STONEGATE CAPITAL PARTNERS

AUGUST 11, 2026

INDUSTRY: AVIATION

RESEARCH UPDATE

SURF AIR MOBILITY INC. (NYSE: SRFM)

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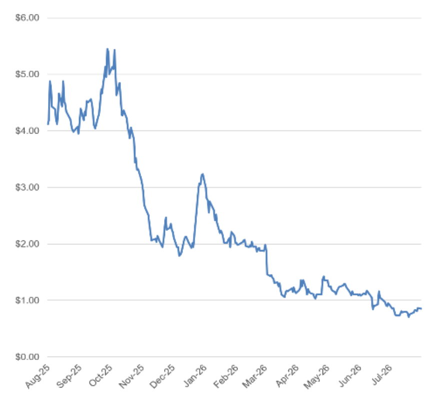
Market Statistics in USD	
Price	$ 0.85
52 week Range	$0.67 - $6.17
Daily Vol (3-mo. average)	6,013,503
Market Cap (M)	$ 94.9
Enterprise Value (M)	$ 160.3
Shares Outstanding:	111.6
Float (M)	93.4

Financial Summary in USD	
Cash (M)	$ 48.4
Cash/Share	$ 0.43
Pro Forma Debt (M)	$ 72.1

Valuation in USD	
Valuation Range	$3.50 - $4.25
2027E Price Target	$ 3.88

FYE: Dec	2025	2026E	2027E
(all figures in M, expect per share information)			
Rev	$ 106.6	$ 133.3	$ 165.9
Chng%	-11%	25%	24%
EBITDA	$ (41.7)	$ (28.4)	$ (11.1)
Net Income	$ (110.6)	$ (68.4)	$ (41.3)
EPS	$ (3.15)	$ (0.75)	$ (0.42)
EV/Revenue	1.9x	1.2x	1.0x
EV/EBITDA	N/A	N/A	N/A
P/E	N/A	-1.1x	-2.0x



COMPANY DESCRIPTION

Surf Air Mobility Inc. is a pioneering company in the advanced air mobility sector, headquartered in Los Angeles, California. The Company operates a comprehensive air mobility platform that includes scheduled routes and on-demand charter flights, primarily in the United States. This platform is supported by SRFM's Surf OS software platform. The Company is dedicated to transforming regional air travel by bringing to market both software and electrification technology. Surf Air aims to facilitate regional point-to-point travel by leveraging the more than 5,000 public-use airports in the U.S. and, over time, electric and hybrid-electric propulsion technologies that could reduce the cost and environmental impact of regional flights.

Company Updates

Results: SRFM's 2Q26 results improved the forward setup, with revenue at the high end of guidance despite elevated fuel costs and Hawaii weather disruption, while the first SurfOS enterprise contract advanced commercialization. Revenue increased 8% y/y and 15% q/q to $29.5M, versus guidance of $27M-$30M, while adjusted EBITDA loss narrowed to $10.5M from $12.3M q/q, though widened from $9.5M in 2Q25. SRFM is moving beyond restructuring, with earnings supported by On Demand growth, structural airline efficiencies, initial SurfOS revenue expected in 2H26, lower financing pressure, and what we believe is a trough in scheduled service as route-exit headwinds begin to moderate.

Air Mobility: Scheduled service revenue declined 19% y/y to $17.4M as SRFM continued exiting unprofitable routes, while Mokulele revenue increased approximately 7% y/y and 15% q/q. Controllable completion factor reached 98%, with on-time departures of 83% and arrivals of 88%. OperatorOS savings offset approximately $0.5M of above-plan fuel costsManagement views these OperatorOS savings as structural. Surf On Demand remained the primary growth driver, with revenue up 101% y/y to $12.1M, departures up approximately 67%, and revenue per flight up 25% as mix shifted toward larger aircraft and longer flights. Legacy commitments remain a declining margin drag. New Cargo, Wholesale, and Powered by Surf On Demand lines represented approximately 14% of 1H26 charter revenue and were all gross margin positive.

Software: SurfOS reached a commercial milestone with Wheels Up becoming the launch Enterprise BrokerOS customer under a contract worth up to $12M. Management indicated the agreement should contribute approximately $2M in 2026 and $4M in 2027, with integration underway. The relationship also expands Surf Air's engagement with Palantir, creating a potentially self-reinforcing commercial cycle in which additional enterprise customers drive deeper Palantir deployments. OperatorOS and OwnerOS remain on track for a 4Q26 commercial launch, while management expects to secure another enterprise contract by year-end. Powered by Surf On Demand has onboarded 50 brokers, halfway to its 100-broker year-end target.

Electrification: BETA began ALIA electric cargo demonstration flights across Hawaii in June with Hawaiian Airlines support, supporting SRFM's planned electric passenger launch in Hawaii while providing critical data.

Outlook: Management reaffirmed FY26 revenue guidance of $128M-$138M and adjusted EBITDA loss guidance of $30M-$25M, while introducing 3Q26 revenue guidance of $35.5M-$37.5M and adjusted EBITDA loss guidance of $7M-$4M. The expected 2H improvement reflects On Demand growth, seasonal strength, moderating route-exit comparisons, improving airline earnings, and initial SurfOS revenue. Post-quarter financing reduced convertible principal by 64% and monthly cash amortization by up to 50%, while total debt has declined approximately 50% over the last year and maturities have been extended. The balance-sheet improvement increasingly supports the operating model where incremental working capital can secure charter supply at negotiated wholesale rates, providing a direct path to higher On Demand margins as SRFM exits a heavier CapEx cycle and management expects FCF conversion to improve.

Valuation: We are using an EV/Revenue framework to inform our SRFM valuation. Currently SRFM is trading at a FY27 EV/Revenue of 1.0x compared to comps at a median of 2.0x. We are using our FY27 expected revenue and an EV/Revenue range of 2.5x to 3.0x, with a midpoint of 2.75x. This arrives at a valuation range of $3.50 to $4.25, with a price target of $3.88.

Valuation

When creating a valuation for SRFM we rely on a comparative analysis. When selecting comparable companies for SRFM we note the current position of the company between a legacy passenger airline and an advanced, tech-enabled, air mobility company. Finding legacy comps is fairly straightforward, albeit limited given the small number of publicly traded comps. For tech enabled comps we had a broader number of companies to choose from that we think accurately capture the path that SRFM is on.

Comparative Analysis
(all figures in M, except per share information)

					EV/Revenue (2, 3)			EV/EBITDA (2, 3)			EBITDA Margin (2, 3)		
Company Name	**Symbol**	**Price (1)**	**Mrkt Cap**	**EV**	**2025**	**2026E**	**2027E**	**2025**	**2026E**	**2027E**	**2025**	**2026E**	**2027E**
Airbnb, Inc.	ABNB	$184.70	$108,896.5	$ 99,323.5	6.0x	7.03x	6.32x	28.3x	19.7x	17.3x	N/A	2.8%	2.7%
Archer Aviation Inc.	ACHR	$ 6.26	$ 4,755.1	$ 3,343.4	13188.0x	217.75x	36.48x	N/A	N/A	N/A	N/A	0.0%	-0.1%
AppFolio, Inc.	APPF	$199.54	$ 7,067.1	$ 6,881.2	8.62x	6.13x	5.23x	49.0x	21.4x	17.3x	5.7%	3.5%	3.3%
Sabre Corporation	SABR	$ 2.07	$ 835.4	$ 4,502.5	1.49x	1.56x	1.50x	10.6x	7.5x	7.2x	7.2%	4.8%	4.8%
Uber Technologies, Inc.	UBER	$ 78.03	$159,381.0	$ 165,208.0	3.26x	2.85x	2.47x	26.8x	14.5x	11.9x	8.2%	5.1%	4.8%
				Average	**2641.5x**	**47.1x**	**10.4x**	**28.7x**	**15.8x**	**13.4x**	**7.0%**	**3.2%**	**3.1%**
				Median	**6.0x**	**6.1x**	**5.2x**	**27.6x**	**17.1x**	**14.6x**	**7.2%**	**3.5%**	**3.3%**
JetBlue Airways Corporatio	JBLU	$ 5.64	$ 2,128.0	$ 9,494.0	1.01x	0.92x	0.85x	N/A	22.5x	7.8x	N/A	24.5%	9.2%
Jet.AI Inc.	JTAI	$ 1.86	$ 2.6	$ (10.5)	N/A	N/A	N/A	N/A	3.2x	4.3x	N/A	-1.5%	-2.1%
SkyWest, Inc.	SKYW	$107.67	$ 4,180.6	$ 5,963.8	1.42x	1.37x	1.31x	5.8x	6.0x	5.6x	4.1%	4.4%	4.3%
Frontier Group Holdings, In	ULCC	$ 6.78	$ 1,560.9	$ 5,847.9	1.54x	1.22x	1.11x	N/A	6.0x	5.0x	N/A	4.9%	4.5%
				Average	**1.3x**	**1.2x**	**1.1x**	**5.8x**	**9.4x**	**5.7x**	**4.1%**	**8.1%**	**4.0%**
				Median	**1.4x**	**1.2x**	**1.1x**	**5.8x**	**6.0x**	**5.3x**	**4.1%**	**4.6%**	**4.4%**
				Average	**1651.4x**	**29.9x**	**6.9x**	**24.1x**	**12.6x**	**9.6x**	**6.3%**	**5.4%**	**3.5%**
				Median	**2.4x**	**2.2x**	**2.0x**	**26.8x**	**11.0x**	**7.5x**	**6.4%**	**4.4%**	**4.3%**
Surf Air Mobility Inc.	NYSE:SRFM	$ 0.85	$ 94.9	$ 160.3	1.9x	1.2x	1.0x	N/A	N/A	N/A	N/A	N/A	N/A

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forward estimates as of calendar year
Source: Company reports, CapitalIQ, Stonegate Capital Partners

With SRFM still operating below positive EBITDA, we believe EV/Revenue remains the most appropriate framework for assessing valuation. Legacy peers trade at a median FY27 EV/Revenue multiple of 1.1x, compared with 5.2x for the tech-enabled group; excluding ACHR, the tech-enabled median remains 3.8x. Across the combined peer set, FY27 EV/Revenue is 2.0x including ACHR and 1.5x excluding ACHR.

We apply a 2.5x-3.0x FY27 EV/Revenue range, with a 2.75x midpoint, positioning SRFM at a premium to legacy airlines but below the tech-enabled peer group. We believe this appropriately reflects the Company's current transition: SurfOS has secured its first enterprise customer, On Demand continues to scale, airline efficiencies are improving the earnings profile, and recent financing actions have reduced debt and near-term cash requirements. Importantly, incremental working capital should also support On Demand margins by allowing SRFM to secure charter supply at negotiated wholesale rates.

Further SurfOS commercialization, sustained On Demand margin improvement, continued airline profitability gains, and better FCF conversion could support convergence toward tech-enabled peer multiples over time. Applying our selected range produces an implied value of $3.50-$4.25 per share, with a midpoint of $3.88.

EV/Revenue			
2027E	**2.50x**	**2.75x**	**3.00x**
Revenue	165.9	165.9	165.9
TEV	414.7	456.2	497.7
Cash	48.4	48.4	48.4
Debt	72.1	72.1	72.1
Mrkt Cap	391.1	432.5	474.0
S/O	111.6	111.6	111.6
Price	**$ 3.50**	**$ 3.88**	**$ 4.25**

Business Overview

Surf Air Mobility Inc. ("Surf Air", "the Company", or "SRFM") is a pioneering company in the advanced air mobility sector, headquartered in Los Angeles, California. The Company operates a comprehensive air mobility platform that includes scheduled routes and on-demand charter flights, primarily in the United States. This platform is supported by SRFM's Surf OS software platform, which is being developed in partnership with Palantir and is expected to significantly improve the efficiency and profitability of the regional air mobility market. The Company is dedicated to transforming regional air travel by bringing to market both software and electrification technology. These technological advancements are expected to underpin the Surf Air platform and support the rapid expansion of regional air mobility. Surf Air aims to facilitate regional point-to-point travel by leveraging the more than 5,000 public-use airports in the U.S. and, over time, electric and hybrid-electric propulsion technologies that could reduce the cost and environmental impact of regional flights. The Company trades on the NYSE under the ticker symbol "SRFM".

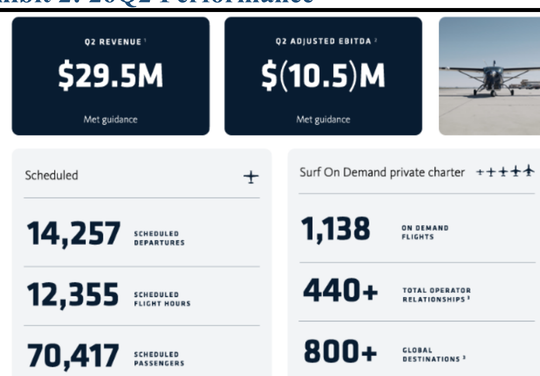
Exhibit 1: Surf Air Mobility Overview

Source: Company Reports

Since 2011, Surf Air Mobility has grown to become one of the largest commuter airlines in the U.S. by scheduled departures. The Company's fleet includes a variety of aircraft, such as Cessna Caravans and Pilatus PC-12s which are integral to its operations. Surf Air Mobility's business model is built around providing efficient, cost-effective, and environmentally friendly air travel solutions. The Company is also focused on developing proprietary software to enhance operational efficiency and customer experience, in collaboration with industry leaders like Palantir Technologies.

Surf Air Mobility's strategic vision includes a four-phase transformation plan *(see Transformation Plan)* aimed at optimizing airline operations, recalibrating its on-demand business, commercializing SurfOS, and deploying electrified aircraft across its network. This plan is designed to strengthen the Company's financial position, improve operational efficiencies, and expand its market presence. With a commitment to innovation and sustainability, Surf Air Mobility is poised to lead the regional air mobility market into a new era of electrified aviation.

Exhibit 2: 26Q2 Performance



Source: Company Reports

Segment Overview

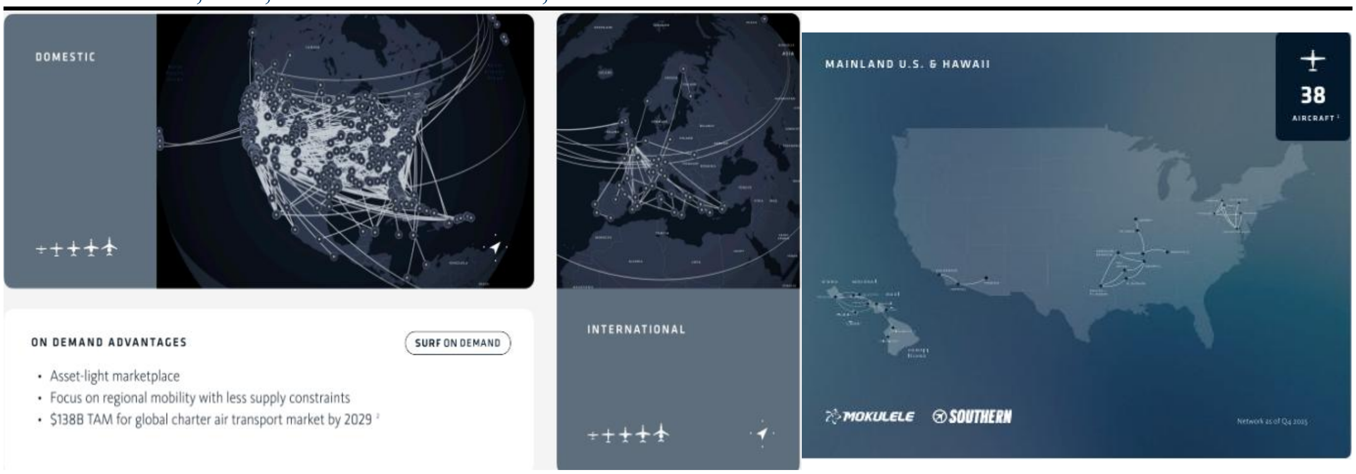
Surf Air Mobility operates through two primary business segments: Air Mobility and Air Technology.

Air Mobility: This segment encompasses the Company's core operations, including scheduled air services and on-demand charter flights. Surf Air Mobility provides regional air travel solutions through its extensive network of routes across the mainland U.S. and Hawaii. The Company's scheduled air service is supported primarily by its Cessna Caravan fleet. During 2Q26, SRFM took delivery of two additional Caravans, positioning its newest aircraft on higher-value routes as part of its ongoing fleet modernization efforts.

In 2025, Surf Air Mobility flew over 299,639 scheduled passengers over 60,117 scheduled departures, with an additional 2,929 on demand flights. The Company also operates under the Essential Air Service (EAS) program, which ensures air connectivity for small communities and underserved markets. Once optimized, this program is poised to provide significant tailwinds to SRFM in the future. While the Company is presently exiting unprofitable routes, future tailwinds include both an increase in the subsidy cap as well as costs becoming an equal consideration when DOT is selecting air carriers. These tailwinds are expected to both increase the Company's subsidy revenues as well as increasing volumes due to Surf Air's competitive low cost positioning.

The Air Mobility segment is integral to Surf Air Mobility's mission of transforming regional air travel. By offering both

Exhibit 3: SAS, EAS, Domestic On Demand, and International On Demand Routes

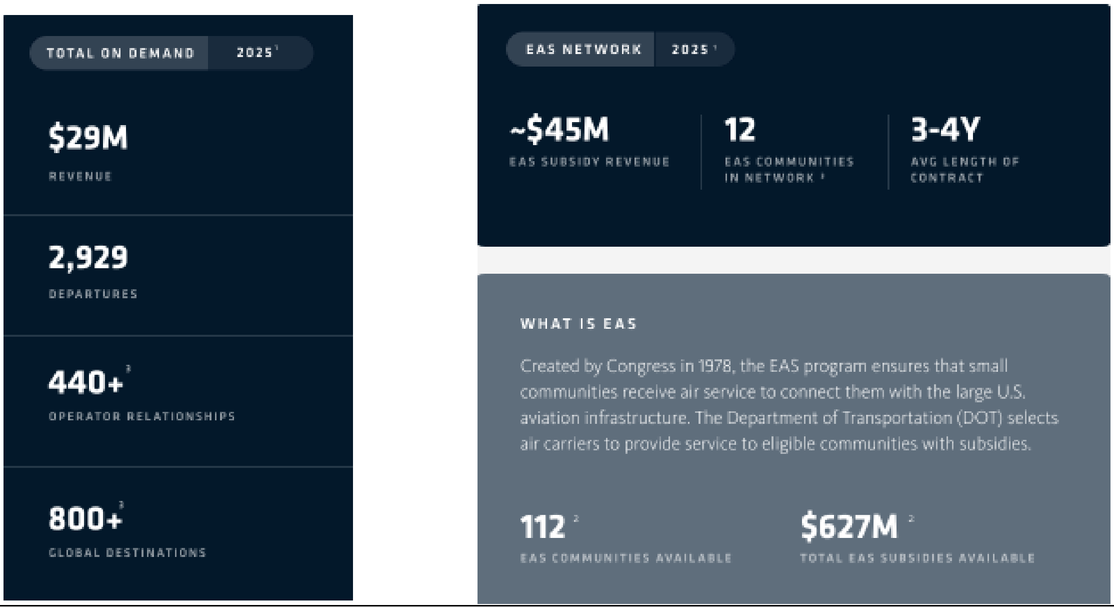


Source: Company Reports

scheduled and on-demand services, the Company caters to a diverse customer base, ranging from business travelers to leisure passengers. The scheduled services provide reliable and regular connections between key regional destinations, while the on-demand charter flights offer flexibility and convenience for those requiring quicker, premium solutions for air travel. Additionally, the EAS program plays a crucial role in maintaining air service to remote and underserved areas.

The Company's strong and extensive network in Hawaii, for example, demonstrates the potential of regional air mobility. This makes Hawaii the perfect testing grounds for the Company as it further fine tunes and leverages the benefit of scale it has over competitors. Hawaii also presents an ideal market for SRFM to launch and to test electrified planes as that technology comes online.

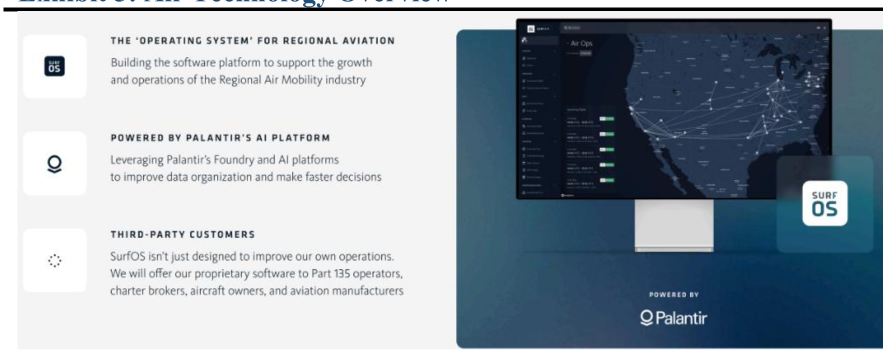
Exhibit 4: EAS & On-Demand Growth



Source: Company Reports

Air Technology: The Air Technology segment is pivotal to Surf Air Mobility's long-term strategy of creating a more efficient regional air travel ecosystem. The segment focuses on the commercialization of SurfOS and supporting the adoption of next-generation electric aircraft through strategic partnerships. SRFM's electrification strategy is now centered on BETA Technologies, including a firm order for 25 ALIA all-electric aircraft, options for up to 75 additional aircraft, and SRFM's designation as BETA's launch operator for commercial passenger electric service. The partnership also positions SRFM to establish BETA factory-authorized service centers in launch regions while eliminating up to $100M of planned capital expenditure associated with the Company's prior Cessna Caravan powertrain electrification program. SurfOS, developed in collaboration with Palantir, is designed to improve efficiency and reduce costs for operators, brokers, owners, and aviation OEMs.

Exhibit 5: Air Technology Overview



Source: Company Reports

Surf Air Mobility's partnership with Palantir Technologies is a key component of this strategy, leveraging Palantir's AI and data analytics capabilities as well as its salesforce Surf Air will be able to optimize operations and improve decision-making processes. The Company's proprietary software platform, SurfOS, is designed to support the advanced air mobility industry by providing comprehensive tools for scheduling, pricing, and operational management. This platform is not only intended to enhance Surf Air Mobility's own operations but also to be offered to other operators, charter brokers, and aviation manufacturers, thereby driving industry-wide improvements.

In addition to software development, the Air Technology segment is focused on enabling the adoption of electrified aircraft across regional aviation. SRFM's electrification strategy is now centered on its strategic partnership with BETA Technologies, which includes a firm order for 25 BETA ALIA all-electric aircraft, options for up to 75 additional aircraft, and SRFM's designation as BETA's launch operator for commercial passenger electric service. The partnership also positions SRFM to establish BETA factory-authorized service centers, with exclusivity in launch regions. Importantly, the agreement allowed the Company to eliminate up to $100M of planned capital expenditure tied to its Cessna Caravan powertrain electrification program, while preserving longer-term optionality for the electric Caravan through potential partner-led paths.

Overall, Surf Air Mobility's dual focus on Air Mobility and Air Technology positions the Company to lead the regional air mobility market into a new era of electrified aviation. By combining operational excellence with cutting-edge technology, Surf Air Mobility is well-equipped to meet the growing demand for efficient, cost-effective, and environmentally friendly air travel solutions.

Transformation Plan

Surf Air Mobility has outlined a comprehensive Four-Phase Transformation Plan designed to enhance its operational efficiency, financial stability, and market position. This strategic plan is structured to guide the Company through a series of targeted initiatives from 2024 to beyond 2027, ensuring sustainable growth and profitability.

Phase 1: Transformation (2024)

The first phase, now complete, focused on transforming the Surf Airs foundational aspects. Key initiatives included:

1. **Improving Capital Structure**: Surf Air Mobility secured $50 million in funding and extended the maturity of other secured debts to December 31, 2028. This move significantly strengthened the Company's financial position.

2. **Strengthening the Balance Sheet**: The Company addressed past liabilities totaling approximately $70 million, with a targeted reductions and refinancing. These efforts have put the Company on a foreseeable path to be debt free.

3. **Leadership Enhancement**: Surf Air Mobility appointed experienced leaders across the organization, bringing decades of aviation expertise to drive the Company's strategic goals.

4. **Realizing M&A Synergies**: Following its merger with Southern Airways, the Company achieved M&A synergies amounting to approximately $6.5 million, enhancing operational efficiencies and cost savings.

Phase 2: Optimization (2025-2026)

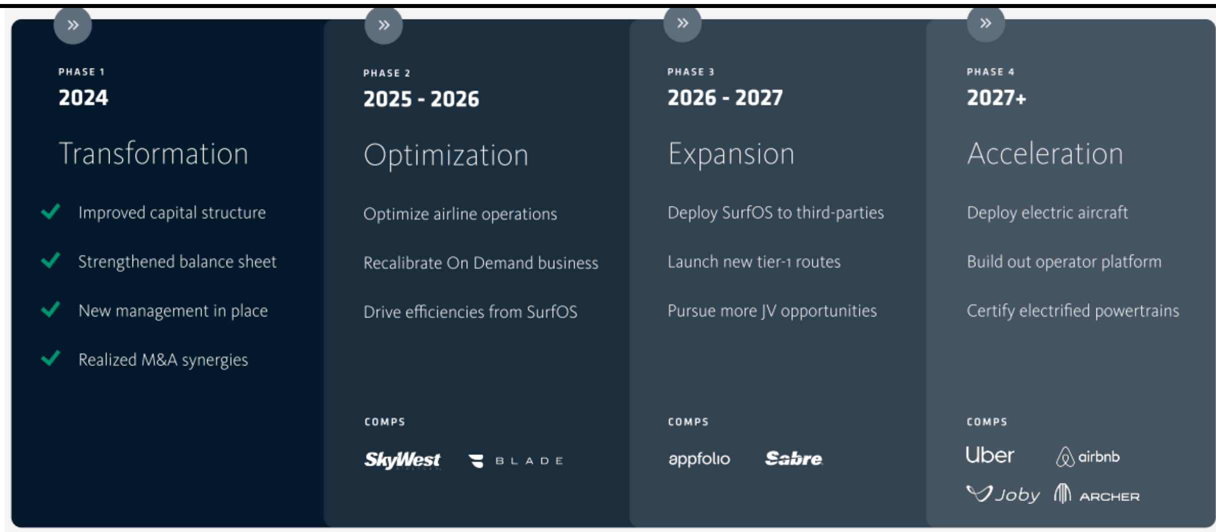
The second phase is now complete – Optimization - aimed to maximize the profitability of Surf Air Mobility's scheduled services and on-demand charter operations. Key focus areas included:

1. **Scheduled Service Optimization**: The Company is implementing systems and processes to measure and drive efficiencies against real-time operational and financial KPIs. Having addressed deferred maintenance backlogs, the Company has improved aircraft availability and flight completion rates. Additionally, Surf Air Mobility has exited unprofitable routes and redeploying aircraft to more lucrative markets. This strategic reallocation of assets has contributed to the generation of positive segment EBITDA for FY25.

2. **On-Demand Business Recalibration**: The Company focused on expanding its market share in the higher-margin jet category, securing inventory through advance volume purchase agreements, and pursuing international partnerships. These efforts drove revenue growth and profitability in the on-demand segment.

3. **SurfOS Implementation**: The continued implementation of SurfOS software solutions, developed in collaboration with Palantir, is expected to continue driving productivity and efficiency improvements across the organization beyond the optimization phase.

Exhibit 6: 4-Phase Transformation Overview



Source: Company Reports

Phase 3: Expansion (2026-2027)

The third phase, Expansion, began in FY 2026. This phase focuses on profitable network expansion and leveraging data-driven insights to identify and launch new tier-1 routes across the U.S. Key initiatives include:

1. **Network Expansion**: Using data-driven insights, Surf Air Mobility will quantify and qualify route attractiveness, selecting tier-1 routes for profitability using current combustion aircraft. Further margin improvements are anticipated once electrified planes are commercialized. Currently the US has ~5,000 underutilized public airports with 90% of Americans living within a 30-minute drive of one of these airports. This presents an attractive opportunity for SRFM to expand its network.

2. **Joint Venture Opportunities**: The Company plans to pursue additional joint ventures to capitalize on high-growth initiatives with strategic partners, leveraging its scale and market presence. It is these JV opportunities that will give SRFM the advantage as it capitalizes on its electrification efforts as well as its software venture.

3. **SurfOS Marketing**: SurfOS will be broadly marketed to third-party customers, including air operators, charter brokers, and aviation OEMs, through the Surf Air Technologies LLC venture with Palantir. This initiative aims to develop revenue traction and establish SurfOS as a leading software solution in the regional and advanced air mobility segment.

Phase 4: Acceleration (2027+)

The final phase, Acceleration, is anticipated to commence in FY 2027. This phase focuses on leveraging Surf Air Mobility's platform to accelerate the adoption of new aviation technologies throughout the platform thus driving significant revenue growth and margin expansion. Key initiatives include:

1. **Electrification Through Partnership**: A key focus will be the deployment of electric aircraft through SRFM's strategic partnership with BETA Technologies. The Company has positioned itself as a key operating partner in this realm while also eliminating up to $100M of planned capital expenditure related to the Cessna Caravan powertrain electrification program, further preserving longer-term optionality through potential partner-led paths

2. **Commercial Electric Aviation Infrastructure**: Commercial Electric Aviation Infrastructure: BETA began ALIA electric cargo demonstration flights across Hawaii in June 2026 with Hawaiian Airlines support, marking an important operating milestone ahead of SRFM's planned electric passenger service. Post-certification and deployment, SRFM expects to support BETA's commercial rollout through its airline operating footprint, particularly in Hawaii, where management plans to begin BETA cargo demonstration flights. The partnership also positions SRFM to establish BETA factory-authorized service centers, with exclusivity in launch regions, creating a potentially broader role in electric aircraft operations, service, and infrastructure.

3. **Leveraging Network Effects**: The Company will utilize the network effects of its operator platform to emerge as a category leader in regional air mobility, capitalizing on its position as one of the largest commuter airlines in the U.S. by scheduled departures.

Market Overview

The regional air mobility market is undergoing a transformative phase, driven by technological advancements, regulatory support, and increasing demand for sustainable transportation solutions. The market is expected to experience substantial growth over the next decade, with projections indicating a global market size of $75 billion to $115 billion by 2035. In the United States alone, the market is anticipated to reach between $15 billion and $22 billion by the same year. This growth is fueled by several key factors that are reshaping the landscape of regional air travel.

Technological Advancements: One of the primary drivers of growth in the regional air mobility market is the rapid advancement in electric and hybrid-electric propulsion technologies. Companies like Surf Air Mobility are participating in this transition through strategic partnerships designed to accelerate the deployment and commercialization of electric aircraft. SRFM's current electrification strategy is centered on its partnership with BETA Technologies rather than internally funded powertrain development.

Regulatory Support and Government Initiatives: The regulatory environment is increasingly supportive of sustainable aviation solutions. Governments and regulatory bodies are implementing policies and incentives to promote the adoption of electric and hybrid-electric aircraft. In the United States, programs like the Essential Air Service (EAS) ensure that small and remote communities remain connected to the broader aviation network. These programs provide financial support to airlines, enabling them to offer services to areas that might otherwise be unprofitable. Such initiatives are crucial for maintaining regional connectivity and supporting the growth of the regional air mobility market.

Market Demand and Consumer Preferences: There is a growing demand for convenient, efficient, and sustainable transportation options. Consumers are increasingly prioritizing environmental sustainability in their travel choices, and regional air mobility offers a compelling solution. The ability to provide quick and direct connections between regional destinations without the need for extensive ground transportation is a significant advantage. This is particularly relevant in regions with limited infrastructure or challenging geography, where traditional transportation options may be less viable.

Strategic Partnerships and Industry Collaboration: The regional air mobility market is characterized by a high degree of collaboration between various stakeholders, including airlines, technology developers, and regulatory bodies. Strategic partnerships are essential for driving innovation and accelerating the adoption of new technologies. Surf Air Mobility's collaboration with Palantir Technologies, for example, leverages advanced data analytics and AI to optimize operations and enhance service delivery. Such partnerships are instrumental in developing integrated solutions that address the complex challenges of regional air mobility.

Economic and Environmental Benefits: The economic and environmental benefits of regional air mobility are significant. Electrified aircraft are expected to reduce operating costs by lowering fuel consumption and maintenance expenses. This, in turn, can lead to lower ticket prices and increased accessibility for passengers. Additionally, the reduction in carbon emissions aligns with global efforts to combat climate change and promote sustainable development. The adoption of electric and hybrid-electric aircraft is a critical step towards achieving these environmental goals.

In summary, the regional air mobility market is poised for significant growth, driven by technological advancements, regulatory support, and increasing consumer demand for sustainable transportation solutions. Companies like Surf Air Mobility are well-positioned to capitalize on these trends, leveraging their expertise and strategic partnerships to lead the market into a new era of electrified aviation. The continued development and adoption of electric and hybrid-electric aircraft will be key to realizing the full potential of regional air mobility, offering economic, environmental, and social benefits.

Risks

Changes in government policies – The Essential Air Service is reliant upon government policies for rate setting and demand. Changes to government regulations could have adverse effects on the Company's business.

Loss of key partnerships – The Company is currently a part of several key partnerships to drive innovation. Any significant changes in or losses of these key partnerships could have adverse effects on the Company's business.

Unproven technology – Should the Company bring any or all of its assets to market, there is no guarantee that a profitable market will exist for those products. While we are encouraged by the current market outlook for electronic powertrains these current expectations may differ from future results.

Geographic concentration – The Company drives a significant percentage of its revenues from its Hawaiian operations. This geographic concentration increases the Company's risk while SRFM is working to expand its offerings into the Air Technology subsegment.

BALANCE SHEET

Surf Air Mobility Inc.
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26
Cash & cash equivalents	7.4	0.7	0.0	1.7	21.1	6.6	22.6	7.1	12.7	12.7	4.2	18.4
Accounts receivable	0.2	0.0	0.2	5.0	4.3	4.7	5.3	5.0	3.9	3.9	3.7	4.8
Pepaid expenses & other current assets	0.8	1.2	7.8	11.1	8.5	8.6	10.8	9.9	14.3	14.3	13.2	18.1
Total Current Assets	**8.4**	**1.9**	**7.9**	**17.7**	**33.9**	**20.0**	**38.7**	**22.0**	**30.9**	**30.9**	**21.1**	**41.3**
Restriced Cash	0.1	0.9	0.9	0.7	0.6	0.6	5.0	0.1	10.1	10.1	10.2	0.1
Property and Equipment (PP&E)	0.6	0.7	0.6	46.0	42.2	39.7	42.0	43.5	45.6	45.6	47.4	52.4
Intangiable Assets	2.6	4.1	3.1	26.7	23.1	22.3	21.5	20.8	20.1	20.1	19.3	18.6
Operating Lease Assets	-	-	1.1	12.8	17.0	15.6	15.0	13.7	12.5	12.5	11.4	14.5
Finance Lease Assets	-	-	-	1.3	1.1	1.0	1.0	0.9	0.8	0.8	0.7	0.7
Other Assets	-	-	-	5.7	6.1	6.1	5.8	5.8	11.7	11.7	10.8	13.2
Total Assets	**11.7**	**7.6**	**13.7**	**111.0**	**124.1**	**105.3**	**129.0**	**106.8**	**131.7**	**131.7**	**120.8**	**140.7**
LIABILITIES AND SHAREHOLDERS' EQUITY												
Accounts Payable	8.8	14.0	12.9	18.9	18.0	17.8	19.5	16.4	18.4	18.4	21.1	22.1
Accrued expenses and other current liabilities	11.6	13.2	14.7	59.6	45.5	48.3	49.6	47.5	47.7	47.7	41.3	42.0
Deferred revenue	3.1	5.2	7.8	19.0	17.4	16.6	17.9	16.0	17.9	17.9	18.6	30.2
Current maturities of long-term debt	-	-	-	5.2	2.5	2.6	2.6	2.7	2.7	2.7	2.7	12.6
Operating lease liabilities	-	-	0.9	4.1	4.1	3.9	3.8	3.7	3.6	3.6	3.6	4.3
Finance lease liabilities	-	-	-	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
SAFE notes at fair value	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convertible notes at fair value	20.0	23.1	15.9	7.7	-	-	-	-	4.0	4.0	44.9	44.7
Due to related parties	0.1	0.1	4.9	25.4	1.8	2.5	3.5	1.6	0.6	0.6	0.4	1.7
Total Current Liabilities	**43.6**	**55.6**	**57.4**	**140.1**	**89.6**	**92.1**	**97.1**	**88.1**	**95.3**	**95.3**	**132.9**	**157.8**
Long-term debt		-	-	20.6	59.9	60.3	60.7	61.1	14.4	14.4	13.8	10.0
Convertible notes	0.4	0.4	13.1	-	7.3	6.3	5.9	6.6	63.5	63.5	14.0	1.0
Operating lease liabilities, long term	-	-	0.2	5.5	11.5	10.8	10.5	9.6	8.7	8.7	7.8	10.4
Finance lease liabilities, long term	-	-	-	1.1	0.9	0.9	0.8	0.7	0.7	0.7	0.6	0.5
Due to related parties, long term	-	-	-	1.7	50.5	50.2	50.0	15.0	0.1	0.1	0.1	2.1
Other long-term liabilities	112.6	127.9	34.3	19.4	24.3	20.3	19.4	18.1	3.9	3.9	8.2	1.3
Total Liabilities	**156.5**	**183.9**	**105.1**	**188.5**	**244.1**	**240.9**	**244.5**	**199.3**	**186.5**	**186.5**	**177.4**	**183.2**
Common Stock - Par Value	0.2	0.2	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.6	0.0
Additional paid-in capital	96.1	101.0	126.3	525.0	557.4	560.3	608.4	658.6	733.1	733.1	745.1	793.9
Accumulated deficit	(241.7)	(277.5)	(351.8)	(602.5)	(677.4)	(695.9)	(723.9)	(751.1)	(788.0)	(788.0)	(808.3)	(836.4)
Total Parent Net Equity	**(145.5)**	**(176.3)**	**(222.1)**	**(77.5)**	**(120.0)**	**(135.6)**	**(115.5)**	**(92.6)**	**(54.9)**	**(54.9)**	**(56.6)**	**(42.5)**
Other (Commitments and Contngencies)	0.6	-	130.7	-	-	-	-	-	-	-	-	-
Total Consolidated Equity	**(144.8)**	**(176.3)**	**(91.4)**	**(77.5)**	**(120.0)**	**(135.6)**	**(115.5)**	**(92.6)**	**(54.9)**	**(54.9)**	**(56.6)**	**(42.5)**
Total Liabilities and Shareholders' Equity	**11.7**	**7.6**	**13.7**	**111.0**	**124.1**	**105.3**	**129.0**	**106.8**	**131.7**	**131.7**	**120.8**	**140.7**
Liquidity												
Current Ratio	0.2x	0.0x	0.1x	0.1x	0.4x	0.2x	0.4x	0.2x	0.3x	0.3x	0.2x	0.3x
Working Capital	(35.20)	(53.64)	(49.48)	(122.38)	(55.74)	(72.09)	(58.36)	(66.11)	(64.40)	(64.40)	(111.87)	(116.45)
Leverage												
Net Debt to Capital	112.0%	302.2%	248.5%	53.1%	81.4%	109.5%	77.6%	74.9%	55.2%	55.2%	59.3%	38.1%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Surf Air Mobility Inc.
Consolidated Statements of Income (in USD$ M, except per share amounts)
Fiscal Year End: December

	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Revenue	$ 20.3	$ 60.5	$ 119.4	$ 23.5	$ 27.4	$ 29.2	$ 26.4	$ 106.6	$ 25.6	$ 29.5	$ 36.5	$ 41.7	$ 133.3	$ 34.6	$ 38.7	$ 44.6	$ 48.0	$ 165.9
Total Revenues	**20.3**	**60.5**	**119.4**	**23.5**	**27.4**	**29.2**	**26.4**	**106.6**	**25.6**	**29.5**	**36.5**	**41.7**	**133.3**	**34.6**	**38.7**	**44.6**	**48.0**	**165.9**
Operating Expenses:																		
Cost of revenue	24.8	61.9	109.9	24.7	24.1	27.7	26.0	102.4	25.9	29.4	34.1	34.2	123.7	32.3	34.1	39.1	41.2	146.7
Gross Profit	**(4.6)**	**(1.4)**	**9.5**	**(1.2)**	**3.4**	**1.5**	**0.5**	**4.2**	**(0.3)**	**0.1**	**2.4**	**7.5**	**9.6**	**2.3**	**4.6**	**5.5**	**6.9**	**19.2**
Technology and development	3.3	20.9	24.0	2.7	2.7	2.3	2.6	10.3	2.4	1.8	1.6	1.5	7.3	1.5	1.5	1.3	1.3	5.5
Sales and marketing	5.2	10.0	7.5	1.7	1.5	2.1	3.0	8.2	2.0	3.1	3.0	2.8	10.9	2.7	2.7	2.7	2.7	10.8
General and administrative	36.8	100.7	29.9	10.9	12.6	11.2	18.6	53.3	6.1	11.5	6.9	6.9	31.3	6.8	6.8	6.8	6.8	27.0
Depreciation and amortization	1.0	3.8	8.3	2.1	2.4	2.4	2.3	9.3	2.5	2.5	2.5	2.5	10.0	2.8	2.8	2.8	2.8	11.0
Impairment of goodwill	-	60.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	46.4	195.4	69.7	17.4	19.3	18.0	26.4	81.1	13.0	18.9	14.0	13.7	59.5	13.7	13.7	13.5	13.5	54.3
Operating Income	**(50.9)**	**(196.8)**	**(60.3)**	**(18.6)**	**(15.9)**	**(16.5)**	**(25.9)**	**(76.9)**	**(13.3)**	**(18.8)**	**(11.6)**	**(6.2)**	**(49.9)**	**(11.4)**	**(9.1)**	**(8.0)**	**(6.6)**	**(35.1)**
Changes in fair value	(27.7)	(50.2)	(11.7)	5.4	(7.8)	(7.4)	1.2	(8.6)	(3.6)	(6.8)	-	-	(10.4)	-	-	-	-	-
Interest expense	(0.6)	(3.0)	(8.6)	(3.9)	(3.8)	(3.3)	(2.3)	(13.2)	(1.2)	(1.2)	(1.3)	(1.5)	(5.3)	(1.9)	(1.9)	(1.9)	(1.9)	(7.5)
Gain/(loss) on extinguishment of debt	6.0	(0.3)	5.4	0.0	-	-	(3.9)	(3.9)	-	-	-	-	-	-	-	-	-	-
Other gains/loses	(1.1)	(3.7)	0.0	(1.5)	(0.6)	(0.1)	(6.2)	(8.4)	(2.1)	(1.4)	0.3	0.3	(3.0)	0.3	0.3	0.3	0.3	1.0
Profit Before Taxes	**(74.4)**	**(254.0)**	**(75.2)**	**(18.5)**	**(28.1)**	**(27.3)**	**(37.1)**	**(110.9)**	**(20.3)**	**(28.2)**	**(12.7)**	**(7.4)**	**(68.6)**	**(13.0)**	**(10.7)**	**(9.6)**	**(8.2)**	**(41.6)**
Provision for Income Tax	-	3.3	0.3	0.1	0.1	0.1	0.2	0.4	0.0	0.1	0.1	0.0	0.2	0.1	0.1	0.0	0.0	0.2
Net Income	**(74.4)**	**(250.7)**	**(74.9)**	**(18.5)**	**(28.0)**	**(27.2)**	**(36.9)**	**(110.6)**	**(20.2)**	**(28.1)**	**(12.6)**	**(7.4)**	**(68.4)**	**(13.0)**	**(10.7)**	**(9.5)**	**(8.2)**	**(41.3)**
Basic EPS	**$ (5.51)**	**$ (6.35)**	**$ (5.80)**	**$ (1.09)**	**$ (1.34)**	**$ (0.64)**	**$ (1.05)**	**$ (3.15)**	**$ (0.26)**	**$ (0.29)**	**$ (0.13)**	**$ (0.07)**	**$ (0.75)**	**$ (0.13)**	**$ (0.11)**	**$ (0.10)**	**$ (0.08)**	**$ (0.42)**
Diluted EPS	**$ (5.51)**	**$ (6.35)**	**$ (5.80)**	**$ (1.09)**	**$ (1.34)**	**$ (0.64)**	**$ (1.05)**	**$ (3.15)**	**$ (0.26)**	**$ (0.29)**	**$ (0.13)**	**$ (0.07)**	**$ (0.75)**	**$ (0.13)**	**$ (0.11)**	**$ (0.10)**	**$ (0.08)**	**$ (0.42)**
WTD Shares Out - Basic	13.5	39.5	12.9	16.9	20.9	42.4	35.1	35.1	76.9	98.4	98.4	98.4	90.9	98.5	98.5	98.5	98.5	98.5
WTD Shares Out - Diluted	13.5	39.5	12.9	16.9	20.9	42.4	35.1	35.1	76.9	98.4	98.4	98.4	90.9	98.5	98.5	98.5	98.5	98.5
EBITDA	**(72.7)**	**(247.3)**	**(58.2)**	**(12.5)**	**(21.9)**	**(21.6)**	**(32.5)**	**(88.4)**	**(16.5)**	**(24.5)**	**(8.9)**	**(3.4)**	**(53.3)**	**(8.4)**	**(6.1)**	**(5.0)**	**(3.6)**	**(23.1)**
Adjusted EBITDA	**$ (49.4)**	**$ (50.9)**	**$ (44.1)**	**$ (14.4)**	**$ (9.5)**	**$ (9.9)**	**$ (8.0)**	**$ (41.7)**	**$ (12.3)**	**$ (10.5)**	**$ (5.6)**	**$ 0.1**	**$ (28.4)**	**$ (5.4)**	**$ (3.1)**	**$ (2.0)**	**$ (0.6)**	**$ (11.1)**

Margin Analysis	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Gross Margin	-22.4%	-2.3%	7.9%	-5.1%	12.3%	5.2%	1.9%	3.9%	-1.3%	0.2%	6.5%	18.0%	7.2%	6.6%	11.9%	12.3%	14.3%	11.6%
Operating Margin	-251.1%	-325.2%	-50.5%	-79.0%	-58.1%	-56.6%	-97.8%	-72.1%	-52.0%	-63.7%	-31.9%	-14.8%	-37.4%	-33.0%	-23.6%	-17.9%	-13.7%	-21.1%
Adj. EBITDA Margin	-243.9%	-84.2%	-37.0%	-61.1%	-34.8%	-33.8%	-30.1%	-39.2%	-48.2%	-35.6%	-15.4%	0.2%	-21.3%	-15.6%	-8.1%	-4.4%	-1.2%	-6.7%
Net Income Margin	-366.8%	-414.3%	-62.7%	-78.6%	-102.1%	-93.3%	-139.4%	-103.8%	-79.0%	-95.3%	-34.6%	-17.7%	-51.3%	-37.5%	-27.6%	-21.4%	-17.0%	-24.9%
Tax Rate	0.0%	-1.3%	-0.4%	-0.3%	-0.2%	-0.2%	-0.5%	-0.3%	-0.2%	-0.2%	-0.5%	-0.5%	-0.3%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%

Source: Company Reports, Stonegate Capital Partners estimates

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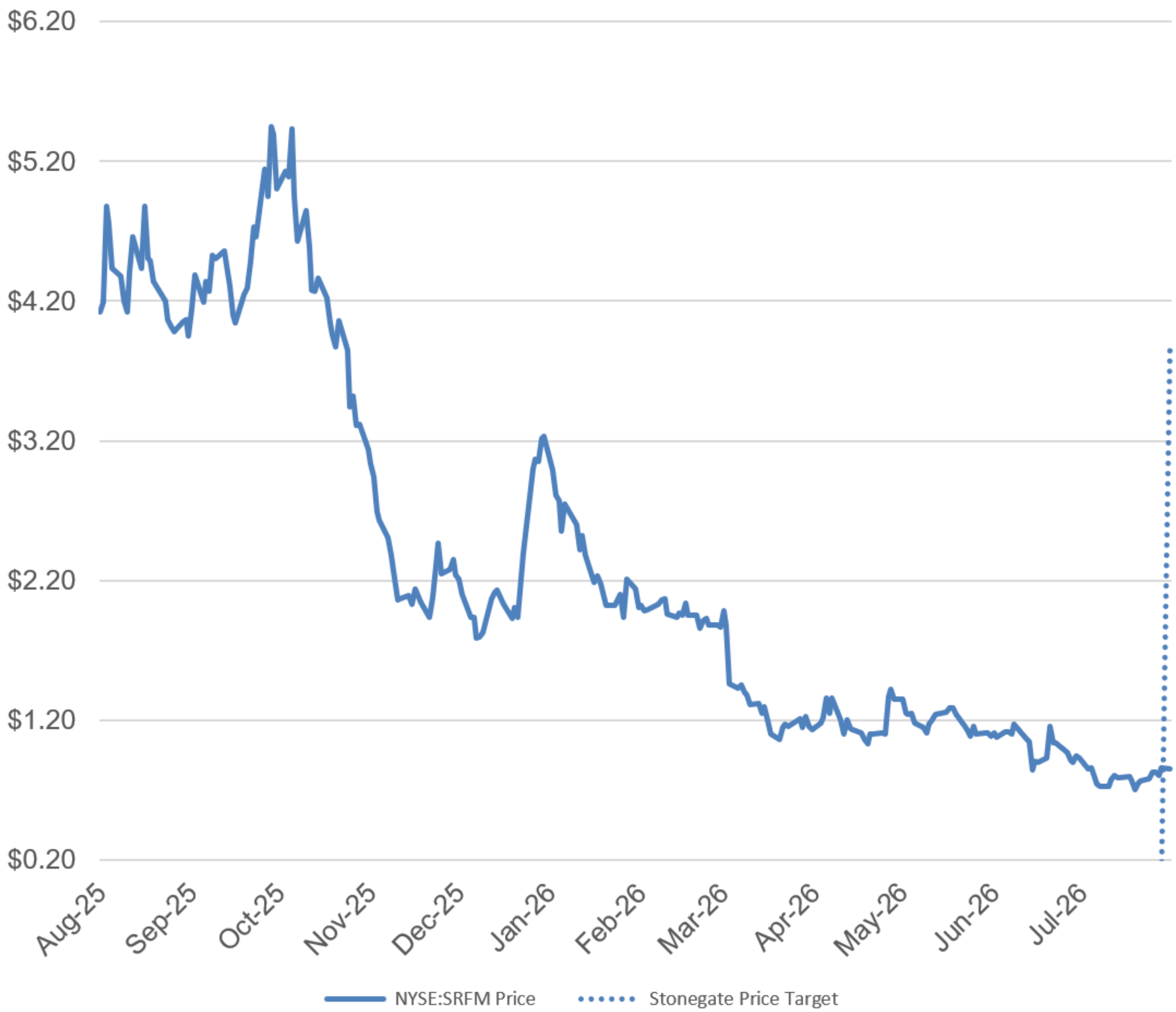
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NYSE:SRFM Price
Stonegate Price Target