

12-Mar-2026

Surf Air Mobility, Inc. (SRFM)

Q4 2025 Earnings Call

CORPORATE PARTICIPANTS

Samuel J. Levenson

Chief Executive Officer, Arbor Advisory Group LLC

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

Oliver Reeves

Chief Financial Officer, Surf Air Mobility, Inc.

Sudhin Shahani

Co-Founder & Director, Surf Air Mobility, Inc.

OTHER PARTICIPANTS

Amit Dayal

Analyst, H. C. Wainwright & Co. LLC

Dave Storms

Analyst, Stonegate Capital Markets, Inc

Austin Moeller

Analyst, Canaccord Genuity LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good evening. My name is Abby, and I'll be your conference operator today. At this time, I would like to welcome everyone to the Surf Air Mobility Fourth Quarter and Full Year 2025 Earnings Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions]

Thank you. And I will now pass the call over to Sam Levenson. Please go ahead.

Samuel J. Levenson

Chief Executive Officer, Arbor Advisory Group LLC

Thank you, operator, and good afternoon, everyone. Welcome to Surf Air Mobility's Fourth Quarter 2025 Earnings Call. I'm joined today by Deanna White, Chief Executive Officer; and Oliver Reeves, Chief Financial Officer.

Our earnings release can be found on the SEC EDGAR website and on our Surf Air Mobility Investor Relations page at investors.surfair.com.

During this call, we will discuss our outlook and expectations for future performance. These forward-looking statements may be preceded by words such as we expect, we believe, we anticipate or other similar statements. These statements are subject to risks and uncertainties, and our actual results could differ materially from the views expressed today. Some of these risks have been set forth in our earnings release and in our periodic reports filed with the SEC.

During today's call, we will present both GAAP and non-GAAP measures. Additional disclosures regarding non-GAAP measures, including a reconciliation of GAAP to non-GAAP measures, are included in the earnings release we issued earlier today, posted on the Surf Air Mobility Investor Relations website and in our filings with the SEC.

I'll now turn the call over to Surf Air Mobility CEO, Deanna White. Deanna?

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

Thank you, Sam, and thank you, everyone, for joining us. At the beginning of 2025, we were in the midst of transforming our company financially, operationally, and strategically. The investments we made in our key priorities were straightforward: strengthen the core business by improving reliability and profitability in our airline operations, recalibrate the On Demand charter business, and develop our SurfOS software. We delivered against that plan, demonstrating successful execution against our strategies. I think that's best exemplified by having now met or exceeded our revenue and adjusted EBITDA guidance for eight consecutive quarters.

Today, we are no longer resetting. We are pivoting to growth. We are backing that ambition by increasing 2026 revenue guidance by 20% to 30% compared to the prior year, underscoring our platform opportunity and our conviction in delivery then. This revenue guidance does not include the early stages of electric aircraft deployment as we expect our recently announced partnership with BETA Technologies to contribute to revenue growth and operating efficiencies in 2027.

In 2025, we raised over \$100 million in equity to substantially reduce our overall cost of capital and lower our net debt. This strengthened financial position gives us the flexibility to move beyond stabilization and toward growth. Today, we operate a regional airline and On Demand charter business safely, reliably, and efficiently, and have been building a digital infrastructure equipped with AI-enabled software tools powered by Palantir. These efforts provide the foundation for our business platform ambition that will enable the next generation of advanced air mobility.

To set the stage, aviation is entering a structural inflection point. Electrified aircraft nearing commercial readiness and AI-enabled software will soon shift both the economics and operating requirements of flying. These converging technologies will stimulate massive new demand, but the industry remains severely fragmented, with operators, brokers, owners, and manufacturers still relying on disconnected technology solutions that are unprepared to manage the greater operational and regulatory complexity, intensifying the challenges further.

Success in this next phase of aviation will be shaped not by individual airlines or OEMs, as in the past, but by a platform that integrates the ecosystem and increases alignment across it. Like all effective platforms, Surf Air Mobility intends to benefit from dynamics between supply and demand, where improved access, reliability, and economics on one side make participation increasingly attractive on the other. Surf Air Mobility's platform, enabled by a digital infrastructure powered by Palantir, makes participation in the next generation of aviation simpler, safer, and more economically attractive over time for everyone.

We see a world where OEMs will introduce aircraft through our platform. Operators will run fleets on SurfOS. Pilots will build careers within the network. Passengers will manage their travel with a trusted brand. Regulators will rely on the platform transparency and control. And capital will flow through its infrastructure. While assets and operations remain distributed, the coordination, standards, and market dynamics will be governed centrally through the platform.

Our platform strategy is built on our strengths today: a nationwide commuter network of short-haul routes ready to showcase adoption of electric aircraft, a cohort of over 400-plus operator relationships developed within our On Demand charter business, proprietary Palantir-powered software built on live operations, partnerships with leading electric aircraft manufacturers including BETA Technologies and Electra to bring new electric aircraft into service. We believe this combination of assets is singular in this industry and defines our platform advantage.

In our airline operations, 2025 marked a dramatic step change in operational performance. We made meaningful improvements in controllable completion rates and on-time departures and arrival metrics, each reaching all-time high since becoming a public company. These gains reflect better execution from our incredibly talented team, along with increased digitalization of key processes across the airline. I would like to thank the team for their contribution to this milestone, which would not have been possible without their dedication to operational excellence. As a result, we achieved our guidance of profitability in our airline operations for the full year of 2025 defined as positive adjusted EBITDA.

In our On Demand charter business, we focus not only on growth but also margin expansion. We achieved both. Revenue increased while we saw incremental improvement to flight margins compared to the prior year. The combination of better sourcing discipline, a mix shift to longer-haul trips with larger aircraft, and the adoption of our SurfOS technology helped us recalibrate the business. It's within our On Demand charter business that we expect to see the clearest near-term benefits of our platform becoming operationalized. We already saw this business expand meaningfully in 2025, especially in the second half of the year as our SurfOS tools helped us improve aircraft sourcing and broker productivity.

We integrated two charter supply deals into our platform, giving us better economics and more control over aircraft inventory while guaranteeing distribution for our operating partner. In the fourth quarter of 2025, we launched two new strategic initiatives in our On Demand charter business. The first, Powered by Surf On Demand, our tech-enabled program that equips independent third-party brokers with BrokerOS and expands our On Demand charter team sales force. And the second, Surf On Demand Cargo, which expands our product offering into an additional segment of the aviation market. These programs began generating profitable revenue in 2025 and represent early proof points of our platform strategy in action.

SurfOS remains a significant investment priority for us. Throughout 2025, we continued working with Palantir to power the core of SurfOS and integrate it across more parts of our organization. We launched crew and aircraft scheduling tools, integrated our maintenance management systems, enhanced mobile applications for pilots, and adopted CRM capabilities for our On Demand charter team. These tools are actively used within our business every day.

At the same time, we continue to validate SurfOS with external operators and brokers and secured multiple letters of intent for future adoption of our software products. To this end, we remain on track to begin commercializing SurfOS in 2026. The goal is to provide tools that improve efficiency, transparency, and asset utilization in a fragmented market that connects the ecosystem onto a shared digital infrastructure.

Our Hawaii operation and strategic partnerships are central to this next phase, and we're placing particular emphasis on that market as a proving ground for our platform in practice. The inter-island network provides a practical environment to introduce electric aircraft technologies responsibly. With short flight distances, a concentrated airport geography, strong community engagement, and meaningful passenger volume, Hawaii is our strategic anchor market to demonstrate the impact of the transition to electric aircraft.

We've increased our investment in Hawaii operating under the brand Mokulele Airlines and have committed to investing over \$22 million into our Hawaii infrastructure with new planes entering service in the second quarter of 2026, updated lounges, and improved processes. We've strengthened leadership locally, improved operational reliability, and aligned our fleet network for long-term operational stability.

This strategic commitment to Hawaii is further shown by the work we're doing in partnership with BETA Technologies. This week we secured a strategic partnership with BETA Technologies to be the first operator to launch commercial electric aircraft passenger flights in Hawaii. As part of the strategic partnership, Surf Air Mobility will combine its operating expertise, existing passenger demand, and established airport infrastructure with BETA's market-leading electric aircraft and charging capabilities.

We placed a firm fleet order for 25 BETA electric aircraft with an option for 75 more. The order allows for delivery slots to be satisfied across BETA Technologies' product portfolio from cargo or passenger CTOL aircraft to VTOL variant, perfect for our existing commuter network and On Demand charter business. The order allows aircraft to be operated by us, leased to individual owners that manage their aircraft with Surf Air Mobility or operated by our On Demand charter partners, all stakeholders within our platform. We anticipate the improved unit economics of BETA electric aircraft will lead to increased profitability in our scheduled service and On Demand charter businesses over time.

We've entered into another agreement with BETA Technologies that designate our planned maintenance repair and overhaul facility once certified as the exclusive factory-authorized service center for BETA electric aircraft in Hawaii with the ability to expand to other launch regions. Our ambition to become the leading MRO for electric aircraft will create a new and growing revenue stream for the company. Moreover, BETA Technologies has selected us as a launch operator for their passenger aircraft. BETA Technologies and Surf Air Mobility will co-market BETA electric aircraft and Surf Air Mobility's operating software capabilities to other third-party BETA aircraft customers.

We aim to leverage this agreement to provide BETA Technologies customers with operational and aircraft management services across multiple mission profiles, including high-frequency short-haul scheduled passenger service, regional cargo operations, and On Demand charter flights. These announcements are concrete examples of the progress we're making toward implementing the industry's platform solution and will directly support the early commercial deployment and broader market adoption of electric aircraft.

Our broader electrification strategy has been to work with best-in-class aircraft manufacturers to achieve first-mover advantage. Our partnership with BETA Technologies illustrates this approach, and we are working toward introducing BETA's aircraft into commercial service beginning this year. We believe that Hawaii, where we hold an early advantage, will be one of the first meaningful proof points in the United States and believe BETA Technologies has the aircraft to make it happen.

These deliberate steps are designed to reduce risk, increase operational readiness, and position us to be the premier operator of electric aircraft. The BETA aircraft order is expected to enable the deployment of electric aircraft in our network before our previously expected timeline of 2027.

At the same time, we continue to believe there is a strong use case for an electric Caravan, particularly in markets we fly today such as Hawaii. We believe the most efficient allocation of capital is to focus on providing software to support the development of electric aircraft. We continue to be in discussions with multiple partners across the value chain to advance the electric Caravan program, utilizing the work we have accomplished and assets we have created. However, to be clear, we no longer intend to invest \$50 million to \$100 million for the Caravan electrification program.

To summarize, what I've just described is Surf Air Mobility turning back to growth mode in 2026. I've laid out our vision showing how our strategic initiatives and areas of strength will increasingly work in tandem as a unified

platform. The outlook for this next year includes more partnerships, more electric aircraft collaborations, more supply agreements, and more integration and broader rollout of our SurfOS technology across the ecosystem.

Over time, we will align the key stakeholders around our platform, coordinate more of the operational financial transaction, and capturing an expanding share of the industry's activity. We entered 2026 in a stronger position than at any point in our recent history, seeking to enable an industry at the beginning of structural expansion, and we're intensely focused on turning that position into tangible value for our customers, our partners, and our investors.

With that, I'll turn the call over to Oliver to discuss our fourth quarter and full year 2025 results and our 2026 guidance.

Oliver Reeves

Chief Financial Officer, Surf Air Mobility, Inc.

Thank you, Deanna. In my remarks today, I will discuss the results of our fourth quarter and fiscal year ended December 31, 2025, and our outlook for the first quarter and fiscal year ending December 31, 2026. To begin, here are some annual 2025 highlights. First, we achieved full-year profitability in our airline operation defined as positive adjusted EBITDA. This milestone was reached by driving operational improvements, reducing maintenance complexity, and enhancing overall cost efficiency. We invested in leadership talent at all levels of the organization with aviation expertise that achieved significant results.

Second, we successfully recalibrated our On Demand charter business model, improving flight margins year-over-year. We accomplished these achievements through improved sourcing, the introduction of new charter products, and an increase in long-haul flying with larger aircraft.

In 2025, we completed the full internal deployment of BrokerOS, which resulted in improved efficiencies and cost savings. In the fourth quarter, we launched two new programs, Powered by Surf On Demand, which expands the company sales force by providing BrokerOS to independent third-party brokers and Surf On Demand Cargo, which expands our product strategy within the aviation market.

Third, for our SurfOS initiative, we extended our partnership with Palantir by announcing a five-year exclusive agreement to develop software solutions for Part 135 stakeholders coupled with a teaming agreement to pursue larger enterprise opportunities.

Finally, we optimized our capital structure, raising debt and equity to both invest in our business and strengthen our balance sheet. As a result, net debt decreased 47% from \$139 million at December 31, 2024, to \$74 million at December 31, 2025. This decrease in net debt also benefited from the conversion of \$48 million in convertible notes, inclusive of interest.

Now let me turn more specifically to the fourth-quarter and full-year results. Revenue and adjusted EBITDA for the fourth quarter met our guidance range. This is the eighth consecutive quarter in which the company either met or exceeded guidance, demonstrating continued and deliberate execution against our transformation plan. For the fourth quarter of 2025, revenue of \$26.4 million was within our guidance range of \$25.5 million to \$27.5 million, a 9% decrease sequentially from the third quarter, driven by a 16% decrease in scheduled service revenue resulting from the exit of unprofitable routes, partially offset by an 8% increase in On Demand charter revenue.

On a year-over-year basis, fourth-quarter revenue decreased 6%, driven by 19% decrease in scheduled service revenue, partially offset by a 36% increase in On Demand charter revenue. Full year 2025 revenue of \$106.6

million met our previously raised guidance of revenue exceeding \$105 million, an 11% decrease when compared with full year 2024 revenue driven by a 15% decrease in scheduled service revenue partially offset by 3% increase in On Demand charter revenue.

The drivers of both the sequential and year-over-year decreases in fourth-quarter and full-year revenue were the continued exit of unprofitable routes, partially offset by improved operational metrics in our scheduled service operations with controllable completion factors for Q4 2025 improving to 98% compared to 96% for Q3 2025 and 89% for Q4 2024, an increase in On Demand charter revenue driven by a shift in mix to larger aircraft and international flights and the positive impact of our BrokerOS software and broker productivity.

Our adjusted EBITDA loss, just under \$8 million for the fourth quarter of 2025, was within our guidance range of \$8 million to \$6.5 million. Compared with the third quarter of 2025, adjusted EBITDA loss improved by 19%, the result of our continued focus on cost management. Adjusted EBITDA loss compared to the same quarter of 2024, increased by approximately \$1.1 million due to a slightly higher mix of corporate level costs. Full-year 2025 adjusted EBITDA loss of \$41.7 million was a 5% improvement over the 2024 adjusted EBITDA loss of \$44.1 million. This reduction in adjusted EBITDA loss year-over-year reflects the exits of unprofitable routes, the benefits of our significant operational improvements, and the positive impact of improved On Demand charter margins.

Airline operations were profitable, defined as positive adjusted EBITDA, in line with our full-year guidance. Our controllable completion factor increased to 98% in the fourth quarter of 2025 from 89% in the fourth quarter of 2024. Over the same period, on-time departures improved to 72% from 62%, and on-time arrivals improved to 81% from 74%. Improvements in these key operating metrics represent a tangible return on capital deployed to address prior operating challenges.

Looking forward, we are entering 2026 with strong momentum. Surf Air Mobility is positioned to lead and enable aviation's next structural transformation. 2026 marks our transition from operator to platform and the start of the expansion phase of our transformation plan.

Now let me turn to the discussion of our outlook for 2026. 2026 marks the beginning of our return to growth. As Deanna mentioned earlier, the outlook for 2026 includes more partnerships, more electric aircraft collaborations, more supply agreements, a more internal integration, and a broader commercial rollout of our SurfOS technology. For the full year 2026, we anticipate revenue to be in the range of \$128 million to \$138 million and adjusted EBITDA loss to be within the range of \$40 million to \$50 million.

Our revenue guidance range of 20% to 30% year-over-year revenue growth for fiscal year 2026 contemplates accelerating growth in our On Demand charter business and partial-year revenue contribution for SurfOS. Because of these dynamics, revenue growth will be heavily weighted to the back half of 2026. Our 2026 adjusted EBITDA loss guidance reflects significant investments in strategic initiatives including the continued development and commercial rollout of SurfOS, partially offset by the continued efforts to improve the profitability of our scheduled service and On Demand charter business.

Despite these investments, we expect our adjusted EBITDA loss and margins to improve each quarter on a comparable year-over-year basis, driven by revenue growth and a continued focus on cost management. For the first quarter of 2026, we anticipate revenue to be in the range of \$24 million to \$26 million and adjusted EBITDA loss to be within a range of \$15.5 million and \$13.5 million. Revenue guidance for the first quarter of 2026 does not reflect any revenue contribution for SurfOS. The increase in adjusted EBITDA loss reflects our investment in strategic initiatives and the continued development and upcoming commercial rollout of SurfOS.

Now let me turn the call back to Deanna for some brief closing thoughts.

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

2025 marked the year we transformed our company operationally, financially, and strategically. Today, we're a respected short-haul flight provider, serving regional commuters, On Demand charter customers, and cargo services. We are transitioning from an airline-first operating model to a platform-centric business spanning regional, private, and advanced air mobility. We've spent a decade building a commuter airline and On Demand charter business known for safety, reliability, and customer service.

Meanwhile, numerous companies have invested billions over the same decade in electric aircraft, now reaching final certification stages. The aviation industry is entering an inflection point as electric aircraft mission-built for short-haul flying and AI-enabled software shift operating requirements, efficiencies, and economics. Success won't be served by individual airlines or OEM, but by platforms that integrate the ecosystem.

2026 represents a pivotal year for Surf Air Mobility. Our long-term ambition to become the platform that enables the next generation of flight is at our doorstep. We believe that our SurfOS software represents a sustainable, competitive advantage that will anchor our platform and position us at the center of this transforming industry. Having privileged access to a larger and more diverse array of knowledge flows better positions us to shape these flows. When you're in the center of flows, small moves, smartly made, can set very big things in motion.

With that, let me turn it over to the operator for the Q&A portion of the call. Operator?

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] And our first question comes from the line of Amit Dayal with H.C. Wainwright. Your line is open.

Amit Dayal

Analyst, H. C. Wainwright & Co. LLC

Q

Thank you. Good afternoon, everyone. Appreciate you taking my questions. Congrats on all the progress, guys. With respect to the SurfOS spend and commercial rollout, could you clarify what is being spent on the software development, product development, and what is being potentially spent on just building the sales pipeline?

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

A

Sure. Thanks, Amit, and thanks for participating and giving some question and the interest you have in our company. Yeah, SurfOS remains a significant investment priority for us. We have an operating model in which we are now evolving to execute our go-to-market strategy. We first are starting with our BrokerOS product. We spoke about how our On Demand team has launched that through a Powered by SurfOS program in which we equip independent third-party brokers with the tech-enabled software tool, BrokerOS.

We've seen that be very effective. We're already seeing that have profitable revenue when it was launched it last year, and we're commercializing that further and growing that. It is going to be a big contributor of our On Demand business this year and is supporting why we guided to a higher revenue target for 2026.

Now, we're also still working with – on OperatorOS. We've invited 17 operators to a closed beta, and we're evolving how that go-market strategy will work using their feedback not just on the tool, but how we could potentially commercialize that.

Thirdly, we are targeting an enterprise client with enterprise solutions. That leverages the five-year teaming agreement that we have with Palantir to develop solutions for enterprise customers. With them, within the Part 135 industry, we have exclusivity there, and we also intend to monetize the SurfOS tool that we already are using ourselves to enterprise clients and also develop customized tools for them. We're currently in discussions with various potential clients, including not just operators but also OEMs within the industry.

The bulk of that revenue that we're going to get this year from commercializing SurfOS is going to occur in the second half of the year. We are using – we're deliberately using a very deliberate thoughtful go-to-market strategy on SurfOS, making sure that our products meet the requirements of the industry and our clients and hope to see in the future years that segment of our business truly take off and grow.

Amit Dayal

Analyst, H. C. Wainwright & Co. LLC

Q

Thank you, Deanna. And then with respect to the BETA partnership, is any of that going to come through in 2026 or are these aircraft purchases, etcetera, happening in periods like 2027 and beyond? Just any clarity on how these electric aircrafts are going to be incorporated into your fleet and timelines for these developments?

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

A

Sure. The BETA aircraft order is very unique. We have the opportunity to satisfy the deliveries across their entire product portfolio, which includes cargo, passenger, a CTOL variant, and then a VTOL variant. The CTOL variant is the one that they can certify the soonest. It's the one they're going to be using in the eIPP program. Certification timeline is obviously the biggest hurdle, and the FAA eIPP program that they just announced selection this week is going to expedite the certification process for those who were selected.

BETA is a great partner. They actually were selected in seven of the eight applications. The benefits of that is they will be able to certify the aircraft a lot quicker, even potentially up to a year sooner. We cannot take deliveries and put them into full commercial service until the aircraft is certified, but we have plans to start with the CTOL cargo and move to the passenger variant, and the CTOL can use existing regional airports. It doesn't require the vertiport infrastructure, and so we'll be able to launch the commercial service sooner.

We also intend – even though our companies application in Hawaii with BETA was not selected for the eIPP program, we still intend with BETA in 2026 to do demo flights to start a trial of the cargo version of the CTOL; to begin doing that in 2026 in anticipation of the certification of that aircraft first. And we on the airline operations side, we'll actually begin with cargo services that will generate revenue and then move to passenger using the CTOL and then later the VTOL once it's certified.

Amit Dayal

Analyst, H. C. Wainwright & Co. LLC

Q

Thank you, Deanna. Just one more on the BETA side. I don't know if you can share this at this point, but any color on sort of the improvement in economics from the BETA aircraft processing of these legacy aircrafts? Could you share any details on how adopting the BETA electric aircrafts can improve economics for Surf Air?

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

A

Sure. We anticipate that there'll be a 30% more improvement in operating cost. Where that will come from is two areas: fuel and also maintenance. Right now, considering what's going on in the world with the fuel and the higher fuel prices, these electric aircraft will provide us – mitigating that risk in the future when it happens. But incidentally, we today run our business on the Caravan, which is one of the most fuel-efficient – much more fuel-efficient than a jet or even a commercial airline operator. Our fuel costs are a lot smaller a percentage of our total revenue than a large commercial airline or a jet has. So, we're very fortunate that we are able to have an entire fleet of Caravans that are very fuel-efficient.

We also will benefit from the maintenance. Interesting enough, on an annual basis, a traditional Caravan has to be taken down for routine inspections 24 days out of a calendar year, and the new electric BETA aircraft will only have to be taken out of service for two days for maintenance in a year. So, that improves productivity. To be able to have those planes in the air flying and generating revenue is also the benefit to us from our future business and our operating profits.

Amit Dayal

Analyst, H. C. Wainwright & Co. LLC

Q

Got it. And just maybe one for Oliver. Oliver, maybe at the end of 2026, how will the balance sheet look like? Any sense of where cash and debt levels could be post your investments in SurfOS and other initiatives?

Oliver Reeves

Chief Financial Officer, Surf Air Mobility, Inc.

A

Hey, Amit. But it's very difficult for me to comment on that, but here's what I will say. Because we mentioned in our earnings release and our remarks this afternoon, we are truly pivoting back to growth, and that's why we have guidance within – up 20% to 30% compared to last year. And our guidance of the EBITDA loss of \$50 million to \$40 million reflects significant investments that we've announced, such as the investment in Hawaii, for example, and a very small part of our investments are actually capitalized. So, they really do flow through that number. We believe these investments will generate significant ROI, and it will create shareholder value.

With regard to the recent announcement that we made around BETA, we intend to utilize the strong relationships that we have with lessors, something we've been building over time to get those leased. So, we don't expect a lot of impact from that. And obviously, as Deanna just mentioned, they will significantly improve our profitability. So, we will continue to opportunistically look to refine our balance sheet over time to address these potential investments that we need to make as market conditions allow and to accelerate our growth plans.

Amit Dayal

Analyst, H. C. Wainwright & Co. LLC

Q

Thank you, Oliver. That's all I have, guys. Appreciate it.

Operator: And our next question comes from the line of David Storms with Stonegate. Your line is open.

Dave Storms

Analyst, Stonegate Capital Markets, Inc



Good evening, everyone, and thanks for taking my questions. One, just start with airline operations. Great to see that it was full-year positive on adjusted EBITDA basis. In order for that to become maybe operating level positive, what will that take? Is that volume growth? Is there more room here to exit unprofitable routes that are cost takeouts? Maybe just how does that look?

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.



Thanks, Dave. Thank you for your interest in our company. We see the continued adding of technology from our SurfOS platform that will provide additional optimization for our benefits and reducing our cost in that business. We continue to sustain the high levels of operational efficiency that we developed, the team developed with all their hard work and the transformation from the prior year. But really, technology and the insertion of the technology and the tools that we're making are really going to do a lot in the near term, and in the future the adoption of electric aircraft are going to be the biggest thing, with 30% operating margins improving in the use of that business. I previously in my – in the original – beginning part of the thing, I talked about also, in the airlines operations, additional markets that we're going to be going in.

We're going to go into the cargo market using these BETA aircrafts. And we're also going to be the factory-authorized MRO in the electric aircraft space. The BETA aircraft agreement allows for us to, first, be their exclusive [ph] fast-track learning (00:46:51) center for them in Hawaii with the opportunity in future launch areas. We have a goal to become and in addition to become a premier MRO for the electric aircraft that are all coming to fruition in the near future. And so, that will be another opportunity for us to have additional revenue streams and additional profitability in airline operations.

Dave Storms

Analyst, Stonegate Capital Markets, Inc



That's great color. I appreciate that. Maybe sticking with the BETA partnership, you mentioned in your prepared remarks that you have the optionality to move with them as they move geographies, etcetera. I know Hawaii is kind of a unique situation and serves as a great testing ground, but thinking beyond Hawaii, what seems like the logical next steps for geographic expansion?

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.



So, we don't necessarily want to share what our geographical expansion targets are. It's a competitive advantage to know what we're doing there, but there are a lot of pieces of our current network that we operate where we can easily adopt the electric aircraft from this order, not just in our scheduled passengers, but also in a cargo service. Obviously, we already have an existing network. You can more quickly adopt these aircraft into as opposed to standing up something from scratch in a new targeted market. But we do also have new targeted markets that we don't operate in today that we intend to use these aircrafts for.

An interesting thing, our company has flown for the past decade, millions of passengers, millions of miles. We have done the short-haul routes that all this new technology in electric aircraft needs to have. And so, you can more quickly and efficiently adopt electric aircraft when you already have a network to place the aircraft in. So, we're really excited about the BETA partnership, the order, and what it means for us to be a leader in adopting electrification within our network and within the industry.

Dave Storms

Analyst, Stonegate Capital Markets, Inc

Q

That's a very clear answer. Please don't let me ask you to give away your [ph] added sauce (00:49:03) there. Turning to maybe the Surf On Demand, would love to get your thoughts about maybe any early signs of adoption there. Are you seeing it take a similar trajectory as your previous launches? Just maybe anything else you're seeing there, early returns [indiscernible] (00:49:18).

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

A

So, are you talking about early launch of our Powered by On Demand program? So, that program, similar to like Compass used in the real estate market, that platform, it allows independent brokers to join that program and get the tech-enabled BrokerOS software that helps them more efficiently and quickly close business transactions in the On Demand market, so they can obviously create volume a lot quicker. We've already seen – when that was launched in December of last year already seen the big uptick. We have a pipeline of independent third-party brokers that are already in the pipeline to join that program. We have them apply and then we train them up on that program so we're real excited about all the uptick we've had in that. And as I said, we have increased our 2026 guidance significantly 20% to 30% on the revenue line because of what we see as the big potential in that program and the big potential on the inside to grow that business.

Dave Storms

Analyst, Stonegate Capital Markets, Inc

Q

That's great. I appreciate all the commentary and good luck next quarter.

Operator: And our next question comes from the line of Austin Moeller with Canaccord. Your line is open.

Austin Moeller

Analyst, Canaccord Genuity LLC

Q

Hi. Good afternoon. So, when, timing-wise, should we think about BrokerOS, SurfOS being able to generate revenues both from new customers and from the demo customers?

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

A

Thanks, Austin. Thanks for your interest in our company. We've planned to have that in the first half of 2026. We've publicly said we are commercializing SurfOS products in 2026, but we intend to see more of the revenue in the second half. The revenue is going to be coming from BrokerOS, and it's already happening. We have BrokerOS live within our Powered by Surf On Demand program in which they're using that tool. And as they signed up for that – the third-party brokers signed up for that program, and they're already generating revenue in our Surf On Demand business with that.

We also plan to use the information, like I said, from the enterprise side of the business with our partnering of Palantir. We are in discussions with various stakeholders in the industry OEMs and large operators to either do have them use the tools we've developed and we use every day on our business or to develop customized tools for them. We see a big opportunity to enter into or close a deal like that this year and really excited about the partnership we have with Palantir and the ability to do that.

Austin Moeller

Analyst, Canaccord Genuity LLC

Q

Okay. And then just on the BETA partnership, given your statement that you no longer plan to invest the \$50 million to \$100 million in Caravan electrification project, or I guess the plan here is to continue looking for a JV partner to capitalize that project and otherwise move forward with using the CX300 and the ALIA-250 to do cargo and passenger transport?

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

A

So, Sudhin Shahani, Co-Founder, is here with us, and I'll have him – he manages everything on those strategic initiatives, so I'll have him answer you.

Sudhin Shahani

Co-Founder & Director, Surf Air Mobility, Inc.

A

Hi, Austin. Yeah, to answer your question directly on the Caravan program, we do intend to continue to pursue partnership opportunities. We have talks with a number of people in the supply chain. As Deanna stated, we do not intend to fund it ourselves, but we do believe we have assets that we've created there have real value, and we just see a place for an electrified Caravan at some point in the future, so we are going to continue to explore that.

Austin Moeller

Analyst, Canaccord Genuity LLC

Q

Okay, great. I'll pass it back there. Thank you.

Operator: And there are no further questions at this time. I will now turn the call back to the Surf Air executive team.

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

A

Thank you. We are now going to take some inbound investor questions. They were either submitted via our Say application or via e-mail. The first question, we shifted from our in-house electrification to partnerships. How should investors think about long-term economic ownership in that model? So, Sudhin, I'll turn that question over to you.

Sudhin Shahani

Co-Founder & Director, Surf Air Mobility, Inc.

A

Thanks, Deanna. So, to clarify, our electrification strategy, as prior stated, was really to make money two ways. One, from the operating efficiencies generated by electrified aircraft and the other by providing electrification services to other operators, both hardware- and software-based. Our recently announced partnership with BETA solves for the first and actually improves upon the first, given the amount of capital that BETA has spent developing a clean-sheet designed aircraft, we're in a position to realize greater operating efficiencies, leveraging that aircraft and to maintain a first-mover advantage.

From the services side, we've made a conscious decision to allocate capital towards the SurfOS initiative, where we intend to continue to provide this type of software services that we originally intended to under the electrification program, but benefit on the hardware side from partners like BETA. Also, to recap, we do still

continue to believe we have assets of value in the Caravan program and are continuing to explore ways to monetize those.

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

A

Thanks, Sudhin. The next question is: what are the remaining technical hurdles before the first commercial flight of an electrified aircraft can take place? So, the speed of certification is the largest hurdle to do that. The FAA saw that and created the eIPP program to help OEMs certify quicker, and that's a great step toward and addresses some of those challenges. I find it super exciting that the FAA this week picked BETA for seven of the eight applications. We really picked a really good horse to do a partnership and announced that with this year. We just announced that partnership and those planes, the eIPP program will allow an operator who has participated in those trials to certify their aircraft as much as one year sooner. And so, their participation, BETA's participation will benefit us because we'll be able to take the aircraft that we just ordered earlier than thought since they are going to be able to participate in the eIPP program.

And even though our application with Hawaii and BETA was not one of the one selected, we plan with the State of Hawaii and other partners and BETA to launch demonstration flights in 2026 to deploy electric aircraft to prepare our network in Hawaii to accept the first aircraft from that order that are placed.

The next question is: what is the expected timeline for Surf Air Mobility to reach sustainable profitability? And which revenue segments, regional air operations, electrification or software platform can drive the majority of that profitability? So, today, our revenue comes primarily from our regional airline operations, and we're happy to say that it is profitable today, and we will continue that profitability in 2026. With the introduction of the new electric aircraft that we will be getting with BETA, we plan to use those to launch new routes in the future, and that will improve the profitability in this business because of the operating efficiencies on electric aircraft that I spoke about as far as fuel and maintenance.

Additionally, that business is going to create additional revenue through an OEM and a cargo business, and those businesses we plan to launch using the BETA partnership and a BETA aircraft order.

In 2026, the majority of our growth in revenue will be coming from our On Demand charter business. We'll be growing revenues and margins, and that will happen due to the use of technology we've been talking about and our Powered by Surf On Demand program and additional supplier contracts and agreements that we have with our wholesale suppliers.

On the SurfOS side, we are taking a deliberate approach to how we commercialize that in 2026 with much higher growth coming in the future year as software up a greater portion of our revenue, in later years, the profitability of our business will increase due to software's higher margins.

Next question is: are there active discussions with OEMs and eVTOL manufacturers to integrate SurfOS as the native aircraft operating platform?

The answer to that is yes. We are actively in discussions with stakeholders within the aviation community, particularly where, for enterprise customers, we're using the Palantir teaming agreement that we have for exclusivity in the Part 135 world to develop software solutions for these large enterprise customers, like an OEM, like a large operator, or like a large broker. As we progress through those discussions, we will provide updates on our progress and make any announcements when the final agreements are closed.

Lastly, the question is: how quickly is the On Demand charter segment growing, and what percent of revenue could it represent over the next two years?

Our On Demand charter business is our fastest-growing part of our business. It's been – it's the primary contributor to our raised revenue guidance where we're achieving that through the deployment of our software technology and our new programs like our BrokerOS, Powered by Surf On Demand program. We see real opportunities also in the future to deploy the electric aircraft, not only in our scheduled service but in our On Demand platform. The BETA aircraft agreement allows us to take the deliveries either on our certificate and operate them in either scheduled service or On Demand.

We can also lease them to an individual owner as long as they're managed by us on our platform on our certificate, and we can also provide them to operate other operators. We do -we have relationships with over 400-plus operators currently in our On Demand business, and we can also use that. So, we will be able to expand our revenue in our market over time. The On Demand business is going to be our clearest near-term benefit of operationalizing our SurfOS technologies, and we're really excited about what that's going to do to us this year.

Deanna White

Chief Executive Officer & Chief Operating Officer, Surf Air Mobility, Inc.

Before we close the call, I would like to mention that we are participating in the ROTH 38th Annual Growth Stock Conference on March 23 and 24. We look forward to meeting with institutional investors there, so please contact your ROTH sales representative to schedule a meeting with us.

To end this call, I like to thank all of you for joining, and we look forward to reporting our Q1 results in early May. Thank you.

Operator: And, ladies and gentlemen, this concludes today's call. We thank you for your participation. You may now disconnect.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2026 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.