Proposal for Essential Air Service

Cape Girardeau, MO	DOT-OST-1996-1559
Clarksburg, WV	DOT-OST-2005-20736
Fort Leonard Wood, MO	DOT-OST-1996-1167
Greenbrier/Lewisburg, WV	DOT-OST-2003-15553
Hattiesburg/Laurel, MS	DOT-OST-2001-10685
Johnstown, PA	DOT-OST-2002-11451
Paducah, KY	DOT-OST-2009-0299
Staunton, VA	DOT-OST-2002-11378

CONTOUR

Expanding Network

Contour Airlines has grown rapidly without sacrificing industry-leading reliability

- Contour launched its first scheduled route, Tupelo (TUP) to Nashville (BNA) in 2016
- Contour has since expanded to 16 cities nationwide, carrying over 150,000 passengers annually.
- Contour has maintained industry-leading reliability despite its rapid growth, with its completion factor topping 99% each of the last twelve months.

Contour Airlines Route Network March 2022

CONTOUR

Regional Jet Fleet

Contour's regional jet fleet provides a consistent and reliable product to our customers

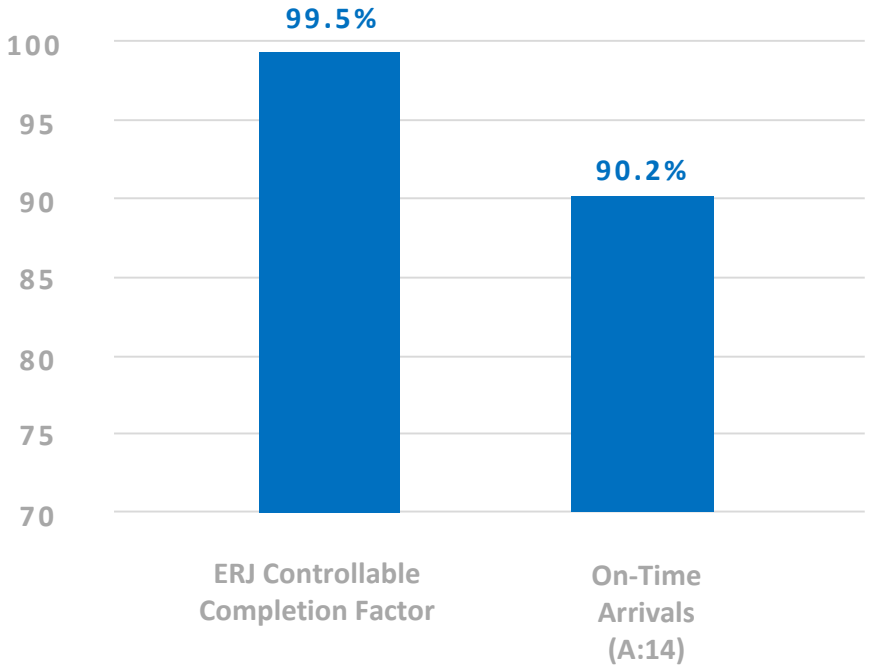
- Contour operates a fleet of 20+ regional jets and a variety of business jets available for private charter.
- Our Embraer regional jets seat 30 passengers in a 2 by 1 configuration and feature 36" of seat pitch in every row.
- Contour performs heavy checks in-house at its primary maintenance facility in Smyrna, TN, as well as line maintenance at multiple outstations across the country.
- Contour plans to nearly double its Embraer fleet in the next two years.

Reliability and Safety

- Year to date, Contour's network on time performance was 90.2% and controllable completion factor was 99.5%, both of which are among the best in the industry.
- Contour was consistently ranked either the first or second most punctual airline in America every month of 2019.
- The company renewed its Department of Defense certification and underwent an audit that imposes the most exacting safety standards

#1 Most Punctual Airline NORTH AMERICA* BY OAG connecting the world of travel

2021 Operational Reliability



*Source: OAG Airline Monthly OTP – September/October 2019

CONTOUR

EAS Success

Contour's operational reliability has driven considerable traffic growth over prior carriers in EAS markets

More passengers, jet service could lead to bigger things

"Contour promised to deliver, and they've made good on that promise. Almost always on time, Contour helped bring passenger boardings at Tupelo Regional Airport to a nine-year high."

-Daily Journal, January 13, 2019

Contour revitalizes Tupelo air service

"Contour has restored reliability and trust to air service in the All-America City."

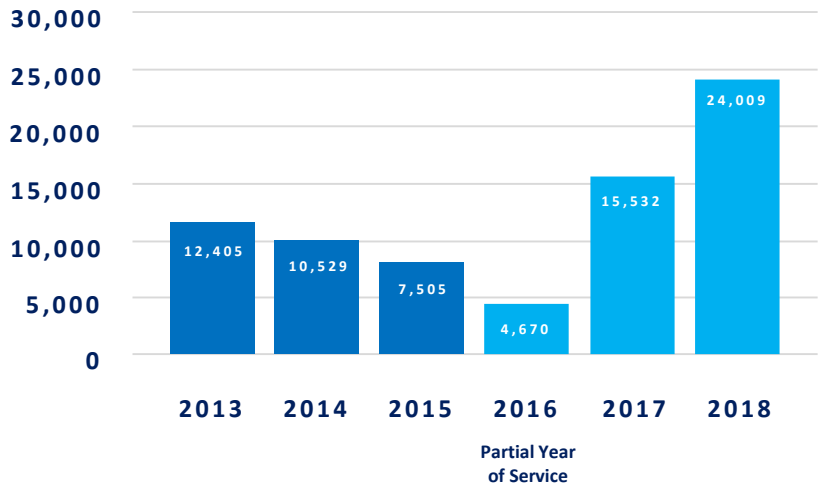
-Daily Journal, January 4, 2019

Contour Airlines numbers continue to fly high

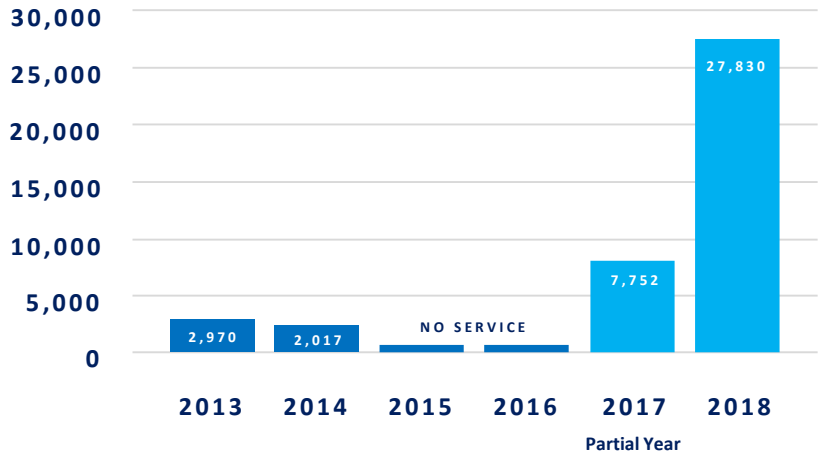
"Month after month, the number of passengers flying through the Middle Georgia Regional Airport continues to soar…It's a level of success the airport hasn't seen…"

- 41 NBC Macon, July 11, 2018

Tupelo, MS Passenger Traffic by Year



Macon, GA Passenger Traffic by Year



Contour

Previous Carrier

CONTOUR

Marketing Plan

- Contour schedules are ideally timed for business travel and onward connections.
- Contour commits to a marketing spend of at least $25K annually using mix of social media, print, radio, billboards, and sponsorships
- An interline agreement with American Airlines now offers seamless connections to destinations around the world
- Contour offers a complimentary checked bag to all passengers as well as other consumer-friendly policies, particularly when compared to legacy carriers
- Super Saver Fares are unique to Contour and offer highly discounted fares for last minute travel as low as $19 each way, stimulating demand and increasing passenger traffic.

CONTOUR

Customer Experience

Contour has made significant investments in our internal and external customer experience

- Contour launched an all-new website and booking engine in Q4 2020.
- Contour has launched a mobile app.
- Contour has an interline partnership with American Airlines that began October 2019. Contour and American combined itineraries can be booked via AA.com and all major online and retail travel agencies.

American Airlines

CONTOUR

Cape Girardeau, MO
Route: 12x weekly CGI-BNA round trips
Service in Regional Jet Aircraft configured with 30 passenger seats
All flights conducted as 14 CFR Part 380 public charters
Year 1 Projection
Annual Escallation: 7% Year Over Year

Operations		
Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	99%	1,236
Scheduled Seats	30	37,440
Revenue		
Estimated Average Load Factor/Total Annual Passengers	75%	28,080
Average Fare		$50.00
Total Revenue		$ 1,404,000.00
Expenses		
Fuel		$ 2,966,745.60
Maintenance and Reserves		$ 1,245,000.00
Pilot Costs		$ 1,375,000.00
Aircraft Fixed Costs		$ 350,000.00
Marketing		$ 25,000.00
Other Indirect Costs		$ 600,000.00
Total Expenses		$ 6,561,745.60
Profit Component (Percentage of Total Expenses)	5%	$ 328,087.28
Proposed Subsidy - Year 1		$ 5,485,832.88
Proposed Subsidy - Year 2		$ 5,869,841.18
Proposed Subsidy - Year 3		$ 6,280,730.06
Proposed Subsidy - Year 4		$ 6,720,381.17

*Service contingent on the community waiving their right to scheduled service

Clarksburg, WV
Route: 12x weekly CKB-CLT round trips
Service in Regional Jet Aircraft configured with 30 passenger seats
All flights conducted as 14 CFR Part 380 public charters
Year 1 Projection
Annual Escallation: 7% Year Over Year

Operations		
Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	99%	1,236
Scheduled Seats	30	37,440
Revenue		
Estimated Average Load Factor/Total Annual Passengers	75%	28,080
Average Fare		$75.00
Total Revenue		$ 2,106,000.00
Expenses		
Fuel		$ 3,560,094.72
Maintenance and Reserves		$ 1,245,000.00
Pilot Costs		$ 1,375,000.00
Aircraft Fixed Costs		$ 350,000.00
Marketing		$ 25,000.00
Other Indirect Costs		$ 700,000.00
Total Expenses		$ 7,255,094.72
Profit Component (Percentage of Total Expenses)	5%	$ 362,754.74
Proposed Subsidy - Year 1		$ 5,511,849.46
Proposed Subsidy - Year 2		$ 5,897,678.92
Proposed Subsidy - Year 3		$ 6,310,516.44
Proposed Subsidy - Year 4		$ 6,752,252.59

*Service contingent on the community waiving their right to scheduled service

CONTOUR

Fort Leonard Wood, MO
Route: TBN-BNA
Service in Regional Jet Aircraft configured with 30 passenger seats
All flights conducted as 14 CFR Part 380 public charters
Year 1 Projection
Annual Escallation: 7% Year Over Year

Operations		
Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	99%	1,236
Scheduled Seats	30	37,440
Revenue		
Estimated Average Load Factor/Total Annual Passengers	60%	22,464
Average Fare		$65.00
Total Revenue		$ 1,460,160.00
Expenses		
Fuel		$ 3,708,432.00
Maintenance and Reserves		$ 1,245,000.00
Pilot Costs		$ 250,000.00
Aircraft Fixed Costs		$ 150,000.00
Marketing		$ 25,000.00
Other Indirect Costs		$ 250,000.00
Total Expenses		$ 5,628,432.00
Profit Component (Percentage of Total Expenses)	5%	$ 281,421.60
Proposed Subsidy - Year 1		$ 4,449,693.60
Proposed Subsidy - Year 2		$ 4,761,172.15
Proposed Subsidy - Year 3		$ 5,094,454.20
Proposed Subsidy - Year 4		$ 5,451,066.00

*Service contingent on the community waiving their right to scheduled service

CONTOUR

Lewisburg, WV
Route: LWB-CLT
Service in Regional Jet Aircraft configured with 30 passenger seats
All flights conducted as 14 CFR Part 380 public charters*
Year 1 Projection
Annual Escallation: 7% Year Over Year

Operations		
Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	99%	1,236
Scheduled Seats	30	37,440
Revenue		
Estimated Average Load Factor/Total Annual Passengers	65%	24,336
Average Fare		$55.00
Total Revenue		$ 1,338,480.00
Expenses		
Fuel		$ 2,966,745.60
Maintenance and Reserves		$ 1,245,000.00
Pilot Costs		$ 1,375,000.00
Aircraft Fixed Costs		$ 350,000.00
Marketing		$ 25,000.00
Other Indirect Costs		$ 1,000,000.00
Total Expenses		$ 6,961,745.60
Profit Component (Percentage of Total Expenses)	5%	$ 348,087.28
Proposed Subsidy - Year 1		$ 5,971,352.88
Proposed Subsidy - Year 2		$ 6,389,347.58
Proposed Subsidy - Year 3		$ 6,836,601.91
Proposed Subsidy - Year 4		$ 7,315,164.05

*Service contingent on the community waiving their right to scheduled service

CONTOUR

Hattiesburg/Laurel, MS
Route: PIB-BNA
Service in Regional Jet Aircraft configured with 30 passenger seats
All flights conducted as 14 CFR Part 380 public charters
Year 1 Projection
Annual Escallation: 7% Year Over Year

Operations		
Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	99%	1,236
Scheduled Seats	30	37,440
Revenue		
Estimated Average Load Factor/Total Annual Passengers	75%	28,080
Average Fare		$55.00
Total Revenue		$ 1,544,400.00
Expenses		
Fuel		$ 2,966,745.60
Maintenance and Reserves		$ 1,245,000.00
Pilot Costs		$ 1,375,000.00
Aircraft Fixed Costs		$ 350,000.00
Marketing		$ 25,000.00
Other Indirect Costs		$ 750,000.00
Total Expenses		$ 6,711,745.60
Profit Component (Percentage of Total Expenses)	5%	$ 335,587.28
Proposed Subsidy - Year 1		$ 5,502,932.88
Proposed Subsidy - Year 2		$ 5,888,138.18
Proposed Subsidy - Year 3		$ 6,300,307.85
Proposed Subsidy - Year 4		$ 6,741,329.40

*Service contingent on the community waiving their right to scheduled service

CONTOUR

Johnstown, PA
Route: JST-CLT
Service in Regional Jet Aircraft configured with 30 passenger seats
All flights conducted as 14 CFR Part 380 public charters
Year 1 Projection
Annual Escallation: 7% Year Over Year

Operations		
Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	99%	1,236
Scheduled Seats	30	37,440
Revenue		
Estimated Average Load Factor/Total Annual Passengers	75%	28,080
Average Fare		$65.00
Total Revenue		$ 1,825,200.00
Expenses		
Fuel		$ 3,708,432.00
Maintenance and Reserves		$ 1,245,000.00
Pilot Costs		$ 1,375,000.00
Aircraft Fixed Costs		$ 350,000.00
Marketing		$ 25,000.00
Other Indirect Costs		$ 350,000.00
Total Expenses		$ 7,053,432.00
Profit Component (Percentage of Total Expenses)	5%	$ 352,671.60
Proposed Subsidy - Year 1		$ 5,580,903.60
Proposed Subsidy - Year 2		$ 5,971,566.85
Proposed Subsidy - Year 3		$ 6,389,576.53
Proposed Subsidy - Year 4		$ 6,836,846.89

*Service contingent on the community waiving their right to scheduled service

CONTOUR

Paducah, KY
Route: PAH-CLT
Service in Regional Jet Aircraft configured with 30 passenger seats
All flights conducted as 14 CFR Part 380 public charters
Year 1 Projection
Annual Escallation: 7% Year Over Year

Operations		
Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	99%	1,236
Scheduled Seats	30	37,440
Revenue		
Estimated Average Load Factor/Total Annual Passengers	75%	28,080
Average Fare		$65.00
Total Revenue		$ 1,825,200.00
Expenses		
Fuel		$ 3,708,432.00
Maintenance and Reserves		$ 1,245,000.00
Pilot Costs		$ 1,375,000.00
Aircraft Fixed Costs		$ 350,000.00
Marketing		$ 25,000.00
Other Indirect Costs		$ 325,000.00
Total Expenses		$ 7,028,432.00
Profit Component (Percentage of Total Expenses)	5%	$ 351,421.60
Proposed Subsidy - Year 1		$ 5,554,653.60
Proposed Subsidy - Year 2		$ 5,943,479.35
Proposed Subsidy - Year 3		$ 6,359,522.91
Proposed Subsidy - Year 4		$ 6,804,689.51

*Service contingent on the community waiving their right to scheduled service

CONTOUR

Staunton, VA
Route: 12x weekly SHD-CLT round trips
Service in Regional Jet Aircraft configured with 30 passenger seats
All flights conducted as 14 CFR Part 380 public charters
Year 1 Projection
Annual Escallation: 7% Year Over Year

Operations		
Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	99%	1,236
Scheduled Seats	30	37,440
Revenue		
Estimated Average Load Factor/Total Annual Passengers	75%	28,080
Average Fare		$60.00
Total Revenue		$ 1,684,800.00
Expenses		
Fuel		$ 2,966,745.60
Maintenance and Reserves		$ 1,245,000.00
Pilot Costs		$ 1,375,000.00
Aircraft Fixed Costs		$ 350,000.00
Marketing		$ 25,000.00
Other Indirect Costs		$ 800,000.00
Total Expenses		$ 6,761,745.60
Profit Component (Percentage of Total Expenses)	5%	$ 338,087.28
Proposed Subsidy - Year 1		$ 5,415,032.88
Proposed Subsidy - Year 2		$ 5,794,085.18
Proposed Subsidy - Year 3		$ 6,199,671.14
Proposed Subsidy - Year 4		$ 6,633,648.12

*Service contingent on the community waiving their right to scheduled service

CONTOUR