



Q2 FY 2023 Earnings Conference Call

August 10, 2023

Forward-Looking Statements



Certain statements included in this presentation are not historical facts but are forward-looking statements, including for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “project,” “forecast,” “predict,” “poised,” “positioned,” “potential,” “seem,” “seek,” “future,” “outlook,” “target,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements include, but are not limited to, (1) anticipated expansion of Bridger’s operations and increased deployment of Bridger’s aircraft fleet; (2) Bridger’s business plans and growth plans, including anticipated revenue, Adjusted EBITDA and Adjusted EBITDA margin for 2023; (3) increases in the aerial firefighting market; and (4) anticipated investments in additional aircraft, capital resource, and research and development and the effect of these investments. These statements are based on various assumptions, whether or not identified in this presentation, and on the current expectations of Bridger’s management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Bridger. These forward-looking statements are subject to a number of risks and uncertainties, including: changes in domestic and foreign business, market, financial, political and legal conditions; Bridger’s ability to successfully and timely develop, sell and expand its technology and products, and otherwise implement its growth strategy; risks relating to Bridger’s operations and business, including information technology and cybersecurity risks, loss of requisite licenses, flight safety risks, loss of key customers and deterioration in relationships between Bridger and its employees; risks related to increased competition; risks relating to potential disruption of current plans, operations and infrastructure of Bridger; risks that Bridger is unable to secure or protect its intellectual property; risks that Bridger experiences difficulties managing its growth and expanding operations; the ability to compete with existing or new companies that could cause downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities, and the loss of market share; the impact of the coronavirus pandemic; the ability to successfully select, execute or integrate future acquisitions into the business, which could result in material adverse effects to operations and financial conditions; and those factors discussed in the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” included in Bridger’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 20, 2023. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. The risks and uncertainties above are not exhaustive, and there may be additional risks that Bridger presently does not know or that Bridger currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward looking statements reflect Bridger’s expectations, plans or forecasts of future events and views as of the date of this presentation. Bridger anticipates that subsequent events and developments will cause Bridger’s assessments to change. However, while Bridger may elect to update these forward-looking statements at some point in the future, Bridger specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Bridger’s assessments as of any date subsequent to the date of this presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements contained in this presentation.

Today's Agenda



Bridger Aerospace at a Glance

Q2 2023 Financial Overview

2023 Outlook

Appendix: Non-GAAP Reconciliations

Bridger Aerospace at a Glance



- Provides full-spectrum aerial firefighting solutions to Federal and State government agencies
 - Largest domestic owner/operator of the purpose-built CL-415EAF “Super Scooper” (6)
 - Surveillance aircraft for infrared mapping and immediate data transfer (Air Attack and UAS)
- Demand for aerial firefighting continues to grow driven by climate change, population moving to wildfire prone areas and shift from ground to air-based suppression
- Insufficient firefighting capacity with reduced supply of aerial assets leading to unfilled requests
- Attractive unit economics and fleet growth to drive revenues, margins and adjusted EBITDA
 - Predictable and recurring revenue base resulting from contract renewal and standby revenue
 - Strong return on investment per Super Scooper with < 4-year payback
- Potential for opportunistic fleet expansion



2023 Highlights to Date



- Wildfire season began six weeks later than usual due to considerable snowpack and wet spring conditions in Western U.S.
- First international deployment into Canada helped increase utilization in second quarter
- Entire fleet called back to U.S. in July with potential for fire season to run into fourth quarter
- Awarded 5-year exclusive use and call when needed contracts with U.S. Department of the Interior with potential for up to \$68 million for advanced fire intelligence services
- Acquisition of Bighorn Airways announced
 - Fleet of 12 aircraft
 - Smoke jumping and special mission transport for government customers
 - Expected close of late September
 - Purchase price of \$39 million; accretive in 2024
- Continue to seek opportunistic fleet expansion in new verticals and new markets to increase geographic flexibility to cover more territories and wildfire seasons



Q2 2023 Financial Review



\$11.6M

vs. \$12.8m prior year

Revenue

- Q2 revenue impacted by late start to U.S. wildfire season
- Expansion of aerial firefighting activities into Canada for first time increased utilization and partially offset impact of wet spring weather in the U.S.

\$10.5M

vs. \$9.4m prior year

Cost of Revenue

- Cost of revenues in line, up 12%
- Increased depreciation, maintenance and other expenses driven by addition of two Super Scoopers in September 2022 and February 2023

\$15.2M

vs. \$5.7m prior year

SG&A

- Increase primarily driven by \$7.9m non-cash stock-based comp for RSUs
- \$1.1m loss on disposal and non-cash asset impairment charges on aging surveillance aircraft

\$1.0M

vs. \$2.0m prior year

Adj. EBITDA

- See definition and reconciliation of Net loss to Adj. EBITDA on slides 10-12
- Impacted by reduced second quarter revenue due to delayed start of wildfire season

Current assets of

\$41.2M

vs. \$106.9m 12/31/22

Balance Sheet

- \$25.7m of cash, restricted cash and marketable securities
- \$207.5m of debt
- \$342.7m mezzanine equity/preferred shares

Q2 2023 YTD Financial Review



\$12.0M

vs. \$12.8m prior year

Revenue

- Revenue impacted by later start to U.S. wildfire season
- Expansion of aerial firefighting activities into Canada for first time increased utilization and partially offset impact of wet spring weather in the U.S.
- Q1 revenue is typically minimal

\$17.8M

vs. \$15.9m prior year

Cost of Revenue

- Cost of revenues in line, up 11%
- Increased depreciation, maintenance and other expenses driven by addition of two Super Scoopers in September 2022 and February 2023

\$48.4M

vs. \$10.6m prior year

SG&A

- Increase primarily driven by \$31.9m non-cash stock-based comp for RSUs

(\$10.7M)

vs. (\$9.1m) prior year

Adj. EBITDA

- See definition and reconciliation of Net loss to Adj. EBITDA on slides 10-12
- Impacted by reduced second quarter revenue due to delayed start of wildfire season
- Company generates negative adjusted EBITDA in Q1 each year

2023 Outlook Affirmed



- Revenue expected to increase over 80% to between \$84 million to \$96 million, despite late start to wildfire season
- Adjusted EBITDA expected to range from \$37 million to \$45 million
- On track to close Bighorn acquisition in late September
- Delayed start of wildfire season, while negatively impacting Q2, can often push wildfire season into Q4



**BRIDGER
AEROSPACE**



Appendix

Non –GAAP Financial Measures



Although Bridger believes that net income or loss, as determined in accordance with GAAP, is the most appropriate earnings measure, we use EBITDA and Adjusted EBITDA as key profitability measures to assess the performance of our business. Bridger believes these measures help illustrate underlying trends in our business and use the measures to establish budgets and operational goals, and communicate internally and externally, for managing our business and evaluating its performance. Bridger also believes these measures help investors compare our operating performance with its results in prior periods in a way that is consistent with how management evaluates such performance.

Each of the profitability measures described below are not recognized under GAAP and do not purport to be an alternative to net income or loss determined in accordance with GAAP as a measure of our performance. Such measures have limitations as analytical tools and you should not consider any of such measures in isolation or as substitutes for our results as reported under GAAP. EBITDA and Adjusted EBITDA exclude items that can have a significant effect on our profit or loss and should, therefore, be used only in conjunction with our GAAP profit or loss for the period. Bridger's management compensates for the limitations of using non-GAAP financial measures by using them to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Because not all companies use identical calculations, these measures may not be comparable to other similarly titled measures of other companies.

Bridger does not provide a reconciliation of forward-looking measures where Bridger believes such a reconciliation would imply a degree of precision and certainty that could be confusing to investors and is unable to reasonably predict certain items contained in the GAAP measures without unreasonable efforts, such as acquisition costs, integration costs and loss on the disposal or obsolescence of aging aircraft. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred and are out of Bridger's control or cannot be reasonably predicted. For the same reasons, Bridger is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Non –GAAP Financial Measures - Definitions



EBITDA is a non-GAAP profitability measure that represents net income or loss for the period before the impact of the interest expense, income tax expense (benefit) and depreciation and amortization of property, plant and equipment and intangible assets. EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting financing expenses), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense).

Adjusted EBITDA is a non-GAAP profitability measure that represents EBITDA before certain items that are considered to hinder comparison of the performance of our businesses on a period-over-period basis or with other businesses. During the periods presented, we exclude from Adjusted EBITDA gains and losses on disposals of assets, legal fees and offering costs related to financing and other transactions, which include costs that are required to be expensed in accordance with GAAP. In addition, we exclude from Adjusted EBITDA non-cash stock-based compensation and business development expenses. Our management believes that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future.

Adjusted EBITDA Reconciliation to Net Loss



(All amounts in U.S. dollars)	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Net loss	\$ (19,021,602)	\$ (4,562,875)	\$ (63,706,540)	\$ (19,435,884)
Depreciation and amortization	3,235,147	2,827,932	4,986,192	4,094,854
Interest expense	5,540,867	2,293,682	11,205,412	6,008,228
EBITDA	(10,245,588)	558,739	(47,514,936)	(9,332,802)
Loss on disposals ⁽ⁱ⁾	1,053,866	-	1,052,407	781,492
Offering costs ⁽ⁱⁱ⁾	1,184,487	1,213,198	3,267,607	1,213,198
Stock-based comp ⁽ⁱⁱⁱ⁾	8,612,514	2,222	32,610,530	4,780
Business development ^(iv)	354,455	236,603	873,277	391,976
Adjusted EBITDA	\$ 959,734	\$ 2,010,762	\$ (9,711,115)	\$ (6,941,356)

- i) Represents loss on the disposal and impairment on aging surveillance aircraft.
- ii) Represents one-time professional service fees related to the preparation for potential offerings that have been expensed during the period.
- iii) Represents stock-based compensation expense recognized for RSUs granted to certain executives and senior management and the fair value adjustment for warrants issued in connection with the Business Combination.
- iv) Represents expenses related to potential acquisition targets and additional business lines.