

August 14, 2024



Volato Reports Second Quarter 2024 Results

Grew Flight Hours 5% and Blended Yield 6% Year-over-Year

Expect Delivery of 10-12 New Aircraft in FY 2024

ATLANTA--(BUSINESS WIRE)-- Volato Group, Inc. (NYSE American: SOAR) ("Volato" or the "Company"), a leading private aviation company and the largest HondaJet operator in the United States, today announced results for the second quarter ended June 30, 2024.

Second Quarter 2024 Financial Highlights

- Total revenue was \$15.1 million
 - Aircraft usage revenue was \$12.5 million
 - Managed services revenue was \$2.7 million
- Net loss was \$16.9 million, including the impact of a \$2.8 million non-cash charge
- Adjusted EBITDA¹ was a loss of \$11.4 million

^[1] Adjusted EBITDA is a non-GAAP measure. Please refer to the tables and related notes in this press release for a reconciliation and definition of non-GAAP financial measures.

Financial and Operational Highlights

- Subsequent to quarter end, took delivery of one HondaJet and one Gulfstream G280 as supply chain issues subside
- Grew aircraft usage revenue 28% year-over-year in the second quarter of 2024
- Grew flight hours 5% and blended yield 6% year-over-year in the second quarter of 2024
- Achieved demand mix of 44% owner and 56% program & ad hoc in the second quarter, reflecting strong demand and contributing to blended yield
- Strengthened leadership team with industry veterans Luis Garcia (EVP of Sales) and Mark Ozenick (President of Volato Aircraft Management Services)
- Subsequent to quarter end, launched the first Gulfstream G280 fractional ownership program in the United States
- Vaunt, Volato's subscription platform for connecting travelers to empty leg private flights, reached \$1 million of annual recurring revenue
- Company completed \$4 million in debt financing and is evaluating additional sources of liquidity to support working capital and growth ahead of remaining aircraft deliveries in 2024

Company Commentary

Matt Liotta, Co-Founder and Chief Executive Officer of Volato, commented, “Volato made significant progress with increased flight hours and improvements in blended yield in the second quarter. However, our ability to fully capitalize on our operational strengths was impacted by ongoing delays in plane deliveries. We are optimistic that as plane deliveries resume and are fully sold, our enhanced operations will help advance our path to profitability.”

Mark Heinen, Chief Financial Officer, commented, “In addition to our positive operating results, after quarter end we strengthened our cash position and took delivery of several aircraft. Our fleet growth, in combination with the previously announced cost saving measures, should enable us to achieve positive EBITDA by the fourth quarter of 2024.”

Key Metrics

(financial metrics *in thousands, except KPIs*)

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change YoY
<i>Financial Metrics:</i>			
Revenue:			
Aircraft sales	\$ -	\$ -	-
Aircraft Usage	12,457	9,717	28%
Managed aircraft	2,674	3,298	(19%)
Total Revenue	15,131	13,015	16%
Net Loss	(16,918)	(9,862)	72%
Adjusted EBITDA	(11,436)	(7,585)	51%
<i>Key Performance Indicators (KPIs):</i>			
Total Flight Hours	3,052	2,919	5%
Empty Percentage	36.1%	39.6%	-3.5 pp
Demand Mix			
Owner	44%	45%	-1 pp
Non-Owner	56%	55%	+1 pp
Blended Yield	\$5,330	\$5,042	6%
Floating Fleet	25	18	+7
Light Jet Market Share	2.5%	2.5%	-
Net Promoter Score	86	89	-3

Second Quarter 2024 Financial Summary

Total revenue for the second quarter increased 16% year-over-year, primarily from growth in aircraft usage revenue. On a sequential basis, second quarter revenue increased 14.5% when compared with first quarter revenue due to growth in both aircraft usage revenue and managed aircraft revenue.

Net Loss for the second quarter increased 72% year-over-year and Adjusted EBITDA loss for the second quarter increased 51% primarily due to the costs associated with being a publicly traded company. On a sequential basis, second quarter net loss declined 2.7% when compared with first quarter net loss due to the cost savings measures implemented during the quarter, offset by a \$2.8 million non-cash charge related to the fair value of our forward purchase agreement. Excluding the impact of the non-cash charge, second quarter net loss declined 17.5% when compared to first quarter net loss. Second quarter Adjusted EBITDA loss declined 12.7% when compared to first quarter Adjusted EBITDA loss as a result of the cost savings measures implemented during the quarter.

Demand mix continues to improve with 56% of flight hours represented by higher yielding non-owner flights, increasing the second quarter 2024 blended yield to \$5,330, 6% higher than the prior year.

Balance Sheet and Liquidity

The Company ended the second quarter 2024 with \$5.4 million of cash, and cash equivalents. Subsequent to quarter end, Volato entered into a term loan agreement providing \$4.0 million of gross proceeds.

Conference Call

Volato will host a conference call to discuss its Second Quarter 2024 results at 8:00 AM ET on Wednesday, August 14, 2024.

Interested parties can access the conference call by dialing (866) 605-1830 for toll free access or +1 (215) 268-9881. The live call will also be available via webcast on Volato's Investor Relations website: <https://ir.flyvolato.com/>.

A replay of the call will be available until August 28, 2024, and can be accessed by dialing (877) 660-6853 or (201) 612-7415 and using the Access ID: 13746297.

About Volato

Volato (NYSE American: SOAR) is a leader in private aviation, redefining air travel through modern, efficient, and customer-designed solutions. Volato provides a fresh approach to fractional ownership, aircraft management, jet card, deposit and charter programs, all powered by advanced, proprietary mission control technology. Volato's fractional programs uniquely offer flexible hours and a revenue share for owners across the world's largest fleet of HondaJets, which are optimized for missions of up to four passengers. For more information visit www.flyvolato.com.

All Volato Part 135 charter flights are operated by its DOT/FAA-authorized air carrier subsidiary (G C Aviation, Inc. d/b/a Volato) or by an approved vendor air carrier.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the securities laws. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variation of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects,"

"forecasts," "targets," "would," "will," "should," "goal," "could" or "may" or other similar expressions. Forward-looking statements provide management or the Board's current expectations or predictions of future conditions, events, or results. All statements that address operating performance, events, or developments that may occur in the future are forward-looking statements, including statements regarding the challenges associated with executing our growth strategy, including expected deliveries of aircraft and related sales, and developing, marketing and consistently delivering high-quality services that meet customer expectations. All forward-looking statements speak only as of the date they are made and reflect the Company's good faith beliefs, assumptions, and expectations, but they are not guarantees of future performance or events. Furthermore, Volato disclaims any obligation to publicly update or revise any forward-looking statement, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive, and regulatory factors, many of which are beyond Volato's control, that are described in Volato's periodic reports filed with the SEC including its Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2023, and other factors that Volato may describe from time to time in other filings with the SEC. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

VOLATO GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except par value amounts)

	June 30, 2024 (unaudited)	December 31, 2023
ASSETS		
Current assets:		
Cash	\$ 5,407	\$ 14,486
Restricted cash	1,842	—
Accounts receivable, net	2,050	2,990
Deposits	48,594	25,125
Prepaid expenses and other current assets	3,146	3,897
Total current assets	61,039	46,498
Property and equipment, net	829	846
Operating lease, right-of-use assets	1,117	1,278
Equity-method investment	162	154
Deposits	191	15,691
Forward purchase agreement	—	2,982
Restricted cash	—	2,237
Intangibles, net	1,361	1,391
Goodwill	635	635

Total assets	\$ 65,334	\$ 71,712
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,143	\$ 8,588
Loan from related party	—	1,000
Operating lease liability	350	326
Merger transaction costs payable in shares	—	4,250
Credit facility and other loans	36,732	20,616
Customer deposits and deferred revenue	29,024	12,857
Total current liabilities	79,249	47,637
Deferred income tax liability	305	305
Operating lease liability, non-current	783	965
Credit facility, non-current	—	8,054
Total liabilities	\$ 80,337	\$ 56,961
COMMITMENTS AND CONTINGENCIES		
Shareholders' equity:		
Common Stock Class A, \$0.0001 par value; 80,000,000 authorized; 29,517,731 and 28,043,449 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	3	3
Additional paid-in capital	82,964	78,410
Accumulated deficit	(97,970)	(63,662)
Total shareholders' equity	(15,003)	14,751
Total liabilities and shareholders' equity	\$ 65,334	\$ 71,712

VOLATO GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share and per share data)
(unaudited)

	For the Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$15,131	\$13,015	\$28,342	\$28,680
Costs and expenses:				
Cost of revenue	18,466	16,164	35,958	33,508
	9,743	6,132	21,485	12,342
Selling, general and administrative				
Total costs and expenses	28,209	22,296	57,443	45,850

Loss from operations	(13,078)	(9,281)	(29,101)	(17,170)
Other income (expenses):				
Gain from sale of consolidated entity	—	—	—	387
Gain from sale of equity-method investment	—	20	—	863
Other income	154	127	158	168
Loss from change in fair value forward purchase agreement	(2,755)	—	(2,982)	
Interest expense, net	(1,230)	(728)	(2,368)	(1,622)
Other expenses	(3,831)	(581)	(5,192)	(204)
Loss before provision for income taxes	(16,909)	(9,862)	(34,293)	(17,374)
Provision for incomes taxes	9	—	15	—
Net Loss	<u>\$(16,918)</u>	<u>\$(9,862)</u>	<u>\$(34,308)</u>	<u>\$(17,374)</u>
Basic and diluted net loss per share	<u>\$(0.58)</u>	<u>\$(0.86)</u>	<u>\$(1.17)</u>	<u>\$(1.53)</u>
Weighted average common share outstanding:				
Basic and diluted	<u>29,359,637</u>	<u>11,417,552</u>	<u>29,232,973</u>	<u>11,343,626</u>

Adjusted EBITDA

We calculate Adjusted EBITDA as net loss adjusted for (i) interest expense, net, (ii) provision for income taxes (benefit) (iii) depreciation and amortization, (iv) equity-based compensation expense, (v) acquisition, integration, and capital raise related expenses, and (vi) other items not indicative of our ongoing operating performance. We include Adjusted EBITDA as a supplemental measure for assessing operating performance.

The following tables reconcile Adjusted EBITDA to net loss, which is the most directly comparable GAAP measure (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>Adjusted EBITDA</i>				
Net loss	\$(16,918)	\$(9,862)	\$(34,308)	\$(17,374)
Interest expense, net	1,230	728	2,368	1,622
Provision for income tax expense (benefit)	9	—	15	—
Loss from change in fair value of forward purchase agreement	2,755	—	2,982	—
Depreciation and amortization	80	60	160	105

Equity-based compensation expense	185	15	268	23
Gain from sale of consolidated entity	—	—	—	(387)
Gain from sale of equity-method investment	—	—	—	(863)
Other income	(154)	(127)	(158)	(168)
Other items not indicative of our ongoing operating performance ¹	1,377	1,601	4,142	2,775
Adjusted EBITDA	<u>\$(11,436)</u>	<u>\$(7,585)</u>	<u>\$(24,531)</u>	<u>\$(14,267)</u>

¹Represents cost incurred related to the cost savings initiative and business realignment.

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