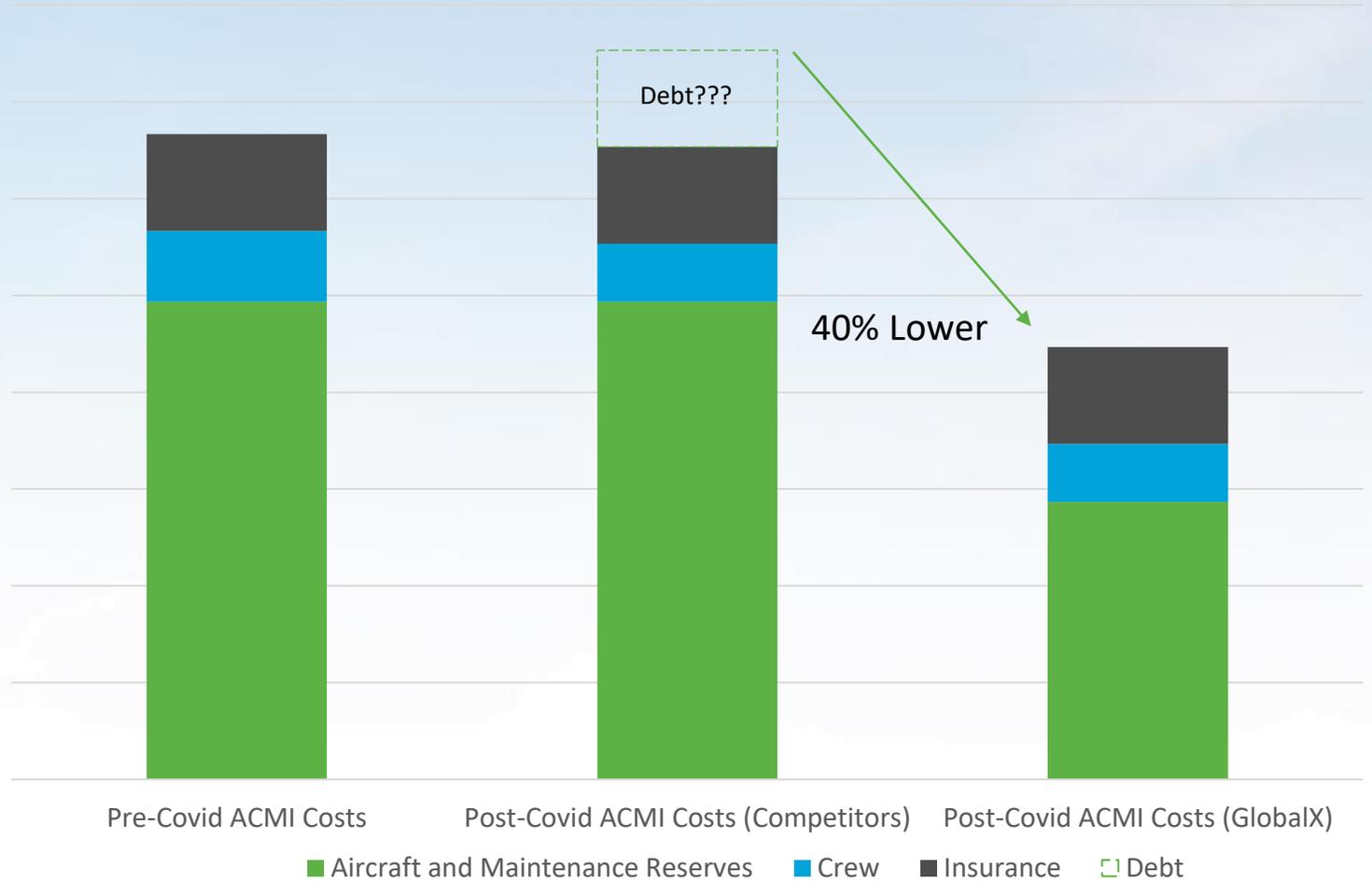
NOTE: The Values behind the above data reflect **unencumbered aircraft and reflect what might be achievable based on current market conditions. ISTAT definitions apply. Values reflect Basic Configuration aircraft in 'half-life' or better condition. In reality many aircraft are likely to be of a higher than basic specification. This data is for comparative and trend observation purposes.**

Source: Ishka Transaction Economics [www.ishkaglobal.com](http://www.ishkaglobal.com) - July 27th, 2020 Transaction Situation Report

- Over the next six months, GlobalX intends to secure aircraft contracts for both current and future needs through the end of 2022
  - Ten (10) A320 passenger aircraft
  - Five (5) to ten (10) A320 cargo aircraft



# Post-COVID-19 Sustainable Cost Advantage



GlobalX is positioned to be the low cost leader *and* offer the lucrative Charter/ ACMI market a superior product *at the same time*

\*Management Estimates based on 150 hours utilization per plane per month

# Multiple Revenue Streams

- Supplemental lift for existing air carriers to handle unmet peak demand periods in both North America and abroad
- University and Sports teams
- Tour operators, hotels, casinos and cruise ships
- Jetlines Tours brand – coming soon
- Government
  - International
  - Defense department
  - Homeland Security



# Revenue Track

## Signed

- SmartLynx: 2 aircraft to Europe. Flights April - September 2021 and 7 years thereafter. **\$1 million per month.**
- Major Cuban Tour Operator: Starting December 2020 signed for two daily MIA-Havana round trips @ **\$1.5 million per month.**
- ACC: Starting February 2021 large US/UK charter broker. Signed two (2) A320s for university/sport team charters. 100 hours per month per aircraft @ **\$1.7 million per month.**

## In process

- Atlantic City: Starting April 2021, 8 round trips per week with an average of 3 hours per round trip. 100 hours per month to start at \$8500 per block hours. **\$850,000 per month.**
- Gov't of Ecuador: Starting December 2020, 4 round trips per week @ 130 hours per month. Miami-Quito at \$8500 per block hour totaling **\$1.1 million per month.**



# Management Financial Targets

## Revenue:

2021 - \$34 - \$39 Million (USD)

2022 - \$72 - \$77 Million (USD)

- Cash Flow Positive



## Current Status

- Bases of Operation:
  - MIA (Miami Int'l Airport) main base has been established.
  - ACY (Atlantic City Airport) Northeast US/secondary base in process.
- FAA 121 (Flag Carrier) certification has commenced – Phase 2 manuals submitted.
- DOT 401 Filing submitted April 10, 2020.
- Advanced conversations with numerous European operators to provide multiple planes for summer seasons.
- Spirit Airlines: major U.S. based LCC operating over 125 A320s to provide maintenance and other services at MIA and airports throughout the US. Resulting in further cost reductions and improved reliability.

**Only publicly traded Part 121 U.S. Flag charter operator in this Sector and the only charter in the U.S. operating Airbus (A320) family of aircraft.**



# C-Suite



**ED WEGEL**  
CHAIRMAN/CEO

- Over 35 years of commercial aviation experience
- Co-Founder United Express
- Founder – Republic Airways
- COO – BWIA Intl Airways
- Founder/CEO – Eastern Air Lines



**RYAN GOEPEL**  
CFO

- Over 20 years in Senior Finance Roles
- Significant LCC narrowbody CFO experience
- Multiple successful startups
- Key role in the first Burger King IPO



**MARK TENDER**  
VP INVESTOR RELATIONS &  
COMMUNICATIONS

- Over 25 years experience maximizing growth potential, investor returns
- VP at \$10B+ global aircraft lessor AWAS: successful investor exit.
- Senior Director at Atlas Air Worldwide
- Led Investor Relations, Communications at GE Capital Aviation Services (GECAS)

Note: CMO Search Initiated

# FAA Team – FAA Mandated Positions



**JUAN NUNEZ**  
VP – FLIGHT OPS

- Chief Pilot. Dir Ops for Eastern on certification team
- Former Chief Pilot for Miami Air/21Air
- Over 6,000 hours PIC and 12,000 hours total
- Qualified 737/767 and 320 qualified by April
- Operated charters worldwide for NHL/DOD/NBA.



**CHRISTIAN TORO**  
SVP – TECH OPS

- VP Maintenance and Engineering for Allegiant Airlines
- Director Quality Control / Chief Inspector for Southwest Airlines
- Director International Line Maintenance for UPS Airlines



**G.M (MIKE) HAMBRICK**  
VP – SAFETY

- FAA Operations Inspector on legacy, startup and charter airline certificates (retired after 10 year career)
- FAA SME on new SMS Safety Management System
- 40+ years piloting military and commercial aircraft

# FAA Team – FAA Mandated Positions



**HECTOR CROCKER**  
CHIEF PILOT

- Over 12000 total hours of flight time
- 6000 plus hours of Pilot in command on 121 airlines
- Extensive experience on international operations with over 200 oceanic crossings
- Check airman and simulator instructor for various airlines



**JULIO ABREU**  
CHIEF INSPECTOR

Quality Control for:

- Swift Air / Flight Tech Worldwide
- RII Inspector 8+ years
- 11+ years in aircraft maintenance



**WIDEY DE ARMAS**  
MANAGER FLIGHT TRAINING

- ATP
- Over 6600 total time
- Over 2000 hours of PIC
- Int'l Flying and experience: ETOPS, Transatlantic and Pacific Crossing as well as, Europe, Middle East, Asia, Central America, South America, and the Caribbean operations.
- Types: Be-1900, ATR-42/72, B737, B757, B767, and B747

# Board of Directors

## Director: Joe DaGrosa

- Over 30 years private equity investment experience
- Former launch investors and Chairman, Eastern Airlines
- Former Vice Chairman, Jet Support Services (aircraft maintenance provider)
- Current Managing Partner, General American Capital

## Independent Member: Alan Bird

- Former Advisor to CEO, Canada Jetlines and Board Member
- Former CFO Viva Aerobus; leading A320 low cost carrier in Mexico
- Senior Advisor – Irelandia Aviation, major investor in Ryanair, Viva Colombia, Viva Peru (leading A320 LCC's)
- Former CFO Tiger Airways; leading Asia A320 LCC

## Independent Member: Deb Robinson

- Board member – Via Rail Canada
- President/Founder – Bay Street HR, outsourced human resource services to start up companies
- Chair of Comp/Governance/Nominations Committee of Canada Jetlines

## Management Members

- Ed Wegel (Chairman)
- Ryan Goepel

## Advisory Board: John Quelch

- Former Chairman of the Board – Massachusetts Port Authority
- Dean – University of Miami Herbert Business School
- Former Board Member – Reebok, Easyjet and PLC

# Cap Table

SHAREHOLDINGS	VARIABLE VOTING SHARES
Common Voting Shares	15,198,541
Variable Voting Shares	12,107,659
<b>Total Undiluted</b>	<b>27,306,200</b>
Warrants	8,369,080
Options – Vested	412,328
Options - Unvested	974,672
<b>Total Options</b>	<b>1,387,000</b>
<b>Total Fully Diluted</b>	<b>37,062,280</b>



## Summary:

GlobalX poised to capitalize on unprecedented market opportunity

- Currently well into FAA Phase 2 certification stage
- Improved cost structure
- Management financially committed
- Extremely favorable aircraft acquisition market
- Opportunity in both passenger and freight charter/ ACMI
- GlobalX attracting leadership talent to both complete certification along with developing and closing charter/ ACMI relationships



GLOBALX