



ENJOY FLYING MORE

Q4 2023 EARNINGS

MARCH 26, 2024

NYSE:SOAR



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Key Q4 and Full Year 2023 Highlights

- ✓ Completed business combination with PROOF Acquisition Corp I in Q4 2023 resulting in public listing.
 - Raised over \$40 million of total new capital throughout 2023
- ✓ Increased the size of Volato's floating fleet to 24 HondaJet IIs in FY 2023
 - Expect delivery of 10-14 new aircraft in FY 2024
- ✓ Continued expansion of Volato's floating fleet increased flight hours in Q4 and FY 2023 by +105% and +124% year-over-year, respectively
- ✓ Demand mix improved with 48% of flight hours by higher yielding non-owner flights, increasing:
 - Q4 2023 blended yield to \$5,348, +9% year-over-year
 - Q4 2023 aircraft usage revenue to \$11.6 million, +121% year-over-year
- ✓ Disciplined cost management and pursuit of higher yielding non-owner hours drove sequential improvement in gross margin in Q4 2023

Volato: Highly Scalable and Cash-Generating Business Model

Volato secures fleet aircraft orders from top-tier OEMs, which are then sold, often prior to delivery, through fractionalizing. Subsequently, the company operates these aircraft on 5-year contracts, aiming to maximize their utilization and profit potential.



- 1. Operates largest floating fleet of HondaJets and has secured meaningful amount of HondaJet production through 2026 in a tight supply market.***
- 2. Incentivized underutilization by fractional owners provides excess availability¹ at a favorable market financing rate.***
- 3. Utilizing a commercial multi-product strategy this excess availability is filled with higher margin non-owner usage.***

Notes:

1. Excess availability is the aircraft availability provided to the operator that is in excess of the industry standard for a fractional owner share. Volato benefits from excess availability of ~70% compared to the traditional industry average of 5-10%.



Private Aviation: A Large and Fast-Growing Market with Favorable Tailwinds

Key Drivers Fueling Growth in Private Aviation



Shifts in Work/Life Balance

- Flight and travel purpose patterns have permanently changed
- COVID-19 introduced private aviation to new customers



Capacity Constraints

- Significant OEM backlogs for new deliveries
- Low inventory of aircraft on the secondary market



Growth in the Experience Economy

- Growing shift in spend on services such as travel and restaurants and away from goods
- Emerging business models offering different/lower entry points to meet new needs



Rising Disposable Incomes

- Growing number of high-net-worth individuals is expanding potential customer base

\$29.0B

2022 Global Business Jet Market

4.1%

Global Business Jet Market
CAGR 2022-2029



Volato's Fractional Program: A More Profitable & Lower Risk Model for Volato; the Operator

A win-win business model for Volato and fractional owners, that provides Volato a cost-effective financing source for fleet availability.

Fractional owners are financing Volato's fleet...	✓	Asset light business model
Secured on a long-term basis	✓	Fractional owners enter 5-year management contracts
At a lower cost of capital than leasing or acquiring aircraft	✓	0.66% monthly operating lease rate ¹ compared to a 1.0-1.2% industry market rate
At lower risk	✓	Revenue share only payable on occupied revenue flight hours

Multiple predictable recurring cash flows:

Initial Fractional Share Purchase

- Recurring Revenue Stream.
- Industry standard: 80% of fractional customers re-up and buy another share at program end.
- Selling of the aircraft is recurring in nature, with a 5-year. purchase cycle and est. sub. 20% churn.

Monthly Management Fee

- Aircraft on a 5-year management contract.
- Monthly management fee pulled via direct debit.
- Priced to at least cover the fixed operating costs of the aircraft (pilots, insurance, ancillary costs etc.)

Ongoing Flight Usage

- Owners are charged a fixed hourly rate and fuel is passed through at cost.
- When owners are not flying, aircraft is chartered to non-owners, typically at substantially higher hourly flight rates.



Volato's Fractional Program: Creating Excess Unused Fleet Availability


Volato's fractional model incentivizes owners to acquire a larger share than required by anticipated usage, providing Volato excess aircraft availability ~70% compared to the traditional industry average of 5-10%¹ per year per Fractional Aircraft.

Demand Mix	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Owner	91%	88%	80%	67%	55%	45%	55%	52%
Non-owner(Program & Ad Hoc)	9%	12%	20%	33%	45%	55%	45%	48%

The excess fleet availability is filled with non-owner flying, providing a substantial advantage over traditional models:

Traditional Fractional Models: Occupied Usage

- Share size purchase decision is based upon anticipated usage.
- Majority flying done by owners which have a lower hourly rate.
- Meaning the averaged occupied yield is anchored by the owner rate.




50 hrs. non-owner	\$6,500 per hr.
750 hrs. owner	\$4,700 per hr.
Average Occupied Yield	\$4,800 per hr.

Lower margin flight operations

Volato's Fractional Program: Occupied Usage

- Higher proportion of non-owner usage.
- Model leads to higher average occupied yields and profitability from long tail flight operations revenue streams.



504 hrs. non-owner (63%) ²	\$6,500 per hr.
296 hrs. owner (37%)	\$4,700 per hr.
Average Occupied Yield	\$5,800 per hr.


Achieve 21% higher yield, & higher contribution

Sources:
1. Industry average is 800 occupied hours per year
2. Target we are working towards at scale



Volato's Fleet: The HondaJet Unit Economics

Unique business model provides multiple recurring revenue streams and profitable flight operations. Each aircraft acquired is providing a layered stream of annuities.

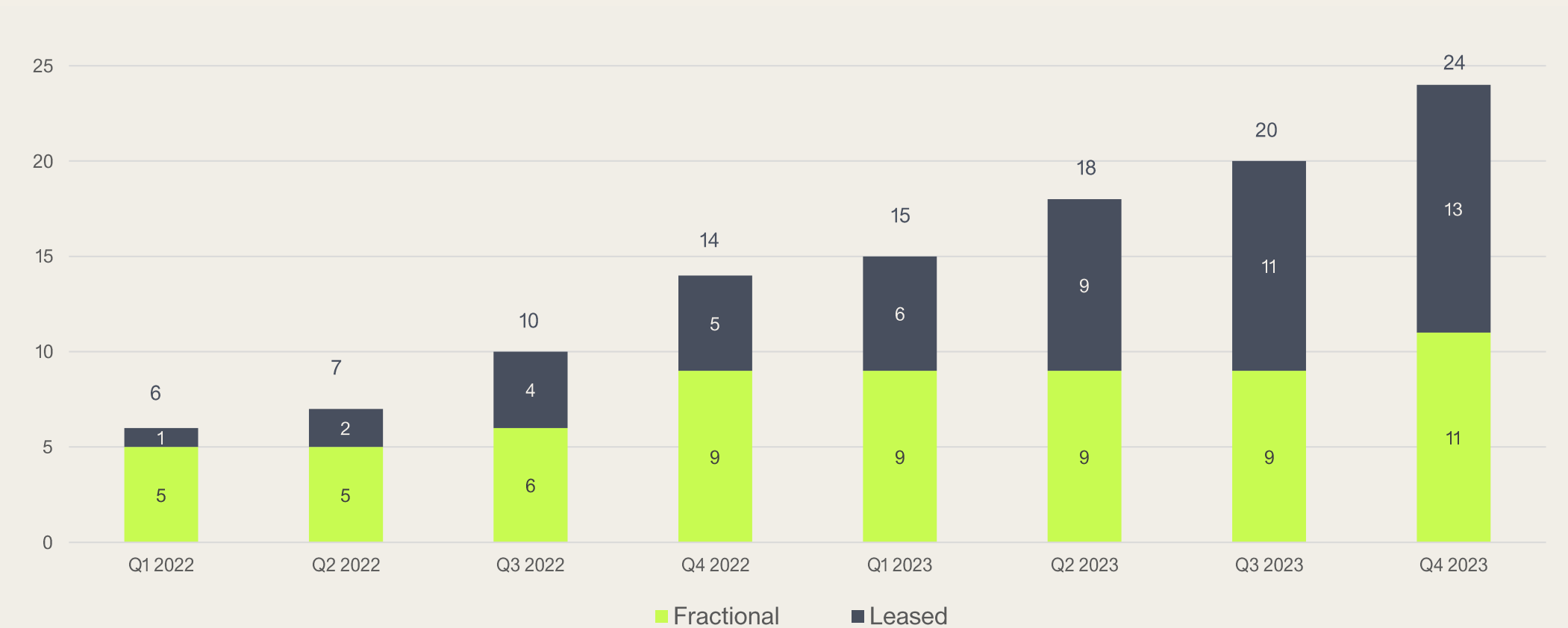
 HONDA	Initial Aircraft Sale	Annual Management Fee	Flight Operations			Annual Recurring Revenue	5-Year Contract Combined Economics
	REVENUE ^{1,2}	\$9.2M	\$1M	\$3.9M		\$4.9M	\$33.7M
	MARGIN ¹	24%	1% Breakeven	31%		24.2%	17% EBITDA \$6.2M

Volato's business model can be profitable from both fractional sales and flight operations



Volato's Fleet: Historical Floating HondaJet Fleet Growth

In a tight aircraft delivery market, Volato has secured significant firm orders and has been able to grow its fleet rapidly. Volato has 22 HondaJets on firm order, to be delivered prior to 2026.



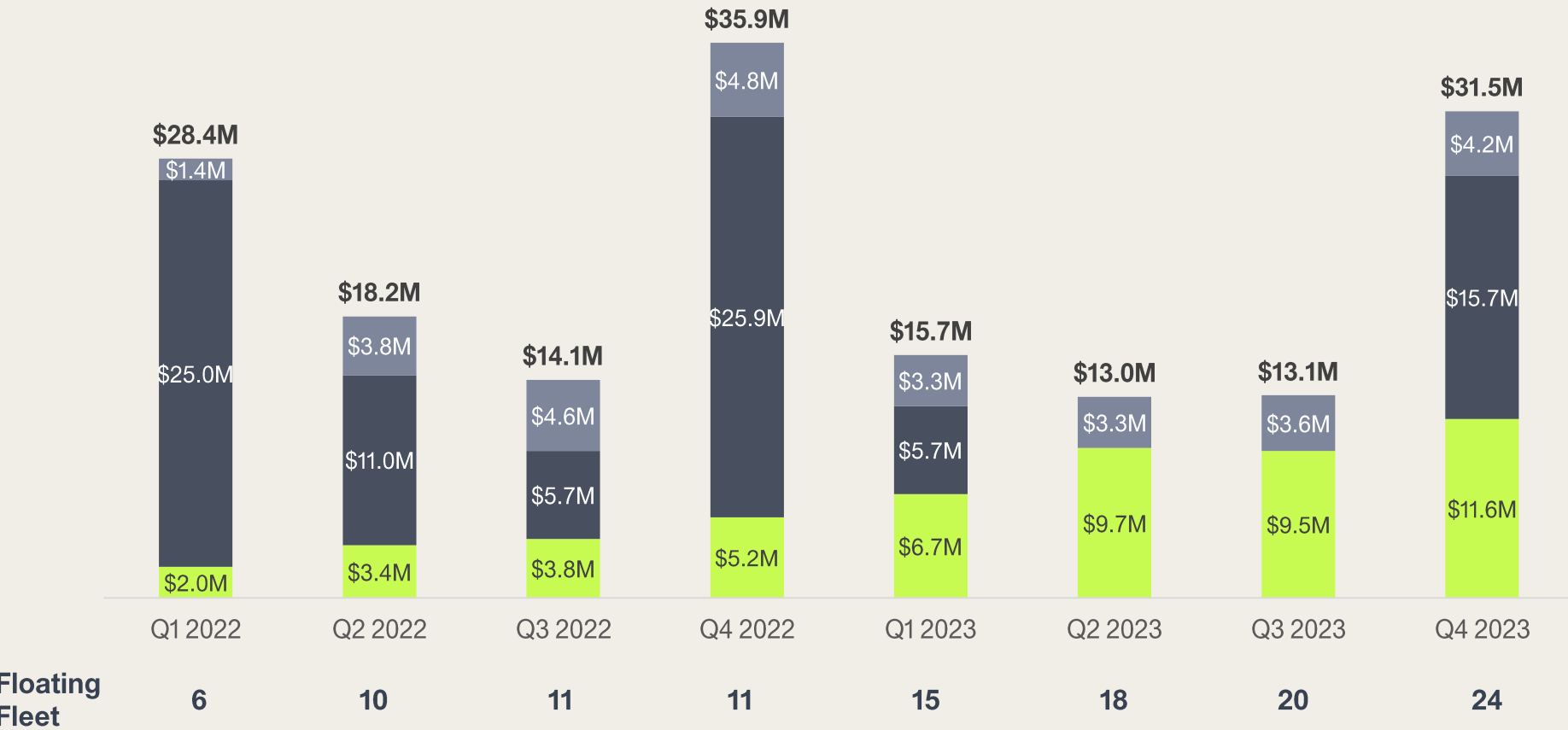
An aerial, top-down view of an airport tarmac. Four aircraft are visible: a small propeller plane at the top left, a twin-engine jet at the top right, a large twin-engine jet in the center, and a large four-engine jet at the bottom. The aircraft are light blue and white. The tarmac is dark grey with yellow dashed lines. The background is a dark blue gradient.

FINANCIAL INFORMATION

Volato Financial Performance At-a-Glance

Quarterly Revenue

■ Recurring Revenue¹ ■ Aircraft Sales Revenue² ■ Other³



Commentary

- Recurring revenue continues to grow quarter over quarter, with 162% annual growth in 2023 over 2022.
- Recurring revenue and aircraft sales revenue are expected to grow with the expansion of our fleet in Q4 2023 and beyond.
- Clear opportunity to acquire more HondaJets and operate the largest HondaJet fleet in the industry.

Floating
Fleet

Notes: 1. Reflects Usage Revenue + Maintenance Revenue + Management + Fuel.
2. Reflects Whole Aircraft Sales + Fractional Sales Revenue. Management expects a large portion of fractional sales revenue to be recurring in nature as fractional owners are anticipated to buy a new fraction with Volato at the end of their 5-year contracts.
3. Reflects Managed Fleet Division Reimbursable Expense + Managed Fleet Division Revenue.



Clear Path To Profitability: Through a Continued Focus on Strong Execution

2024 is a pivotal year as Volato is positioned to benefit from several maturing strategic initiatives, earning substantial margin from new aircraft deliveries, and unlocking operational efficiencies through the network effect.

1

Expand Fleet

- 10-14 new aircraft deliveries expected in 2024, compared to only 3 in 2023.
- Continue to opportunistically expand fleet through other means; i.e., leasing or aircraft management.

2

Increase Fleet Utilization

- Continue executing on commercial strategy and expand non-owner usage on the fleet.
- Ramping up Insider Program client relationships.
- Volato provides pre-delivery owners the option to start flying on the fleet pre-delivery – increasing utilization.

3

Unlock Operational Efficiencies

- There is an inherent cost to supporting air carrier operations and in 2023 Volato invested in front-loaded operations.
- As the fleet increases economies of scale benefits are unlocked.
- Supported by our proprietary software that drives productivity and operational efficiencies.
- A larger fleet and increased utilization results in scheduling efficiencies and a reduction in empty-leg flying.



Clear Path To Profitability: Generating significant cash flow by growing fleet in 2024

Volato is anticipating between 10-14 aircraft to be delivered in 2024

HondaJet Elite II



- 8 to 10 planes to be added in 2024
- Deliveries expected throughout 2024

Gulfstream G280s



- 2 to 4 planes to be added in 2024
- Deliveries expected second half 2024

2024 Fractional Share Purchase

- HondaJets
 - Revenue: \$72M to \$90M
 - Margin: \$16M to \$20M
- Gulfstream G280s
 - Revenue: \$50M to \$100M
 - Margin: \$10M to \$24M

Monthly Management Fee

- HondaJets
 - Revenue: \$80K per month per plane
- Gulfstream G280s
 - Revenue: \$300K per month per plane

2024 revenue will be dependent on timing of plane deliveries

Ongoing Flight Usage

- HondaJets
 - Revenue¹: Average \$250k per month per plane
- Gulfstream G280s
 - Revenue: Average \$480k per month per plane

2024 revenue will be dependent on timing of plane deliveries



Key Performance Indicators: Trending positively through strategy implementation

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Total Flight Hours	813	1,199	1,307	1,712	2,103	2,919	2,747	3,504
Empty Percentage	38.0%	41.1%	40.2%	39.0%	41.2%	39.6%	36.6%	37.9%
Demand Mix:								
Owner	91%	88%	80%	67%	55%	45%	55%	52%
Program & Ad Hoc	9%	12%	20%	33%	45%	55%	45%	48%
Blended Yield	\$4,036	\$4,665	\$4,512	\$4,926	\$4,927	\$5,042	\$4,913	\$5,348
Floating Fleet	6	10	11	11	15	18	20	24
Light Jet Market Share	0.7%	0.9%	1.1%	1.3%	1.7%	2.5%	2.5%	2.9%
Net Promoter Score	N/A	N/A	N/A	N/A	86	89	90	88

Empty Percentage

The Company defines Empty Percentage as live hours for owner, program, and ad hoc charter flights divided by total flight hours as measured by ARGUS. All hours not flown by owner, program, or ad hoc charter customers are included in the empty percentage calculation including, but not limited to, Vaunt, training, and maintenance flights. The Company believes Empty Percentage is a useful metric to measure the efficiency of its fleet.

Demand Mix

The Company defines Demand Mix as the number of flight hours flown by owners or non-owners divided by the total number of flight hours. The Company believes Demand Mix is a useful metric to measure improvement in margin.

Blended Yield

The Company defines Blended Yield as the average occupied price per hour across all Volato product types: owner, program and ad hoc. The Company believes Blended Yield is a useful metric to measure revenue per flight hour.

Light Jet Floating Fleet

The Company defines Light Jet Floating Fleet as the fleet of Light Jet aircraft flown as directed exclusively by Volato at the end of the quarter.

Total Flight Hours

The Company defines Total Flight Hours as the actual flight time from the moment of aircraft lift-off at the departure airport until it touches ground at the end of a flight as measured by ARGUS. The Company believes Total Flight Hours are a useful metric to measure the usage of our programs and the scale of its fleet and revenue growth.

Light Jet Market Share

The Company defines Light Jet Market Share as the set of flights flown by light jets departing from and/or arriving at a US airport as measured by ARGUS. The Company believes Light Jet Market Shares is a useful metric to measure the size of the business relative to the current market.

Net Promoter Score

The Company defines Net Promoter Score as a measure of customer loyalty, sourced internally from Volato, based on customer surveys conducted post-flight. The Company believes Net Promoter Score is a useful metric to measure the customer experience.



Volato Group: Investment Highlights

LARGE MARKET SIZE

- Focused on the largest market segment; Light Jets.

EXPERIENCED MANAGEMENT TEAM

- Team with both deep aviation industry experience and from the technology industry.

SUPERIOR BUSINESS MODEL

- Capital-light strategy combines fractional ownership with higher-yield non-owner flight operations

DIVERSIFIED REVENUE STREAMS

- Multiple product offerings that complement and support fleet utilization.

PROPRIETARY TECHNOLOGY

- In-house software delivers efficiency and productivity improvements, with optionality to monetize software products for broader industry use.

CUSTOMER TRACTION

- Fastest growing and sixth-largest U.S. light jet operator with world-class Net Promoter Score of 88.

PATH TO PROFITABILITY

- Clear visibility to near-term profitability based on aircraft delivery schedule and unit economics.



Volato



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