RESEARCH UPDATE

SURF AIR MOBILITY INC. (NYSE: SRFM)

Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121

Market Statistics in USD	
Price	$ 0.70
52 week Range	$0.46 - $3.73
Daily Vol (3-mo. average)	4,471,973
Market Cap (M)	$ 86.6
Enterprise Value (M)	$ 155.2
Shares Outstanding:	123.6
Float (M)	100.5

Financial Summary in USD	
Cash (M)	$ 10.7
Cash/Share	$ 0.09
Debt (M)	$ 79.3

Valuation in USD	
Valuation Range	$2.87 - $3.56
2027E Price Target	$ 3.22

FYE: Dec	2025	2026E	2027E
(all figures in M, except per share information)			
Rev	$ 106.6	$ 133.0	$ 169.6
Chng%	-11%	25%	28%
EBITDA	$ (41.7)	$ (33.5)	$ (18.1)
Net Income	$ (110.6)	$ (83.5)	$ (57.3)
EPS	$ (3.15)	$ (0.83)	$ (0.46)
EV/Revenue	1.9x	1.2x	0.9x
EV/EBITDA	N/A	N/A	N/A
P/E	-0.6x	-0.8x	-1.5x



COMPANY DESCRIPTION

Surf Air Mobility Inc. is a pioneering company in the advanced air mobility sector, headquartered in Addison, Texas. 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 3Q26 results strengthened the operating foundation, while exposing a gap between business improvement and consolidated earnings conversion. Revenue increased 25% y/y and 24% q/q to $36.5M, within guidance, while adjusted EBITDA loss narrowed 32% y/y and 36% q/q to $6.7M, toward the weaker end of guidance. With external software revenue immaterial, charter growth and airline efficiencies drove the improvement. We believe the quarter provides clearer evidence of SurfOS's internal operating value, while longer customer implementations and higher fuel costs reduced the expected near-term earnings benefit.

Air Mobility: On Demand became the largest revenue contributor as growth coincided with margin expansion. Revenue rose 121% y/y and 57% q/q to $19M, surpassing scheduled service. Departures increased 86% y/y to 1,417, while revenue per departure rose 17% on larger aircraft and longer trips. Gross margin expanded more than 400 bps y/y and 1,000 bps q/q, supported by mix, seven preferred operator relationships, and Powered by Surf On Demand. We believe preferential supply rates and terms provide a margin lever beyond trip mix, allowing volume growth and better purchasing economics to support consolidated loss reduction. Management did not quantify each driver's contribution.

Airline adjusted EBITDA reached positive $1.2M despite scheduled revenue declining 15% y/y to $17.4M following route exits. Mokulele revenue grew 9% y/y. In our view, improving profitability at lower revenue supports restructuring benefits and SurfOS-enabled efficiencies. The four-year, $19.4M Lanai subsidy award through August 2030 extends contracted revenue visibility.

Software: Commercial progress is broadening, but signed customers and revenue-producing deployments remain distinct milestones. OperatorOS launched in September, ahead of the prior 4Q target, with three operators signed during 3Q and two afterward. Fees tied to customer trip revenue make onboarding and transaction activity the more relevant indicators of near-term monetization. Wheels Up's initial deployment began under its three-year agreement worth up to $12M, while expanded scope extended implementation. Additional scope supports the product opportunity without establishing incremental contract value or faster earnings conversion. Management expects 2027 to be the first year of material SurfOS revenue.

Electrification: BETA completed 64 demonstration flights across four Hawaiian islands, adding operating data for future electric service. Existing operations and software commercialization remain the near-term earnings priorities.

Outlook: FY26 revenue guidance remains $128M-$138M, but adjusted EBITDA loss guidance increased to $35M-$32M from $30M-$25M, worsening the midpoint by $6M. Management cited fuel costs and longer implementations without quantifying each effect. For 4Q, revenue guidance is $36.4M-$46.4M, with adjusted EBITDA loss of $5.4M-$2.4M and further airline improvement expected. Cash totaled $10.7M after August funding completed the $21.6M asset-backed facility. Deployment timing and capital availability remain central to converting operating gains into consolidated profitability.

Valuation: We are using an EV/Revenue framework to inform our SRFM valuation. Currently SRFM is trading at a FY27 EV/Revenue of 0.9x compared to comps at a median of 1.8x. 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 $2.87 to $3.56, with a price target of $3.22.

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)

Company Name	Symbol	Price [1]	Mrkt Cap	EV	EV/Revenue [2,3] 2025	EV/Revenue [2,3] 2026E	EV/Revenue [2,3] 2027E	EV/EBITDA [2,3] 2025	EV/EBITDA [2,3] 2026E	EV/EBITDA [2,3] 2027E	EBITDA Margin [2,3] 2025	EBITDA Margin [2,3] 2026E	EBITDA Margin [2,3] 2027E
Airbnb, Inc.	ABNB	$189.99	$111,627.1	$ 101,552.1	6.0x	7.1x	6.4x	28.3x	19.7x	17.4x	21%	36%	37%
Archer Aviation Inc.	ACHR	$ 4.44	$ 3,418.9	$ 2,007.2	13188.0x	132.6x	14.5x	N/A	N/A	N/A	N/A	N/A	N/A
AppFolio, Inc.	APPF	$230.74	$ 8,181.1	$ 7,903.1	8.6x	7.0x	6.0x	49.0x	25.0x	20.1x	18%	28%	30%
Sabre Corporation	SABR	$ 1.69	$ 680.4	$ 4,485.3	1.5x	1.6x	1.5x	10.6x	7.6x	7.2x	14%	20%	21%
Uber Technologies, Inc.	UBER	$ 68.59	$140,053.8	$ 145,409.8	3.3x	2.5x	2.2x	26.8x	12.7x	10.5x	12%	20%	21%
				Average	2641.5x	30.2x	6.1x	28.7x	16.3x	13.8x	16.2%	26.1%	27.0%
				Median	6.0x	7.0x	6.0x	27.6x	16.2x	14.0x	15.8%	24.2%	25.3%
JetBlue Airways Corporatio	JBLU	$ 3.67	$ 1,384.9	$ 9,221.9	1.0x	0.9x	0.8x	N/A	40.3x	10.1x	N/A	2%	8%
Jet.AI Inc.	JTAI	$ 0.91	$ 3.2	$ (7.4)	N/A	N/A	N/A	N/A	1.0x	1.5x	N/A	N/A	N/A
SkyWest, Inc.	SKYW	$ 79.38	$ 3,019.2	$ 4,899.2	1.4x	1.1x	1.1x	5.8x	5.2x	5.0x	24%	22%	22%
Frontier Group Holdings, Ir	ULCC	$ 7.43	$ 1,712.0	$ 5,786.0	1.5x	1.2x	1.1x	N/A	6.2x	5.3x	N/A	19%	20%
				Average	1.3x	1.1x	1.0x	5.8x	13.2x	5.5x	24.2%	14.2%	16.5%
				Median	1.4x	1.1x	1.1x	5.8x	5.7x	5.2x	24.2%	18.8%	19.8%
				Average	1651.4x	19.3x	4.2x	24.1x	14.7x	9.7x	17.8%	21.0%	22.5%
				Median	2.4x	2.0x	1.8x	26.8x	10.2x	8.6x	17.6%	20.3%	20.8%
Surf Air Mobility Inc.	NYSE:SRFM	$ 0.70	$ 86.6	$ 155.2	1.9x	1.2x	0.9x	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 6.0x for the tech-enabled group; excluding ACHR, the tech-enabled median remains 4.1x. Across the combined peer set, FY27 EV/Revenue is 1.8x 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.

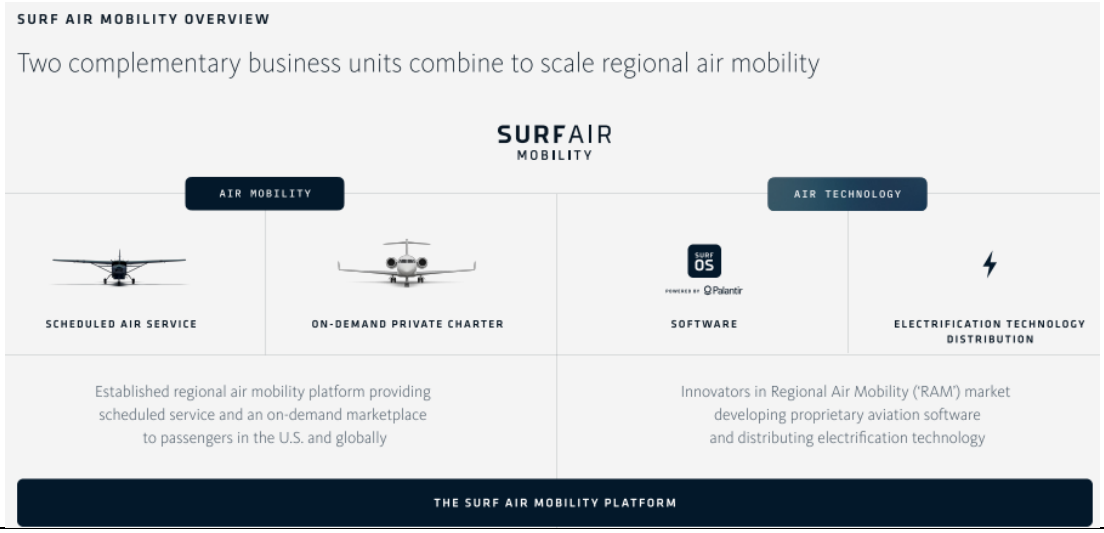
EV/Revenue			
2027E	**2.50x**	**2.75x**	**3.00x**
Revenue	169.6	169.6	169.6
TEV	424.0	466.4	508.8
Cash	10.7	10.7	10.7
Debt	79.3	79.3	79.3
Mrkt Cap	355.5	397.9	440.3
S/O	123.6	123.6	123.6
Price	**$ 2.87**	**$ 3.22**	**$ 3.56**

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 $2.87-$3.56 per share, with a midpoint of $3.22.

Business Overview

Surf Air Mobility Inc. (“Surf Air”, “the Company”, or “SRFM”) is a pioneering company in the advanced air mobility sector, with principal executive offices in Addison, Texas. 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 SurfOS software platform, which is being developed in partnership with Palantir and has commercially launched, with management reporting efficiency improvements across internal airline and charter operations. 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

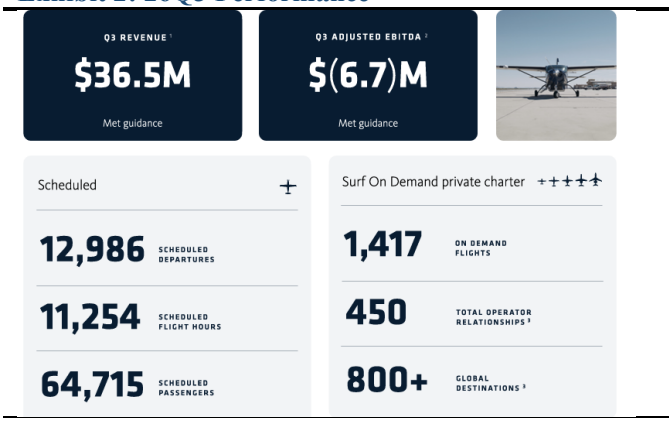


Source: Company Reports

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. The Company is now in the Expansion phase, with priorities centered on commercializing SurfOS, scaling Surf On Demand, and expanding airline profitability.

Exhibit 2: 26Q3 Performance



Source: Company Reports

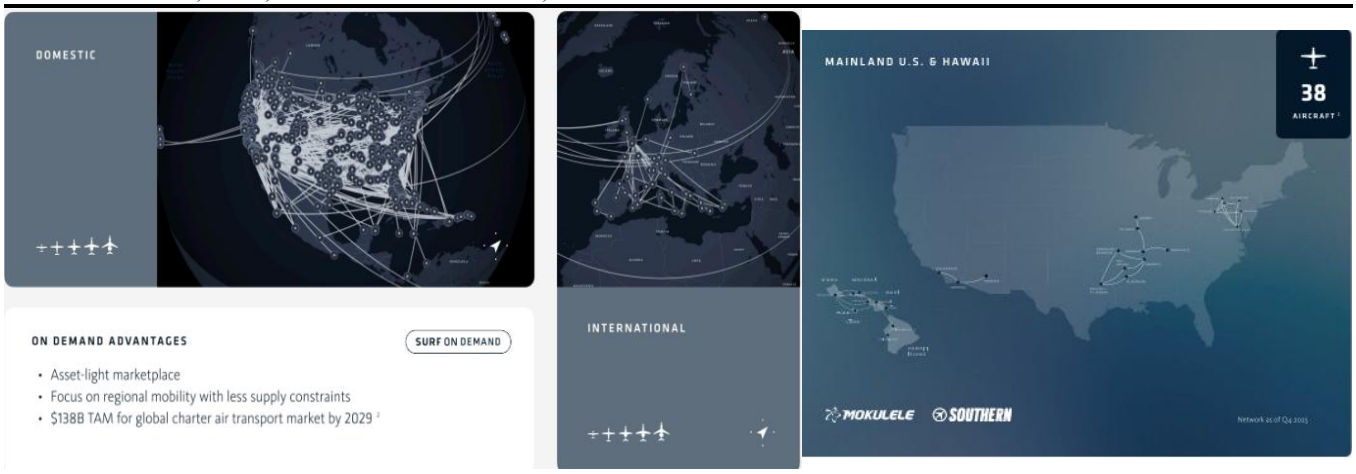
Segment Overview

Surf Air Mobility describes its business across Air Mobility and Air Technology. For financial reporting purposes, the Company operates as a single operating and reportable segment, Air Mobility.

Air Mobility: This business 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 the first nine months of 2026, SRFM took delivery of four aircraft under its Cessna Caravan purchase agreement, completing its remaining commitments under that agreement.

In 2025, Surf Air Mobility flew 299,639 scheduled passengers across 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. SRFM has exited unprofitable routes and focused on improving the economics of its remaining network. EAS awards provide contracted subsidy revenue, with carrier selection and compensation subject to DOT requirements, competitive proposals, service reliability, and community preferences. Mokulele's four-year, $19.4M Lanai award through August 2030 extends visibility into a portion of the Company's Hawaii revenue.

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

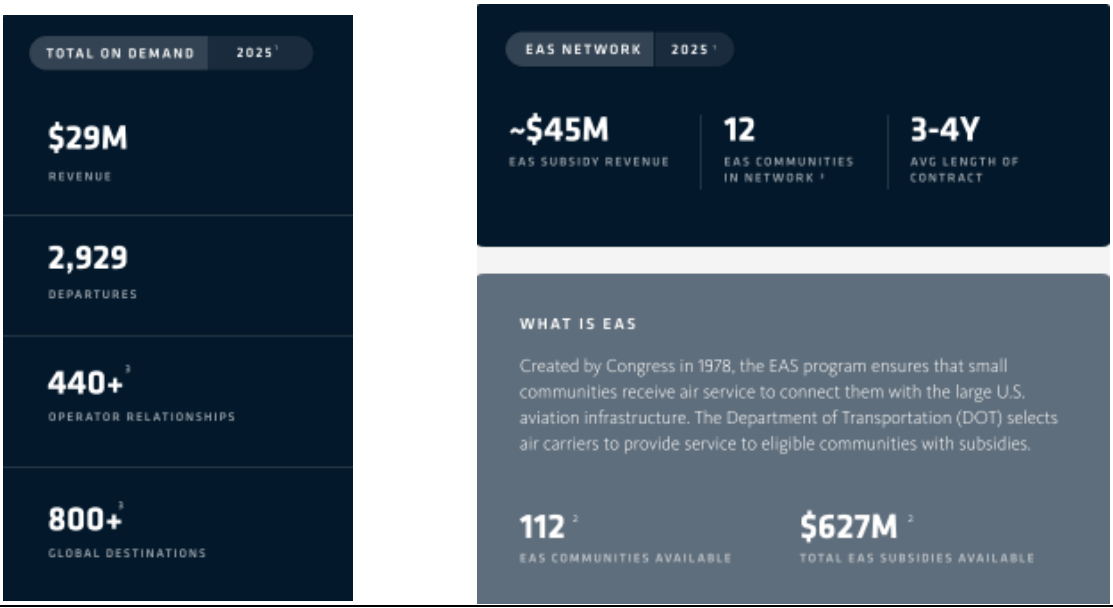


Source: Company Reports

The Air Mobility business is integral to Surf Air Mobility's mission of transforming regional air travel. By offering both 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 a practical testing ground for the Company as it further refines its operations and leverages the benefit of scale it has over competitors. Hawaii also presents a potential launch market for electric aircraft, supported by existing routes and the completed BETA demonstration program.

Exhibit 4: FY25 EAS and On Demand Overview

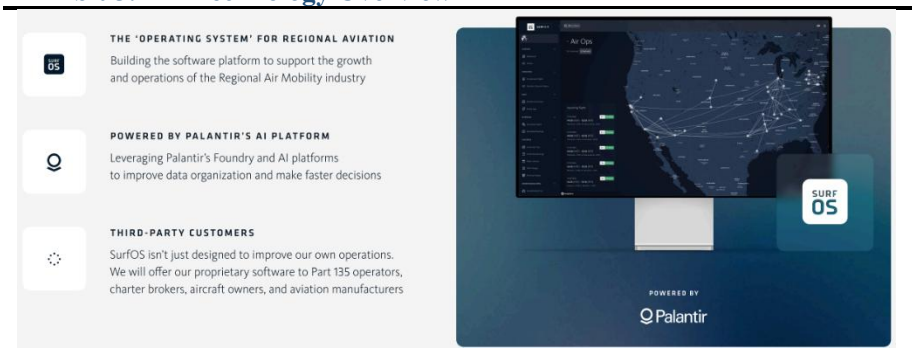


Source: Company Reports

Air Technology: The Air Technology business is pivotal to Surf Air Mobility's long-term strategy of creating a more efficient regional air travel ecosystem. The business 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 subject to certification and other requirements, beginning in Hawaii, 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.

Surf Air Mobility's partnership with Palantir Technologies is a key component of this strategy, providing AI infrastructure, engineering support, and enterprise go-to-market resources for SurfOS. 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 supports Surf Air Mobility's own operations and is being deployed to external customers. OperatorOS launched commercially in September 2026, with five operators signed to date, while the initial phase of Enterprise BrokerOS has been deployed at Wheels Up.

Exhibit 5: Air Technology Overview



Source: Company Reports

The BETA partnership preserves longer-term optionality for the electric Caravan through potential partner-led paths, while shifting the Company's immediate electrification focus toward operating and supporting third-party aircraft.

Overall, Surf Air Mobility's dual focus on Air Mobility and Air Technology connects its existing aviation operations with software commercialization and partner-led electric aircraft deployment.

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, with the objective of supporting sustainable growth and profitability.

Phase 1: Transformation (2024)

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

1. **Improving Capital Structure**: During this phase, Surf Air Mobility secured $50 million in funding and extended the maturity of certain secured debts to December 31, 2028. These were historical financing milestones, with subsequent transactions further modifying the Company's debt structure.

2. **Strengthening the Balance Sheet**: The Company addressed past liabilities totaling approximately $70 million through targeted reductions and refinancing. These efforts addressed legacy obligations, although the Company continues to carry debt and require financing to support operations and growth.

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, Optimization, is now complete and focused on improving the economics of Surf Air Mobility's scheduled services and on-demand charter operations. Key focus areas included:

1. **Scheduled Service Optimization**: The Company implemented 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 redeployed aircraft to more lucrative markets. Operational improvements supported positive adjusted EBITDA in airline operations 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 supported revenue growth and gross-margin improvement in the On Demand business.

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: Historical Four-Phase Transformation Roadmap



Source: Company Reports

Phase 3: Expansion (2026-2027)

The third phase, Expansion, began in FY2026. This phase focuses on commercializing SurfOS, scaling Surf On Demand, and expanding airline profitability, alongside selective network opportunities. Key initiatives include:

1. **Network Expansion**: Using data-driven insights, Surf Air Mobility seeks to assess route attractiveness and selectively expand service where economics support deployment of its existing aircraft. Further margin improvements are anticipated once electrified planes are commercialized. Company presentation materials identify approximately 5,000 public-use airports in the U.S. and estimate that 90% of Americans live within a 30-minute drive of a regional airport. This presents an attractive opportunity for SRFM to expand its network.

2. **Strategic Partnership Opportunities:** The Company seeks to work with strategic partners to support software commercialization and electric aircraft deployment, leveraging its operating scale and market presence. Current priorities include its relationships with Palantir and BETA Technologies.

3. **SurfOS Marketing**: SurfOS is being commercialized to third-party customers, including air operators, charter brokers, and aviation OEMs, through Surf Air Technologies and the Company's expanded licensing and commercial relationship with Palantir. This initiative aims to develop revenue traction and establish SurfOS as a leading software solution in the regional and advanced air mobility market. Near-term priorities include onboarding signed OperatorOS customers, completing the Wheels Up implementation, and expanding enterprise adoption.

Phase 4: Acceleration (2027+)

The final phase, Acceleration, is shown in the Company's roadmap as beginning in 2027 and beyond. This phase focuses on leveraging Surf Air Mobility's platform to accelerate the adoption of new aviation technologies and support longer-term revenue growth and margin expansion. The roadmap should be distinguished from the BETA purchase agreement, under which aircraft deliveries are scheduled to begin in 2028. 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**: 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. The demonstration program has since completed 64 flights across four Hawaiian islands. Following certification and deployment, SRFM expects to support BETA's commercial rollout through its airline operating footprint, particularly in Hawaii. The partnership also positions SRFM to establish BETA factory-authorized service centers, beginning in Hawaii and subject to certification and other requirements, creating a potentially broader role in electric aircraft operations, service, and infrastructure.

3. **Leveraging Network Effects**: The Company aims to use the network effects of its operator platform to expand its role 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. A 2023 McKinsey study estimated a potential global addressable market of $75 billion to $115 billion by 2035. Management estimates place the potential U.S. opportunity at $15 billion to $22 billion by the same year. These figures represent addressable-market scenarios rather than forecasts of realized industry revenue and depend on aircraft availability, infrastructure, customer adoption, and other enabling conditions.

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: Regulatory approvals and government programs influence the pace and economics of regional aviation development. In the United States, programs like the Essential Air Service (EAS) support connectivity between eligible small communities and the broader aviation network. These programs provide financial support to airlines, enabling them to offer services to areas that might otherwise be unprofitable. EAS supports existing regional service, while electric aircraft deployment requires separate certification and operating approvals.

Market Demand and Consumer Preferences: Regional air mobility's potential reflects demand for convenient, efficient transportation between underserved destinations. 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: Electrified aircraft could improve regional aviation economics by reducing fuel and maintenance costs, although realized savings will depend on aircraft performance, utilization, infrastructure, and deployment costs. This, in turn, could support lower ticket prices and increased accessibility for passengers. Additionally, electric aircraft could reduce operating emissions, with broader environmental benefits depending partly on the electricity supply and aircraft lifecycle.

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 electric 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	Q3 Sep-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	10.7
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	5.0
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	14.4
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**	**30.1**
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	0.3
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	60.4
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	17.9
Operating Lease Assets	-	-	1.1	12.8	17.0	15.6	15.0	13.7	12.5	12.5	11.4	14.5	13.4
Finance Lease Assets	-	-	-	1.3	1.1	1.0	1.0	0.9	0.8	0.8	0.7	0.7	0.6
Other Assets	-	-	-	5.7	6.1	6.1	5.8	5.8	11.7	11.7	10.8	13.2	12.0
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**	**134.7**
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	19.2
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	41.6
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	22.4
Current maturities of long-term debt	-	-	-	5.2	2.5	2.6	2.6	2.7	2.7	2.7	2.7	12.6	24.6
Operating lease liabilities	-	-	0.9	4.1	4.1	3.9	3.8	3.7	3.6	3.6	3.6	4.3	3.9
Finance lease liabilities	-	-	-	0.2	0.3	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	0.0
Convertible notes at fair value	20.0	23.1	15.9	7.7	-	-	-	-	4.0	4.0	44.9	44.7	15.2
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	0.1
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**	**127.2**
Long-term debt		-	-	20.6	59.9	60.3	60.7	61.1	14.4	14.4	13.8	10.0	34.3
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	9.8
Finance lease liabilities, long term	-	-	-	1.1	0.9	0.9	0.8	0.7	0.7	0.7	0.6	0.5	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	5.1
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	3.3
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**	**180.1**
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	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	811.3
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)	(856.8)
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)**	**(45.5)**
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)**	**(45.5)**
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**	**134.7**
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	0.2x
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)	(97.06)
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%	50.9%

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 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	$ 41.4	$ 133.0	$ 36.8	$ 40.4	$ 44.1	$ 48.2	$ 169.6
Total Revenues	**20.3**	**60.5**	**119.4**	**23.5**	**27.4**	**29.2**	**26.4**	**106.6**	**25.6**	**29.5**	**36.5**	**41.4**	**133.0**	**36.8**	**40.4**	**44.1**	**48.2**	**169.6**
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	33.5	36.3	125.2	33.6	35.4	37.4	39.4	145.8
Gross Profit	**(4.6)**	**(1.4)**	**9.5**	**(1.2)**	**3.4**	**1.5**	**0.5**	**4.2**	**(0.3)**	**0.1**	**3.0**	**5.1**	**7.8**	**3.2**	**5.0**	**6.8**	**8.9**	**23.8**
Technology and development	3.3	20.9	24.0	2.7	2.7	2.3	2.6	10.3	2.4	1.8	1.4	1.5	7.2	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	2.4	2.5	10.0	2.8	2.8	2.9	2.9	11.4
General and administrative	36.8	100.7	29.9	10.9	12.6	11.2	18.6	53.3	6.1	11.5	12.2	10.5	40.3	10.8	10.8	10.8	10.8	43.0
Depreciation and amortization	1.0	3.8	8.3	2.1	2.4	2.4	2.3	9.3	2.5	2.5	2.9	3.0	10.8	3.0	3.0	3.0	3.0	12.0
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	18.9	17.5	68.3	18.0	18.1	17.9	17.9	71.9
Operating Income	**(50.9)**	**(196.8)**	**(60.3)**	**(18.6)**	**(15.9)**	**(16.5)**	**(25.9)**	**(76.9)**	**(13.3)**	**(18.8)**	**(16.0)**	**(12.4)**	**(60.5)**	**(14.8)**	**(13.1)**	**(11.1)**	**(9.0)**	**(48.1)**
Changes in fair value	(27.7)	(50.2)	(11.7)	5.4	(7.8)	(7.4)	1.2	(8.6)	(3.6)	(6.8)	(3.2)	-	(13.6)	-	-	-	-	-
Interest expense	(0.6)	(3.0)	(8.6)	(3.9)	(3.8)	(3.3)	(2.3)	(13.2)	(1.2)	(1.2)	(2.3)	(2.4)	(7.1)	(2.4)	(2.4)	(2.4)	(2.4)	(9.5)
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)	1.1	-	(2.4)	-	-	-	-	-
Profit Before Taxes	**(74.4)**	**(254.0)**	**(75.2)**	**(18.5)**	**(28.1)**	**(27.3)**	**(37.1)**	**(110.9)**	**(20.3)**	**(28.2)**	**(20.4)**	**(14.8)**	**(83.7)**	**(17.2)**	**(15.5)**	**(13.5)**	**(11.4)**	**(57.6)**
Provision for Income Tax	-	3.3	0.3	0.1	0.1	0.1	0.2	0.4	0.0	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.3
Net Income	**(74.4)**	**(250.7)**	**(74.9)**	**(18.5)**	**(28.0)**	**(27.2)**	**(36.9)**	**(110.6)**	**(20.2)**	**(28.1)**	**(20.4)**	**(14.7)**	**(83.5)**	**(17.1)**	**(15.4)**	**(13.4)**	**(11.4)**	**(57.3)**
Basic EPS	**$ (5.51)**	**$ (6.35)**	**$ (5.80)**	**$ (1.09)**	**$ (1.34)**	**$ (0.64)**	**$ (1.05)**	**$ (3.15)**	**$ (0.26)**	**$ (0.29)**	**$ (0.16)**	**$ (0.12)**	**$ (0.83)**	**$ (0.14)**	**$ (0.12)**	**$ (0.11)**	**$ (0.09)**	**$ (0.46)**
Diluted EPS	**$ (5.51)**	**$ (6.35)**	**$ (5.80)**	**$ (1.09)**	**$ (1.34)**	**$ (0.64)**	**$ (1.05)**	**$ (3.15)**	**$ (0.26)**	**$ (0.29)**	**$ (0.16)**	**$ (0.12)**	**$ (0.83)**	**$ (0.14)**	**$ (0.12)**	**$ (0.11)**	**$ (0.09)**	**$ (0.46)**
WTD Shares Out - Basic	13.5	39.5	12.9	16.9	20.9	42.4	35.1	35.1	76.9	98.4	125.2	125.2	100.6	125.4	125.4	125.4	125.4	125.4
WTD Shares Out - Diluted	13.5	39.5	12.9	16.9	20.9	42.4	35.1	35.1	76.9	98.4	125.2	125.2	100.6	125.4	125.4	125.4	125.4	125.4
EBITDA	**(72.7)**	**(247.3)**	**(58.2)**	**(12.5)**	**(21.9)**	**(21.6)**	**(32.5)**	**(88.4)**	**(16.5)**	**(24.5)**	**(15.3)**	**(9.4)**	**(65.7)**	**(11.8)**	**(10.1)**	**(8.1)**	**(6.0)**	**(36.1)**
Adjusted EBITDA	**$ (49.4)**	**$ (50.9)**	**$ (44.1)**	**$ (14.4)**	**$ (9.5)**	**$ (9.9)**	**$ (8.0)**	**$ (41.7)**	**$ (12.3)**	**$ (10.5)**	**$ (6.7)**	**$ (3.9)**	**$ (33.5)**	**$ (7.3)**	**$ (5.6)**	**$ (3.6)**	**$ (1.5)**	**$ (18.1)**
Margin Analysis																		
Gross Margin	-22.4%	-2.3%	7.9%	-5.1%	12.3%	5.2%	1.9%	3.9%	-1.3%	0.2%	8.1%	12.3%	5.8%	8.7%	12.3%	15.4%	18.4%	14.0%
Operating Margin	-251.1%	-325.2%	-50.5%	-79.0%	-58.1%	-56.6%	-97.8%	-72.1%	-52.0%	-63.7%	-43.8%	-30.0%	-45.5%	-40.2%	-32.4%	-25.2%	-18.8%	-28.3%
Adj. EBITDA Margin	-243.9%	-84.2%	-37.0%	-61.1%	-34.8%	-33.8%	-30.1%	-39.2%	-48.2%	-35.6%	-18.4%	-9.5%	-25.2%	-19.8%	-13.9%	-8.2%	-3.2%	-10.7%
Net Income Margin	-366.8%	-414.3%	-62.7%	-78.6%	-102.1%	-93.3%	-139.4%	-103.8%	-79.0%	-95.3%	-55.9%	-35.6%	-62.8%	-46.4%	-38.1%	-30.4%	-23.6%	-33.8%
Tax Rate	0.0%	-1.3%	-0.4%	-0.3%	-0.2%	-0.2%	-0.5%	-0.3%	-0.2%	-0.2%	-0.2%	-0.5%	-0.2%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%

Source: Company Reports, Stonegate Capital Partners estimates

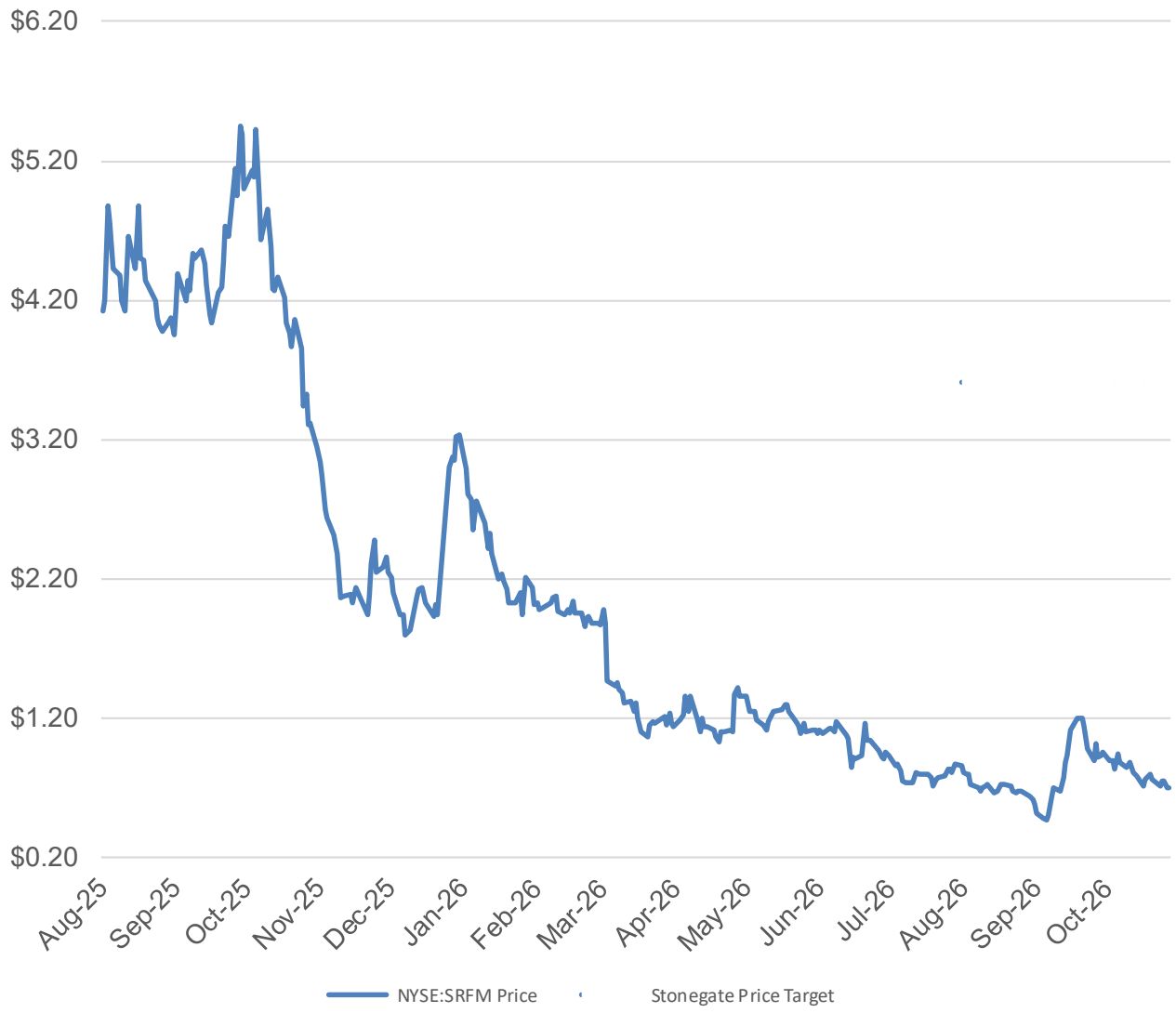
IMPORTANT DISCLOSURES AND DISCLAIMER

(a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
(b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate Capital Partners' ("SCP") equity affiliate Stonegate Capital Markets ("SCM"), a FINRA member, investment banking revenues.
(c) SCP or any affiliate has not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects to receive or intends to seek compensation for investment banking services from the subject company in the next 12 months.
(d) SCP has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
(e) SCP or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
(f) Neither SCP nor its equity affiliate SCM, a FINRA member, make a market in the subject company.
(g) The research analyst has not received any compensation from the subject company in the previous 12 months.
(h) SCP, the research analyst, or associated person of SCP with the ability to influence the content of the research report does not know or have reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
(i) No employee of SCP has a position as an officer or director of the subject company.

Ratings - SCP does not provide ratings for the covered companies.
Distribution of Ratings - SCP does not provide ratings for covered companies.
Price Chart - SCP does not have, nor has previously had, a rating for its covered companies, however, SCP does provide a price target on the covered company. Please see the following page for the historical price chart. This chart shows the covered company's stock price since SCP has been covering the covered company as well as the corresponding SCP price target.
Price Targets - SCP may provide price targets for its covered companies. For a complete understanding of valuation methodologies and risks associated please read this report in its entirety. In instances where SCP does not provide a price target SCP will still provide a valuation analysis.

Regulation Analyst Certification:
I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

For Additional Information Contact:
Stonegate Capital Partners, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121



Please note that this report was originally prepared and issued by Stonegate for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of Stonegate should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. The information contained herein is based on sources which we believe to be reliable but is not necessarily complete and its accuracy cannot be guaranteed. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of Stonegate Capital Partners and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein. The firm and/or its employees and/or its individual shareholders and/or members of their families and/or its managed funds may have positions or warrants in the securities mentioned and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the firm from time to time in the open market or otherwise. While we endeavor to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. All opinions are subject to change without notice, and we do not undertake to advise you of any such changes. Reproduction or redistribution of this report without the expressed written consent of Stonegate Capital Partners is prohibited. Additional information on any securities mentioned is available on request.