

# Four-phase Transformation Plan

We are building the air mobility platform  
that will transform regional flying

2024



## PHASE 1: TRANSFORMATION | COMPLETE

The first phase of the Transformation Plan is now complete. The Transformation phase was centered around four key initiatives: 1) improving the Company's capital structure, 2) strengthening the Company's balance sheet, 3) appointing the right management team, and 4) realizing M&A synergies from the Company's merger with Southern Airways.

Surf Air addressed these key initiatives in the following ways: 1) improved its capital structure by securing \$50 million in funding and extended the maturities of other secured debt until December 31, 2028, 2) strengthened its balance sheet by addressing past liabilities totaling approximately \$70 million with an expected target reduction of greater than 50%, 3) hired and promoted leaders with decades of aviation experience across the organization, and 4) realized M&A synergies totaling approximately \$6.5 million.

2025-2026

## PHASE 2: OPTIMIZATION

Surf Air is now entering the second phase of its Transformation Plan: Optimization. This phase of the plan is focused on maximizing the profitability of the Company's scheduled service and On Demand charter operations.

As part of scheduled service optimization, the Company is implementing systems and processes to measure and drive efficiencies against real-time operational and financial KPIs. The Company is also addressing its deferred maintenance backlog to improve aircraft availability and flight completion rates. In parallel, the company is exiting unprofitable routes and redeploying aircraft. Through this reallocation of aircraft assets, Surf Air is calibrating the timing of its purchases of new aircraft to match the timing of its route expansion phase in 2026 and 2027. As a result of these initiatives, management expects airline operations to become profitable in FY 2025.

As part of the recalibration of its On Demand business, Surf Air's go-forward strategy focuses on expanding market share in the higher margin jet category, securing inventory through advance volume purchase agreements and pursuing international partnerships. These efforts will drive revenue growth and profitability in the On Demand business over time.

Finally, the Company anticipates that further implementation of its SurfOS software solutions, which it is developing with Palantir, will continue throughout the Optimization phase to drive productivity and efficiency improvements across the organization.

## PUBLIC MARKET COMPS



BLADE

SkyWest  
AIRLINES

2026-2027

## PHASE 3: EXPANSION

The Company anticipates entering the third phase of its Transformation Plan, Expansion, in FY 2026. During this phase, the Company will profitably expand its network by launching new tier-1 routes in regions across the U.S., using data-driven insights to quantify and qualify route attractiveness. As a base case, tier-1 routes will be selected for profitability using current combustion aircraft with further margin improvements anticipated once electrified planes are commercialized.

Alongside this network expansion, Surf Air anticipates pursuing additional joint venture opportunities that leverage the Company's scale, to separately capitalize high-growth initiatives with strategic partners.

During the Expansion phase, SurfOS will be broadly marketed to third-party customers (including air operators, charter brokers, and aviation OEMs) through the Surf Air Technologies LLC venture entity with Palantir, and will begin to develop revenue traction. As the largest commuter airline in the U.S. by scheduled departures, Surf Air is uniquely positioned to develop, test, and deploy software solutions that will power the emergence and growth of the Regional Air Mobility segment, which McKinsey & Co. estimates will grow to between \$75 billion and \$115 billion globally by 2035.

## PUBLIC MARKET COMPS

appfolio Sabre

2027+

## PHASE 4: ACCELERATION

The Company anticipates entering the last phase of its Transformation Plan, Acceleration, in FY 2027. During this phase, Surf Air plans to spur revenue growth and margin expansion by leveraging its air mobility platform to accelerate the adoption of new aviation technologies—its own and that of others—and leverage the network effects of its operator platform to emerge as a category leader.

A key focus of the Acceleration phase is the certification of the Company's proprietary electrified powertrain technology for the Cessna Grand Caravan, which Surf Air currently anticipates will occur within the framework of a joint venture with a leading industry partner. Post-certification of its electrified powertrain technology, Surf Air will leverage its exclusive sales and marketing relationship with Textron Aviation, a leading general aviation manufacturer and Cessna owner, to commercialize these powertrains.

## PUBLIC MARKET COMPS

Uber

airbnb

Joby

ARCHER

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