



Clipper Air

By J&J Ward Enterprise, LLC
California, USA ♦ Seoul, South Korea

New Business Proposal

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INTRODUCTION

CLIPPER AIR is a creation of J&J Ward Enterprise, LLC, which has been operating since 2018. Aviation has been the business of the company's principals for over four decades. Our current aviation operation is through Jet Group Business Aviation, operating since 1999 in jet management, sales and charter. A new business plan has emerged with the identification of worldwide air travel industry needs beginning with South Korea. Clipper Air has developed a business strategy to answer developing private aviation demands and to also relieve a particular stress point that exists in business air travel throughout the United States and around Asia. Clipper Air has the knowledge, experience and resources to implement the strategy successfully. Our team is well suited for the task of obtaining operational approval from appropriate government bodies.

Clipper Air intends to launch a multi-tiered aviation business, whereby each phase is launched at the appropriate time upon the success of each preceding phase. In short, these phases begin with air charter and air tour business in South Korea and the U.S. This is followed by individual aircraft and fractional aircraft sales along with the necessary function of business jet management. These phases will pave the way to launch a unique quasi private airline model beginning with service from Seoul S. Korea to multiple Asian destinations and branching out from there to the U.S. and other identified markets.

CURRENT STATE OF BUSINESS & LUXURY AIR TRAVEL

Luxury Jet Travel for Business and Pleasure

The U.S. has been the primary market for many decades when it comes to private business jet travel and ownership. It's considered normal and even a 'must have' by wealthy companies and individuals. In recent years the concept of fractional ownership and private jet membership cards have become all the rage for the middle and upper-middle class population. For example, a person may not have been able to afford the purchase of an \$8 million airplane but is quite happy to pay \$500,000 for a 1/16th share and still be able to fly in style as if owning the entire aircraft.

Asian countries have only recently begun to view private jet travel in a positive light, even desirable. This began primarily in China only about a decade and a half ago. Until very recently, South Korea generally viewed private jet ownership or travel in a negative light, as ostentatious and showy. While many of the older generation of business executives and of wealth may still have that view, a new generation is taking a keen interest in this so-called 'western indulgence' of traveling by private luxury aircraft. Those in the entertainment field of South Korea will likely be the first to embrace the exclusivity of private jet travel and even ownership. This will be followed by business executives who will find it to be another wonderful business tool. As has happened in other countries that have got a taste of private jets, they will wonder how they went so long without it.

Phases of the Business

The following are logical phases of the business from startup through full airline service:

- Aircraft Charter
- Air Tours
- Aircraft Sales (including fractional shares)
- Aircraft Management
- Private Airline (air transport using a combination of public and private regulations)

Research Findings By Industry Analysts

International Air Transport Association (IATA) issued their Global Outlook for Air Transport report in June 2024. They report that global passenger numbers is expected to increase in this year alone by 10.4%. And between now and 2043 it is expected that the Asia Pacific countries will account for more than half of the growth in air travel passengers. Over the next 20 years, we expect world passengers to increase by 3.8% per year on average, resulting in over 4 billion additional passenger journeys in 2043 compared to 2023.

The report adds, “The [Asia Pacific] region is also slated to experience solid economic growth and improving living standards, which will drive demand for air transport well beyond the global average. GDP in the Asia Pacific region will grow by 65% over the coming 20 years, and trips per capita should almost triple. As a result, nearly half of global passenger traffic will originate or depart from the region in 2043, as opposed to 34.1% in 2023. The larger share of the region in total global traffic comes at the expense of the US, Europe, and Latin America which shares will fall.

More than the Current Air Transport Model is Needed

Neither government nor private programs of “pre-check/pre-screen” security (e.g., Global Entry, SENTRI, Nexus and TSApre) have proven widely successful. There continues to be passenger complaints that such systems don’t always save time as promised or other complaints on general system failures. In some cases, so many passengers have enrolled in a program that those security queues become too long and thus lose the “expedited” purpose. These systems have been and continue to be tested primarily in the U.S. and not available in all Asian countries. In effect, as masses of travelers sign up for these programs, the affluent or business traveler loses advantage.

Airlines Cannot Solve the Problem: Although some airlines have tried to make business travel easier, they are limited in their solutions.

- ✦ First, airlines are heavily regulated. This means they cannot avoid the long and difficult security processes. All their passengers, whether they are business executives or not, must go through the same customs and immigration processes. A business traveler can select first class

to have a more comfortable trip, but that doesn't solve the misery of all the other steps of international travel.

- ◆ Second, the airline business model is not easily changeable. Established airlines do not respond quickly to needed changes, and, as long as their model seems to work for them, they are not motivated to change.
- ◆ Private Aircraft Ownership and Charter Are Very Limited Solutions and Not Practical: Use of private aircraft for business has a long and successful history in the U.S. However, the same cannot be said for Korea, China, Taiwan, Japan and other Asian countries. Private air travel has traditionally been frowned upon by most Asian businesses as too ostentatious. That's beginning to change, but only slowly. Private jet use is typically broken down into two categories:
- ◆ Air charter means renting an aircraft and crew for a particular destination or by the hour. For charter operations in the U.S. (and most other countries) regulations are more stringent than private aircraft use, but not nearly as strict as air carrier rules. This presents a more expensive mode of travel for the average company manager or executive unless several are going to the same destination. Charter is best used when there is a need to move 6 or more people together to a single destination, remain for a short duration (e.g., a single day) and return together. Charter is also a great starting point for potential aircraft owners to experience the advantages of private air travel.
- ◆ Jet ownership is the next natural step for some users. This includes fractional ownership. That form of travel has the least rigorous regulations but requires the highest capital cost. Larger companies and wealthy individuals are the buyers. Fractional ownership is a first step in that direction and an alternative answer for many others.

New Fixed Base Operation in South Korea

The construction of South Korea's first and only fixed base operation (FBO) is completed and available for use at Seoul's Gimpo (Gimpo) International Airport. FBOs are traditional gateways for private air travel. This is a good sign for things to come in that it shows South Korea is now embracing private aircraft ownership and use. FBOs are where the private jets are hangered and maintained and chartered out for service. Aircraft owners also use FBOs around the world as their personal departure and arrival terminals While a good FBO is critical to Clipper Air's success (relating fist to our Phase One and Two operations), the challenge outlined above will not be solved by simply constructing an FBO to attract private aircraft.

Phase One & Two: Charter, Air Tours, Sales, Management

Our plan includes the purchase of three Gulfstream 550's. These are large cabin luxury aircraft with a non-stop range of up to 12,500 kilometers that can carry 12-16 passengers worldwide. Phase one includes chartering these aircraft in S. Korea first. We anticipate interest especially within the entertainment industry. Charters can also include pre-planned tours where multiple

passengers can share the cost. Tours can be to any location in the world of most interest to our market. In addition, we are prepared, with our aircraft and helicopter strategic partners in the U.S. to offer tours around the U.S. and within cities of most interest, such as Los Angeles, Hollywood and Las Vegas. We imagine that golf tours will also be popular.

The Charter business in this first phase introduces private air travel to an untapped market in S. Korea that will want to move on to aircraft purchase. This will happen in both entire aircraft sales and fractional aircraft sales, a lucrative side of the business. Nearly all aircraft sold and most certainly all fractionally owned aircraft will require our jet management services, also a profit center.

Phase Three: Private Airline Business Model

The Solution to Affordable Private Jet Travel

Fortunately, there is an answer to getting S. Korean, Japanese and Taiwanese businesspeople in and out of China and other Asian countries quickly and with the utmost style and comfort without requiring the expense of chartering or owning aircraft. This involves creating a hybrid between an airline style model and private jet aircraft and then offering it to exclusive business club participants. In other words, Clipper Air will use jets that are typically configured for private travel. Examples of some models that could be used initially are Gulfstream jets, Global Express and even Boeing 737s and Airbus A319s through 321s. Instead of offering these planes for charter, we will establish scheduled routes and sell single-seat tickets as the airlines do. The difference will be in how those routes are established, how the travelers are acquired and ticketed, and the physical operation of the airplanes and terminals. Such a hybrid will not need the airline terminal or government provided security. Instead, just as private aircraft do, these planes will operate from FBOs in the General Aviation areas of airports and make use of private security systems (as approved by the government).

Businesspeople traveling in this manner can expect to save many, many hours from time wasting lines and hassles with security, immigration and customs. Those things will be handled just as swiftly and efficiently as if that person were traveling on his/her own private jet. The seat cost will be similar to business or first class on common carriers, but with more luxury, amenities and exclusivity.

This hybrid involves rethinking both operations and regulations. Thus, government cooperation is paramount.

There are a couple of companies in the U.S. that have achieved a similar model. They are working through loopholes in the regulations to achieve the legality of their operation. We will not have to rely on loopholes. Details of this and how S. Korea can go about certification is discussed in the section, "Regulation and Certification."

Summary of Benefits to Affluent and Business Air Travelers

In summary, this aviation travel model will provide the following benefits to air travelers:

1. Extremely shorter travel times (at least cut in half).

2. Red carpet private aircraft departure/arrival lounges and terminals.
3. Multi-jurisdiction respected and highly private pre-screen security profile for each member, similar to that used by world traveling VIPs on private jets.
4. Smooth, hassle-free security, customs and immigration.
5. Private jet luxury and amenities at first or business class fares.
6. Entire aircraft devoted to business and luxury travelers.
7. Private business club membership system for ticketing as well as business networking and creating smooth security and immigration operations. Club membership also provides members with special tours and excursions as well as personal charter of aircraft in the fleet during non-scheduled service times.
8. Unique SmartPhone and Tablet App driven reservation system that includes options such as schedule and seat availability notification, automatic seat reservation fill, ticket auction services, ticket transfer, optional social media for business and travel networking, and more.

Initial Routes

Based on a preliminary study, Clipper Air has determined at least 15 Asian destinations as ideal candidates for setting up the first routes with Kimpo (Gimpo) airport serving as the hub. The routes are classified into four groups based on average distances and each of the four groups having approximately the same flight time (gate-to-gate time). (Final route decisions will require a more detailed market study along with government input and approvals.)

Regulation and Certification

The Federal Aviation Administration (FAA) in the U.S. has three general groups of certification categories for three types of aircraft operations. (Of course, there are many sub-categories and exceptions, but those are not relevant to this report for the time being.) The first, and least rigorous is found at Title 14 of the Code of Federal Regulations (CFR), Part 91, which regulates the operation of privately owned and operated aircraft. This includes fractionally owned airplanes and those operated by companies or organizations for their owners, members, associates and employees. Part 135 of 14 CFR regulates all commercial aircraft operations that are not common or public carriers, such as airlines. Thus, all charter operations fall under the more stringent Part 135. With Part 135 Certification one cannot operate or sell individual seats on a scheduled route. That form of operation is considered common carrier and requires a Part 121 certification, which is what the airlines are required to obtain. Naturally, Part 121 requirements are the most arduous for safety reasons.

Typically, Part 121 operations (or similar common carrier operations in other countries) involve a considerable amount of public/government support, such as use of airport terminals, use of government provided security systems, route and gate allocation approvals and even subsidies. These provisions assume that the travel service offered by each airline is open to the public and thus considered public transportation. Historically, this has been the case. The model that Clipper

Air will offer is an exception. The passengers will be members of a private association of travelers and therefore not part of the public sector. However, since the business involves pre-established scheduled routes sold on a per-seat basis, a hybrid certification is necessary. This was achieved a few years ago when the U.S. Federal Aviation Administration approved a club operating Boeing 737 flights from Oakland, California to the Hawaiian Islands. All flights began and terminated at airport FBO's alongside other private aircraft flights.

Why South Korea as Key Operational Base

Clipper Air has selected South Korea as its first choice to locate its base of operations for this business endeavor. There are several compelling factors that makes South Korea the best choice:

- ★ South Korea is the leading Asian country as a developed nation, highest demographic of educated people, and they put a high value on leading technologies and innovation.
- ★ South Korea excels in every industry they support. We believe they are now focusing their attention on the private aviation sector and will embrace it and support it with the same eagerness as their other industries.
- ★ South Korea is considered an upscale country with citizens that are proud of their heritage and nation. This personal culture creates a very positive business culture and makes for success.
- ★ South Korea is a stable Asian country economically and socially and enjoys good trade relations with its neighbors.
- ★ South Korea has excellent aviation regulations and shares Clipper Air's safety commitment by making aircraft and air travel safety a priority.

Company History and Management Team

History of Clipper Air

Jet Group Business Aviation was founded by [REDACTED] in 1992 and incorporated in 2001, which then continued the aviation business [REDACTED] had already started. Principals of Clipper Air personnel ultimately managed the flight departments and aircraft for a dozen companies at one time. This involves everything from purchasing the aircraft on behalf of the company to hiring and maintaining the flight crew, dispatching the flights and the crews, maintaining the aircraft by hiring mechanics and maintenance crews, writing safety and operational protocols, etc. In addition, the Clipper Air principals have operated Part 135 (charter) and Part 145 (maintenance) facilities.

Clipper Air's Asia Aviation Business Initiative Management Group

[REDACTED], a native of South Korea, having five years' experience with Clipper Air and specifically with its Asia aviation research and development project, has four decades of successful multinational businesses involving several South American countries, South Korea and the U.S.

██████████, the founder of Jet Group Business Aviation, is both a certified aircraft mechanic and pilot. He began his aviation career working on airliners and quickly advanced to Director of Maintenance and later Director of Operations. This experience led to starting his own business aviation management and consulting business by 1992. His background, both as an individual and with Clipper Air, includes operation of Part 121 (airline) maintenance facility; operation of Part 135 (commercial and charter aviation) facilities from “A to Z”, including writing operation manuals; operation of Part 145 facilities (aircraft maintenance facilities); managing flight operations; brokering aircraft; and managing entire flight operations for up to 12 different companies at one time, each company owning several aircraft. His specific aircraft experience is vast, including models by Boeing, McDonnell Douglas, Gulfstream, Bombardier, Global Express, Challenger, Falcon, Lear, Cessna Citation, etc. He also has helicopter management experience. ██████████ has used his education degree in business and vast experience to turn Jet Group Business Aviation into a very successful enterprise, poised to now take on the Clipper Air project —this S. Korean/Asia aviation project.

Joel de Wardeaux, has been a pilot for over 40 years. For his own businesses, he has owned and operated various business aircraft for most of that period. In 2008 Mr. Ward became associated with Jet Group Business Aviation as Director of Sales and Business Development. He has a background in business startups as both consultant and principal, with emphasis in capital structuring and strategic planning.

Clipper Air Associates and Resources

The above management team and Clipper Air have established and enjoy key relationships over many years that remain eagerly available to assist with this business strategy once we have indication that South Korea wants this business model and desires to work with Clipper Air to accomplish the goal. The people and companies Clipper Air will call upon are leaders and experts in various specialties of the aviation field.

Financial Requirements at Phase One Startup

Phase One involves acquiring one jet aircraft to start the charter and air tour business in South Korea. We believe growth into phases two and three can occur organically out of profits or can be accelerated with additional capital infusion. The best financial route can be determined at a later date. Following is list of genal categories and estimated budget amounts.

Aircraft (three G-550s) lease (\$25M each): 20% down payments.....	15,000,000
Aircraft lease payments: 12 months.....	7,000,000
Regulatory & Certification.....	1,000,000
First Year Office and Hangers.....	1,000,000
First Year Management and Personnel.....	1,000,000

First Year 5-Flight Crews, Training & Safety.....	2,500,000
Legal Compliance & Insurance.....	1,500,000
Marketing & Brand Development.....	1,000,000
TOTAL.....	30,000,000
10% Reserve.....	3,000,000
GRAND TOTAL.....	33,000,000

Projected Financial Proforma (Hybrid Airline not Incl.)

Year	Fleet	Aircraft Hours	Revenue	Costs incl. Lease	Base EBITDA*	Adds**	Total EBITDA	Profit Margin
1	3	600	27,000,000	25,140,000	1,860,000	0	1,860,000	7%
2	3	800	36,000,000	29,820,000	6,180,000	4,000,000	10,180,000	28%
3	3	1,000	45,000,000	34,500,000	10,500,000	6,000,000	16,500,000	37%

* Earnings Before Interest, Taxes, Depreciation, and Amortization

** Tours plus Aircraft Sales and Management

Clipper Air's financial outlook demonstrates the scalability of launching with three Gulfstream G550 aircraft in service from the start. The phased utilization ramp—from 600 hours per aircraft in Year 1 to 1,000 hours by Year 3—balances realistic market entry with achievable growth targets. **This proforma does not include Phase 3-Hybrid Airline business.**

Year 1: Building Momentum

With all three aircraft operational, Year 1 emphasizes establishing brand presence, securing charter clients, and building tour packages. Utilization of 600 hours per aircraft yields **\$27.0M in total revenue** against **\$25.1M in operating and lease costs**. The company achieves a modest **\$1.9M EBITDA (7% margin)**—a healthy signal for a first-year operation in a high-capital industry. This year sets the foundation for reliability, regulatory compliance, and corporate relationships.

Year 2: Expansion & Profitability

By Year 2, utilization rises to 800 hours per aircraft, driving **\$36.0M in revenue**. Core operating leverage begins to show: fixed costs are spread over more billable hours, improving efficiency. Base EBITDA rises to **\$6.2M**, while additional contributions from premium air tours, fractional sales, and management contracts add another **\$4.0M**. Total EBITDA climbs to **\$10.2M (28% margin)**, marking Clipper Air's transition into strong profitability.

Year 3: Full Fleet Optimization

At 1,000 hours per aircraft, Year 3 revenue reaches **\$45.0M** with costs of **\$34.5M**. Base EBITDA increases to **\$10.5M**, and supplementary revenues from tours, fractional ownership, and management generate another **\$6.0M**. The result is **\$16.5M in EBITDA, or a 37% margin**. At this stage, Clipper Air achieves both operational maturity and compelling investor returns, with clear paths to further growth through fleet expansion, additional tour products, and corporate partnerships.

Investor Perspective

This pro forma illustrates that the venture reaches positive EBITDA from Year 1, scales margins into the **30%+ range** by Year 3, and leverages both predictable charter revenue and high-margin ancillary services. The inclusion of a **10% reserve buffer** in the \$33M raise ensures operational resilience, making Clipper Air a well-capitalized, low-risk entry into Korea's emerging private aviation market.