2023 BUSINESS AVIATION REVIEW

WHAT IS TRAQPAK?

The most targeted and sophisticated aircraft activity analysis and market intelligence reporting database in the industry. Integrating the world's largest business aviation databases, the accuracy of TRAQPak's proprietary data, and combining aircraft movement data and aircraft owner/operator contact information - you have a wealth of strategic aircraft intelligence that cannot be matched. ARGUS TRAQPak data is aircraft arrival and departure information on all IFR flights in the US (including Alaska and Hawaii), Canada, and the Caribbean.

TRAQPak Aircraft & Operational Categories defined:

- **Turbo Prop**: Single engine Turboprop Aircraft and Multi-Engine Turboprop Aircraft
- **Small Cabin Jet**: Very Light Jets (VLJ) and Light Jets (LJ) - Jet aircraft with a maximum takeoff weight of less than 20,000 lbs.
- **Mid-Size Cabin Jet**: Mid-size Jets (MJ) and Super Mid-Size Jets (SMJ) - Jet aircraft with a maximum takeoff weight of over 20,000 to 41,000 lbs.
- **Large Cabin Jet**: Large Jets, Ultra-Long Range and Heavy Jets - Jet aircraft with maximum takeoff weight of over 41,000 lbs
- **Part 135 Commercial Operator**: An on-demand commercial aircraft operator and those aircraft that are listed with the FAA.
  - A Part 135 operator that offers scheduled service is not considered on-demand and therefore is omitted from TRAQPak's Part 135 data.
- **Fractional Operator**: A company that sells or leases shares of business aircraft that are listed with the FAA.
  - If greater than 50% of their aircraft have shares available then they are considered Fractional
- **Part 91, Non-Commercial Operator:** A Part 91 Non-Commercial company is any remaining business aviation operator that is not listed as a Part 135 or Fractional company.

BUSINESS AVIATION OVERVIEW

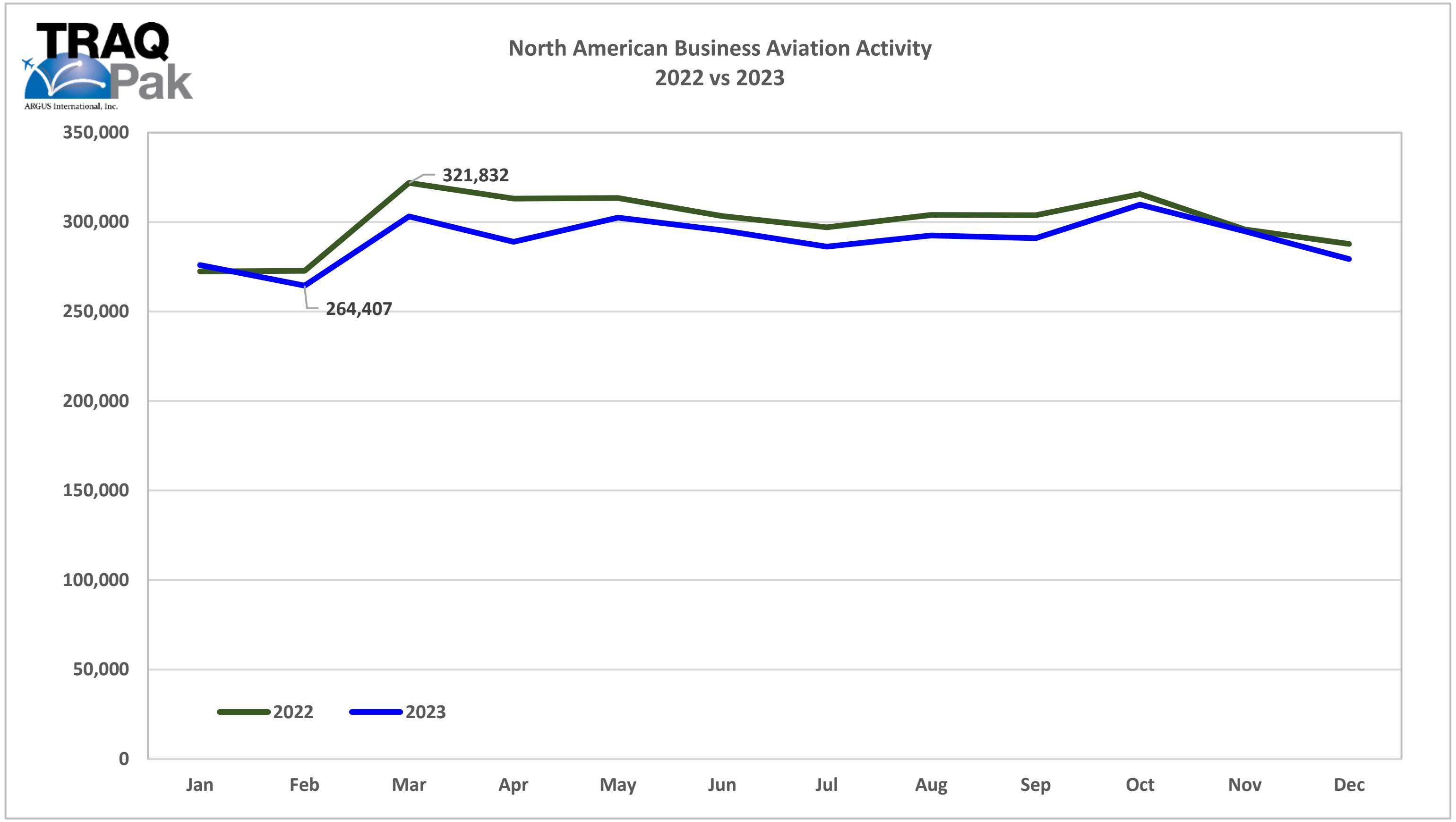
- TRAQPak's 2023 Annual Business Aviation Review is back! We began 2023 with many questions in the industry, specifically focused on the new flight activity declines we began seeing at the end of 2022. Among the questions we posed at the start of the year were the impact of a possible recession, would Part 91 flying moderate and how would supply chain issues and personnel challenges impact activity within the industry as we moved through 2023.

- As we review 2023 we can see answers to some of our questions amidst some ambiguity. Part 91 flying did decline in 2023, but the decline was nominal at 2.6% and, outside of mid-size jets, most of the Part 91 industry was down about 1.0% or less. A recession has yet to materialize in the US and supply chain and personnel issues remain but that didn't slow down Fractional activity which grew a formidable 8.9% in 2023, which is even more impressive considering Part 135 flying, the stalwart of the post-Covid days, declined 8.6% during the year.

- Overall flight activity in 2023 declined 3.3% in North America, when compared to 2022 and the decline was consistent throughout much of the year. Across the Atlantic, European activity declined 10.2% but the declines in North America and Europe didn't slow down other regions of the world, which managed to record a very strong 2023.

- This review will look at flight activity for the overall industry, the individual industry segments and aircraft categories. It features a global activity review and also includes TRAQPak's prestigious flight activity forecast.

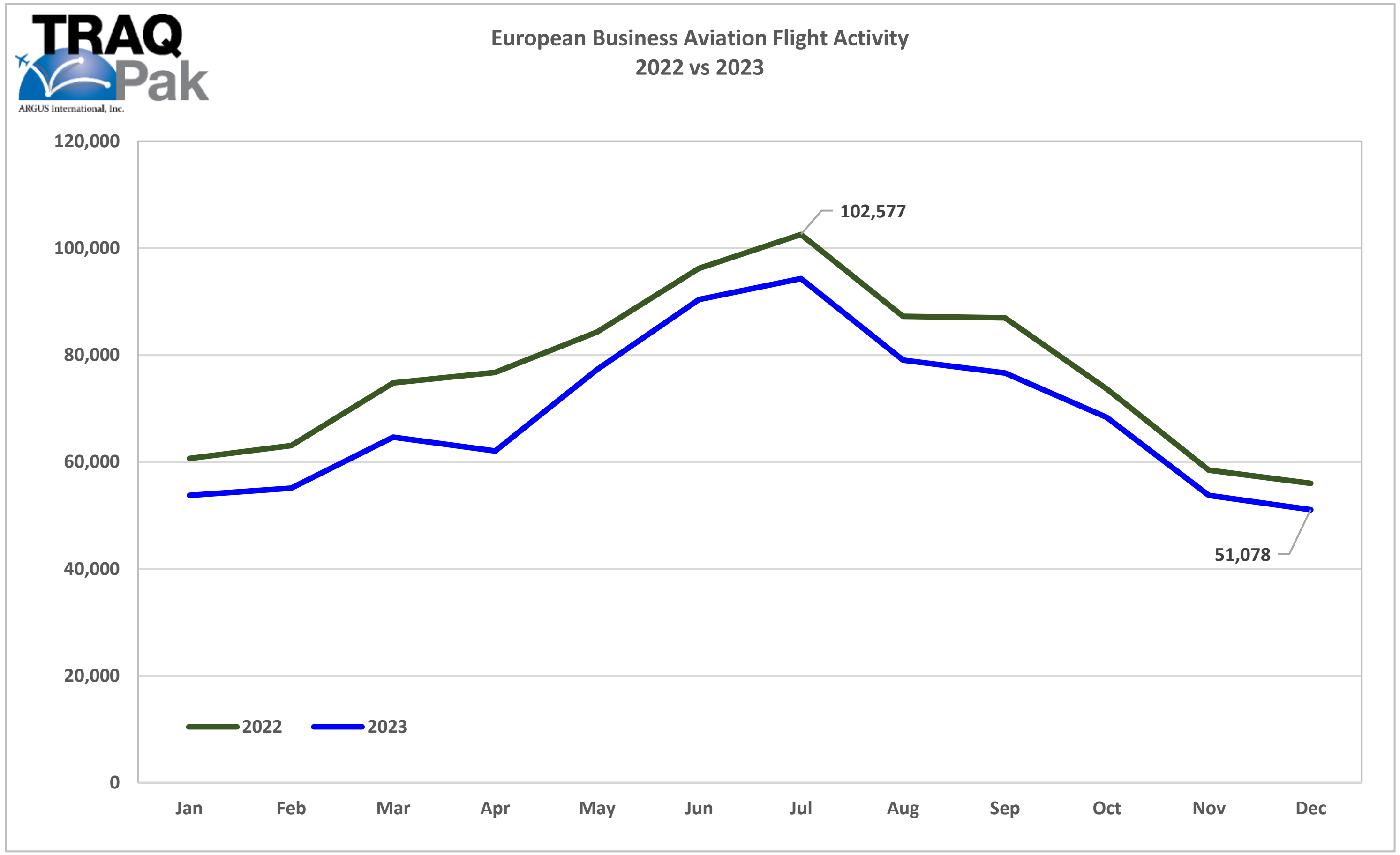
NORTH AMERICAN FLIGHT ACTIVITY



Flight activity during 2023 was down 3.3% from 2022. The strongest month over the last two years was March 2022, which is currently the busiest month on record. The lowest month over the last two years was February 2023 which is to be expected since February has fewer days on the calendar.

EUROPEAN FLIGHT ACTIVITY

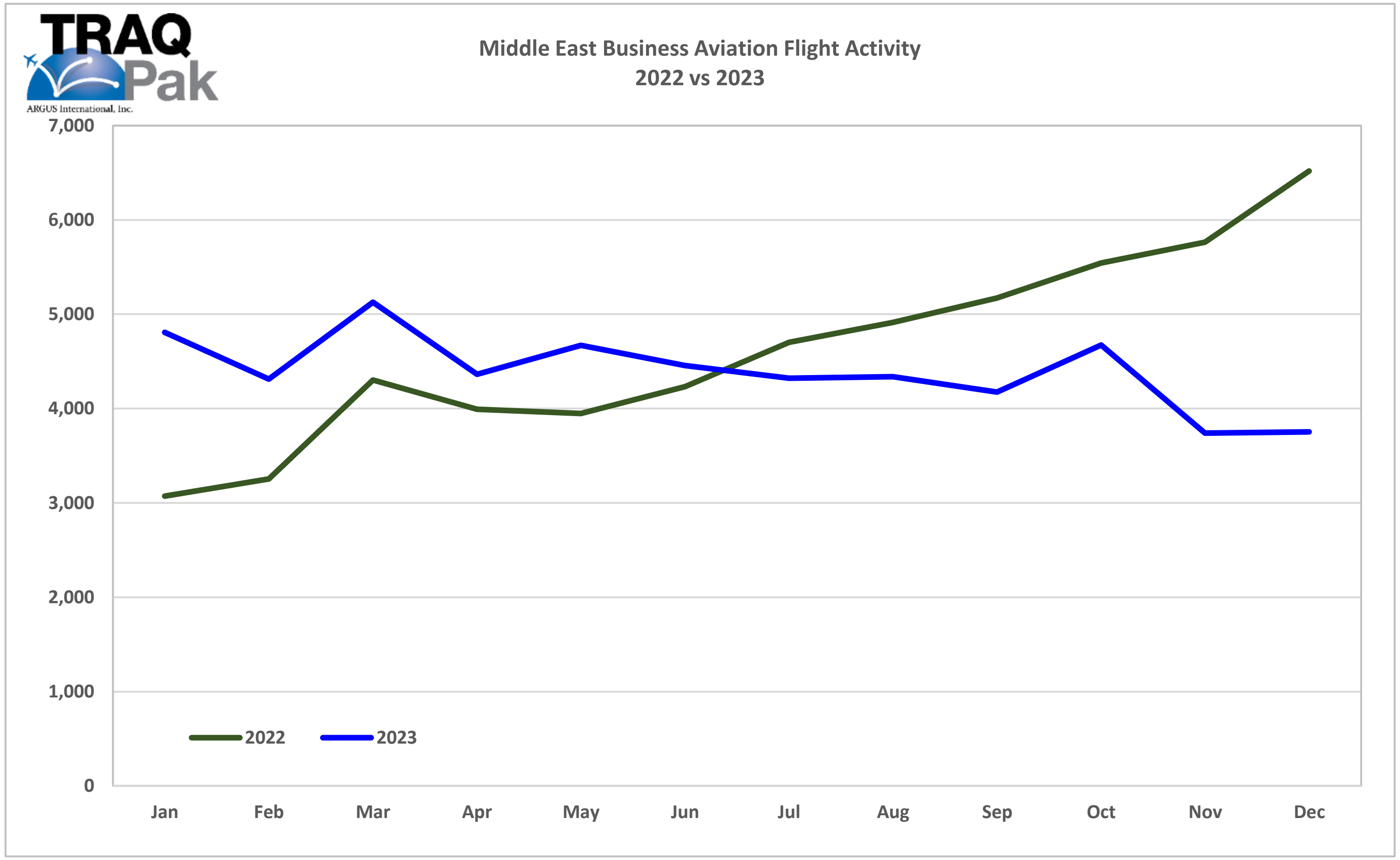
European flight activity declined 10.2% in 2023, when compared to 2022. The busiest month over the last two years was July 2022 and the lowest month was December 2023, signaling a return to the pre-Covid activity patterns across the continent.



Aircraft Activity Analysis & Market Intelligence Tool

MIDDLE EAST FLIGHT ACTIVITY

Flight activity was down 4.8%* in the Middle East in 2023, compared to 2022. While the chart shows a decline beginning in July 2023, activity from January – September 2023 was up 7.9% from 2022. However, following the conflict between Israel and Palestine, activity in Q4 2023 dropped 31.7% across the region.

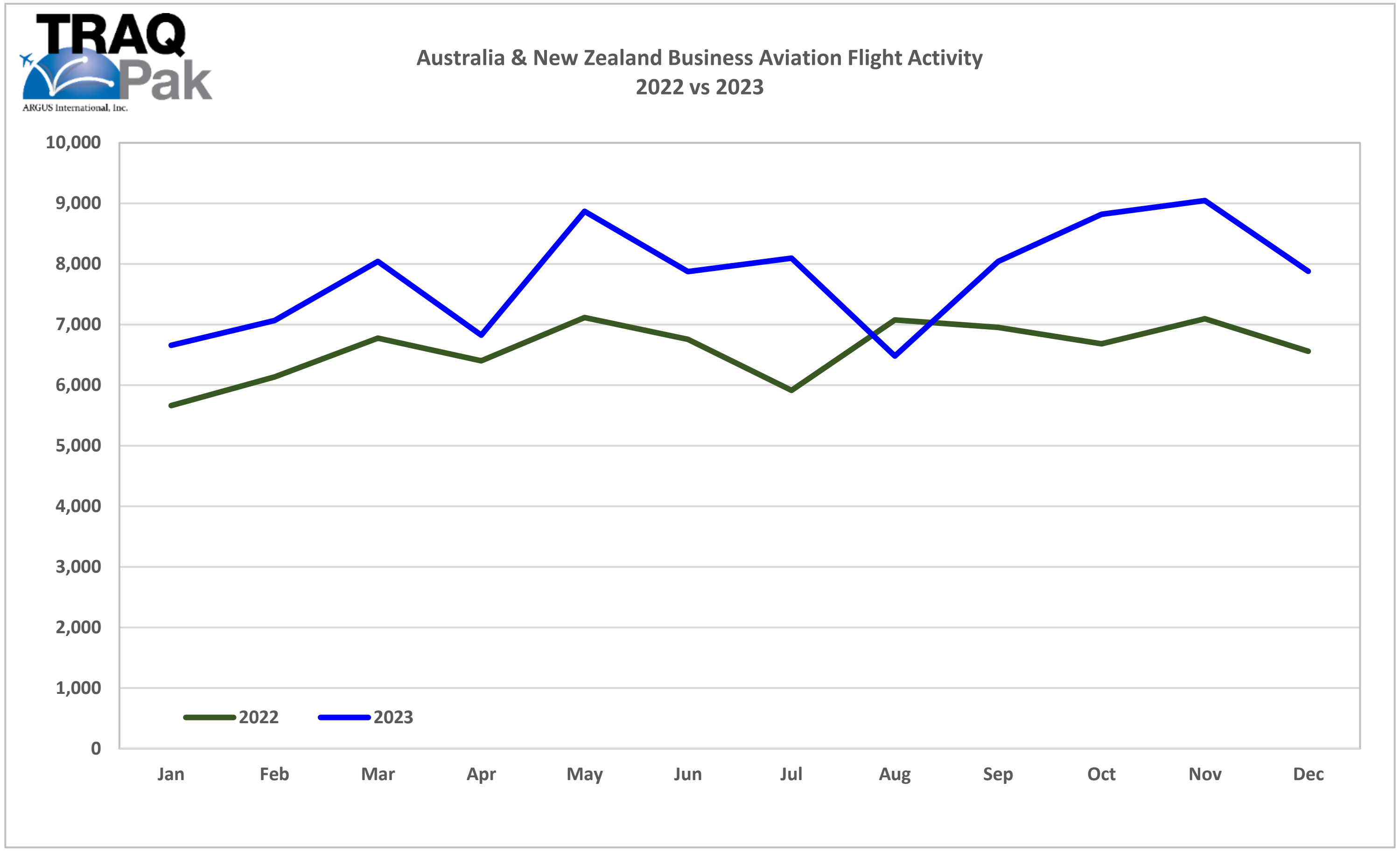


**Note- Flight activity includes the addition of the Commercial Jet category, which is not typically used in TRAQPak business aircraft data reporting. Category includes large VIP aircraft such as B777, B767, B747 A340, etc.*

Aircraft Activity Analysis & Market Intelligence Tool

AUSTRALIA & NEW ZEALAND FLIGHT ACTIVITY

Flight activity in the Oceania region increased 18.4% during 2023. The strongest month on record, in terms of total flights, over the last 2 years was November 2023 which saw a yearly activity gain of 27.5% over November 2022.



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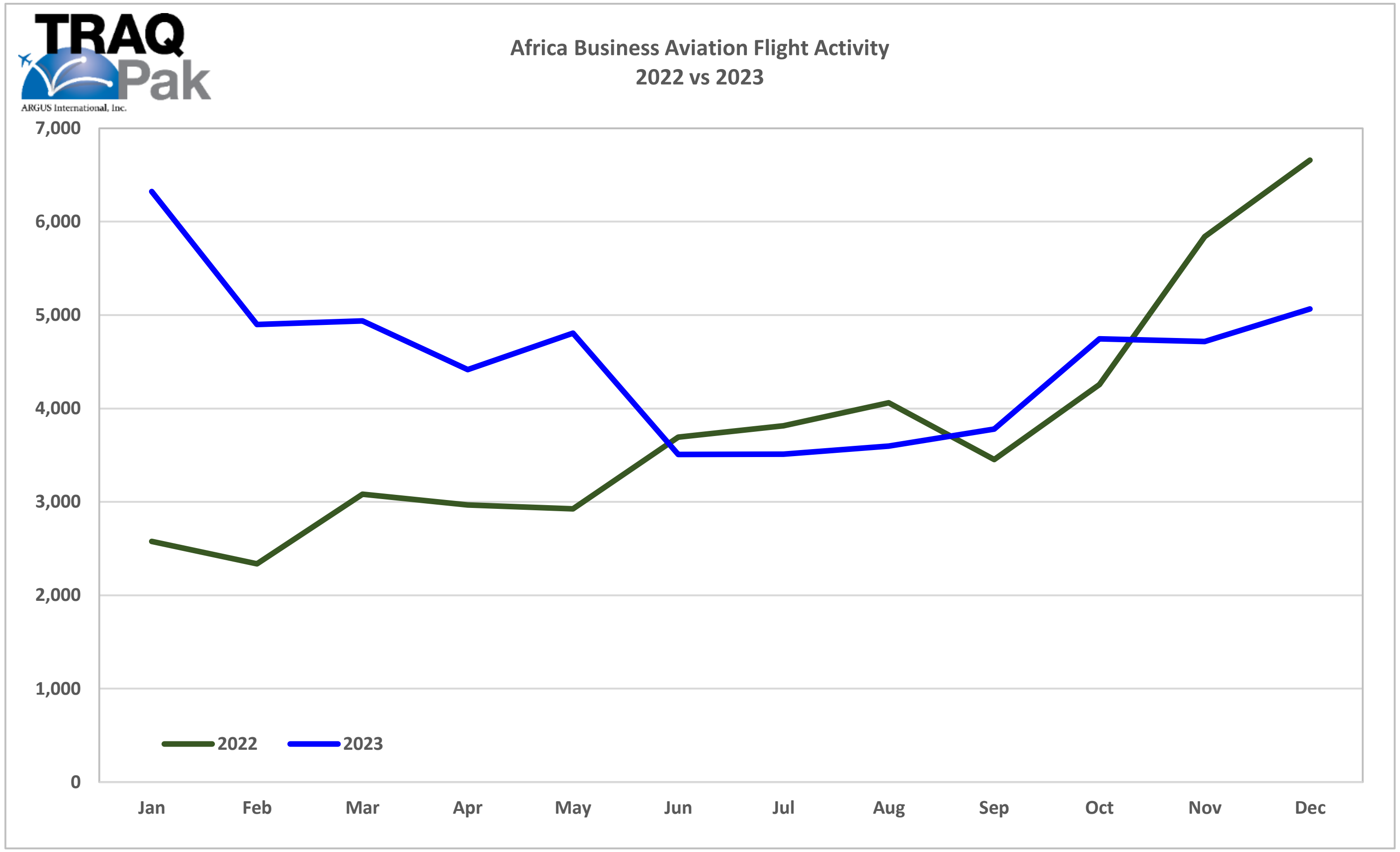
FLIGHT ACTIVITY IN AFRICA

Activity across Africa increased 18.9% in 2023 primarily due to 85% yearly growth from January – May. Overall, 8 months in 2023 managed to report gains in activity and 4 reported yearly declines on the continent.



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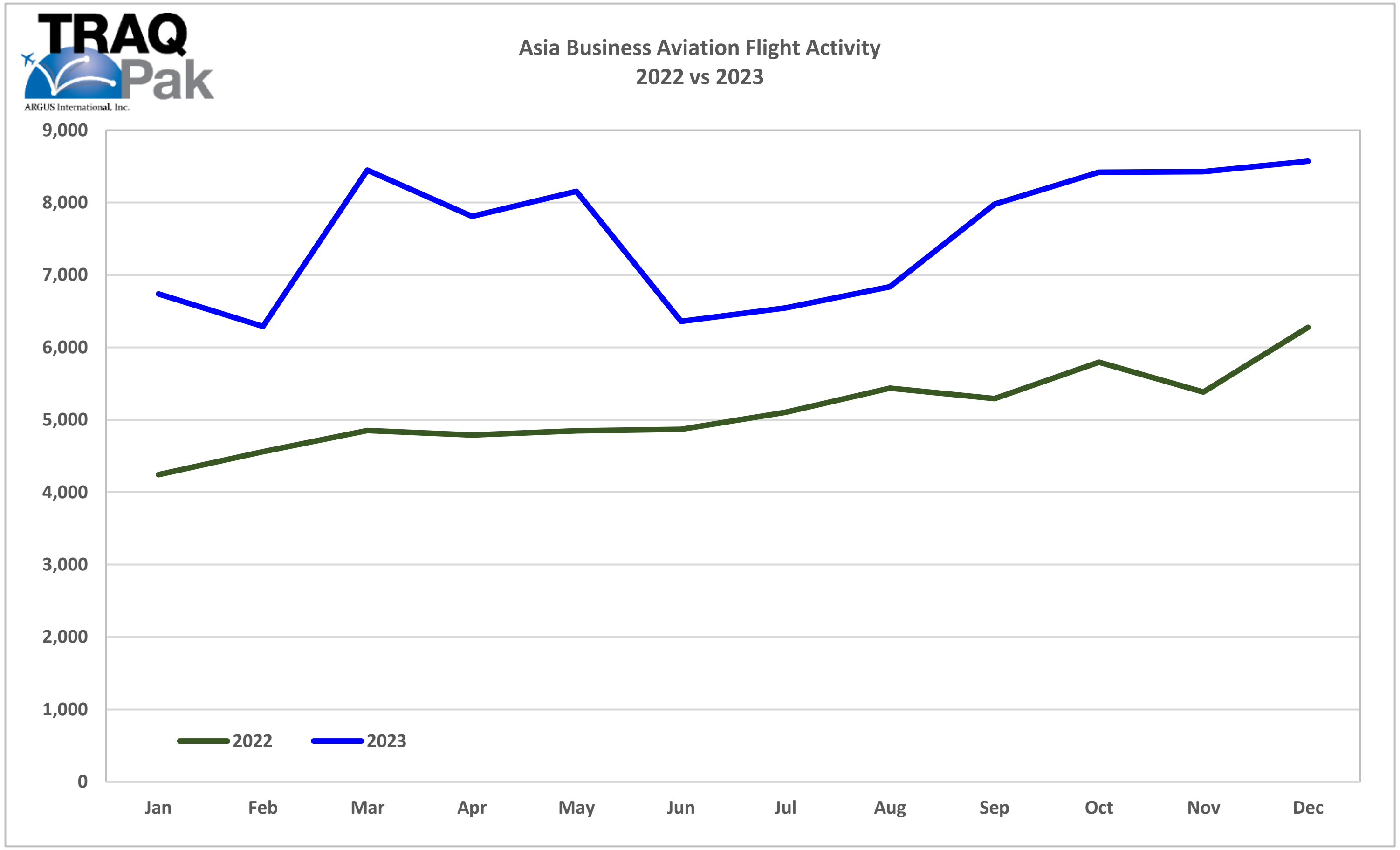
FLIGHT ACTIVITY IN ASIA

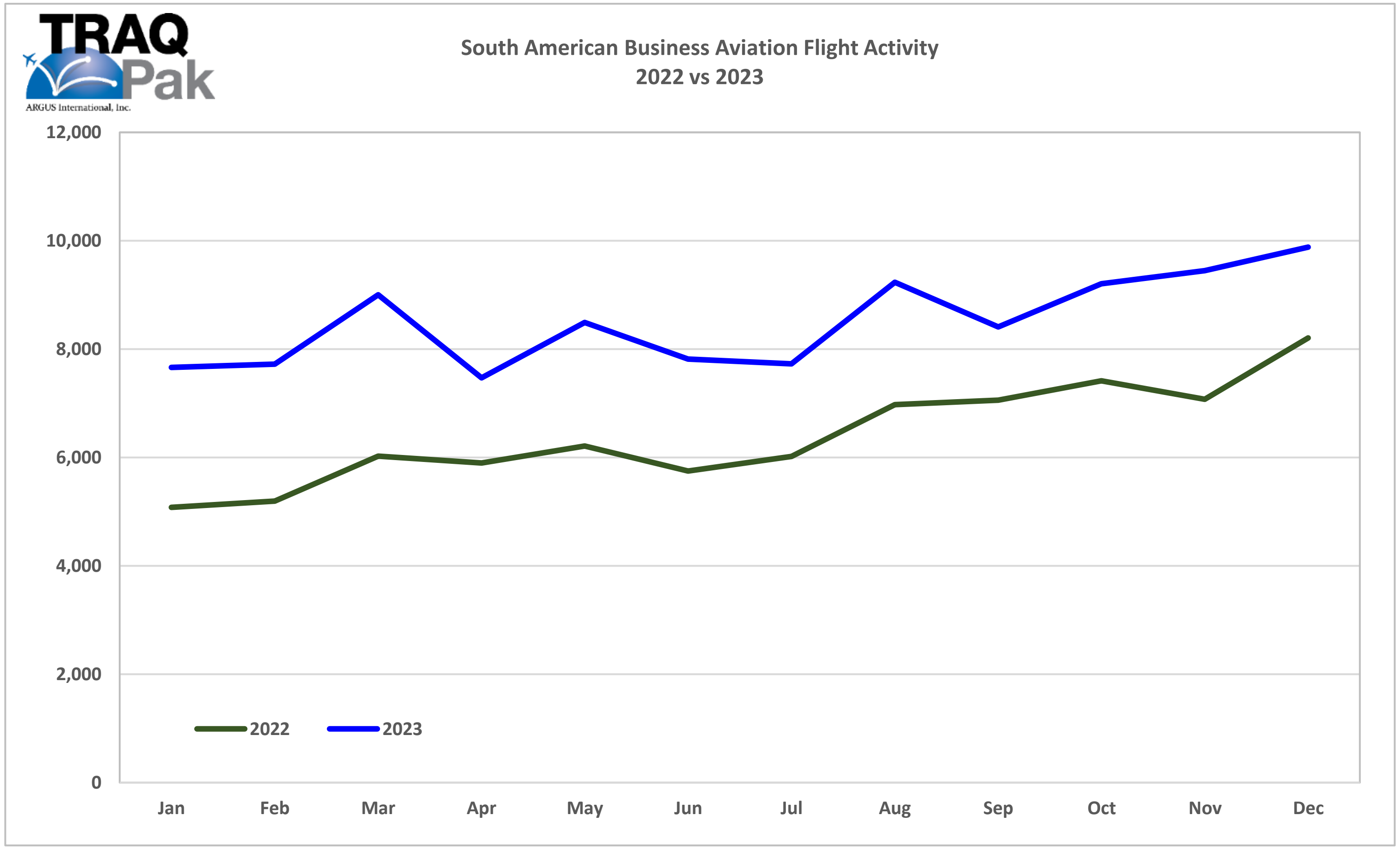
Flight activity in Asia increased 47.4% during 2023. April and May reported the largest yearly gains with each month recording growth of at least 60%. The lightest month on the calendar for growth was August, which still produced a 25.7% yearly gain from 2022.



Aircraft Activity Analysis & Market Intelligence Tool

FLIGHT ACTIVITY IN SOUTH AMERICA

Flight activity in South America had a strong 2023, increasing 32.7% from 2022. Every month during 2023 reported a yearly gain of at least 19% from 2022. The busiest individual month was December 2023.



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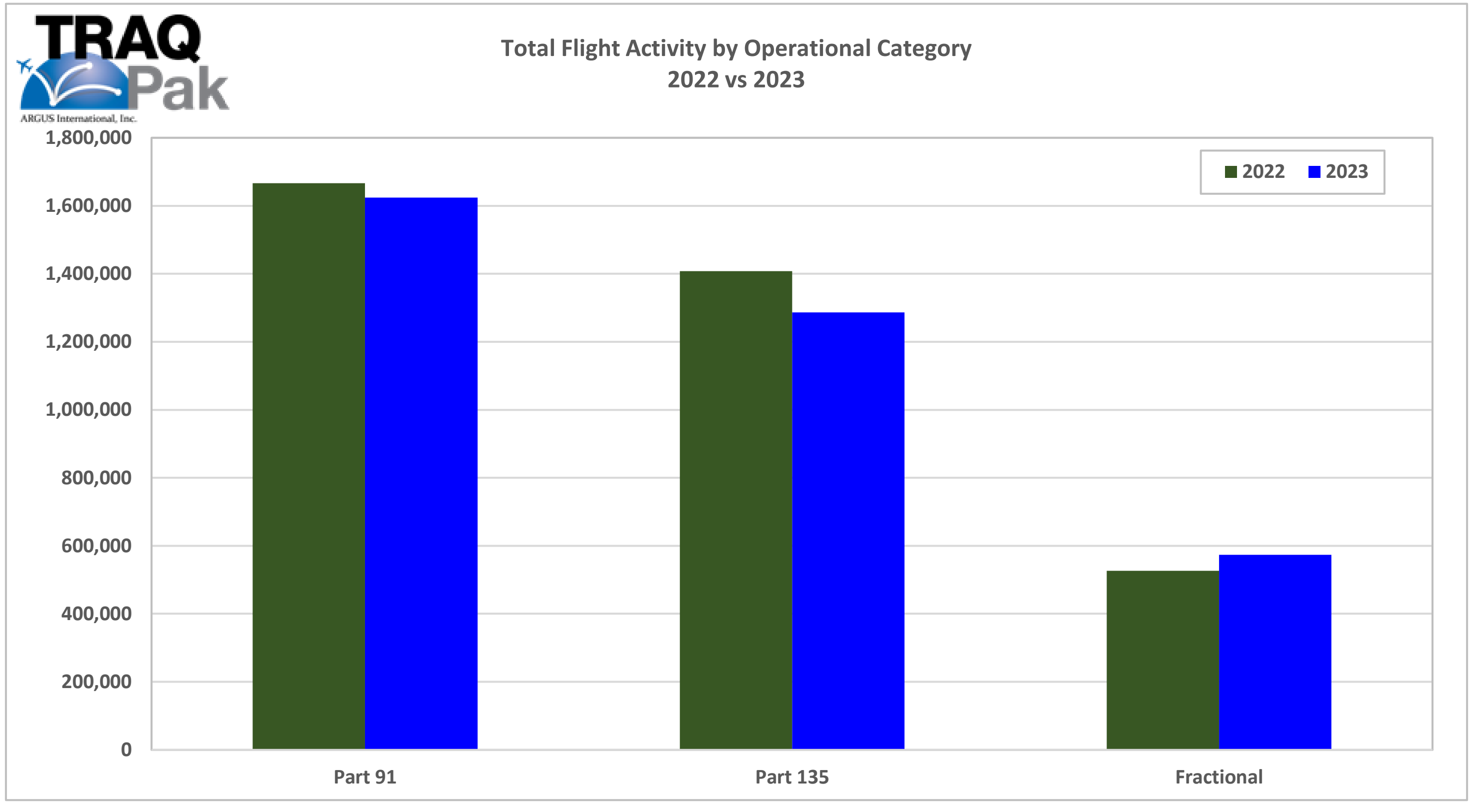
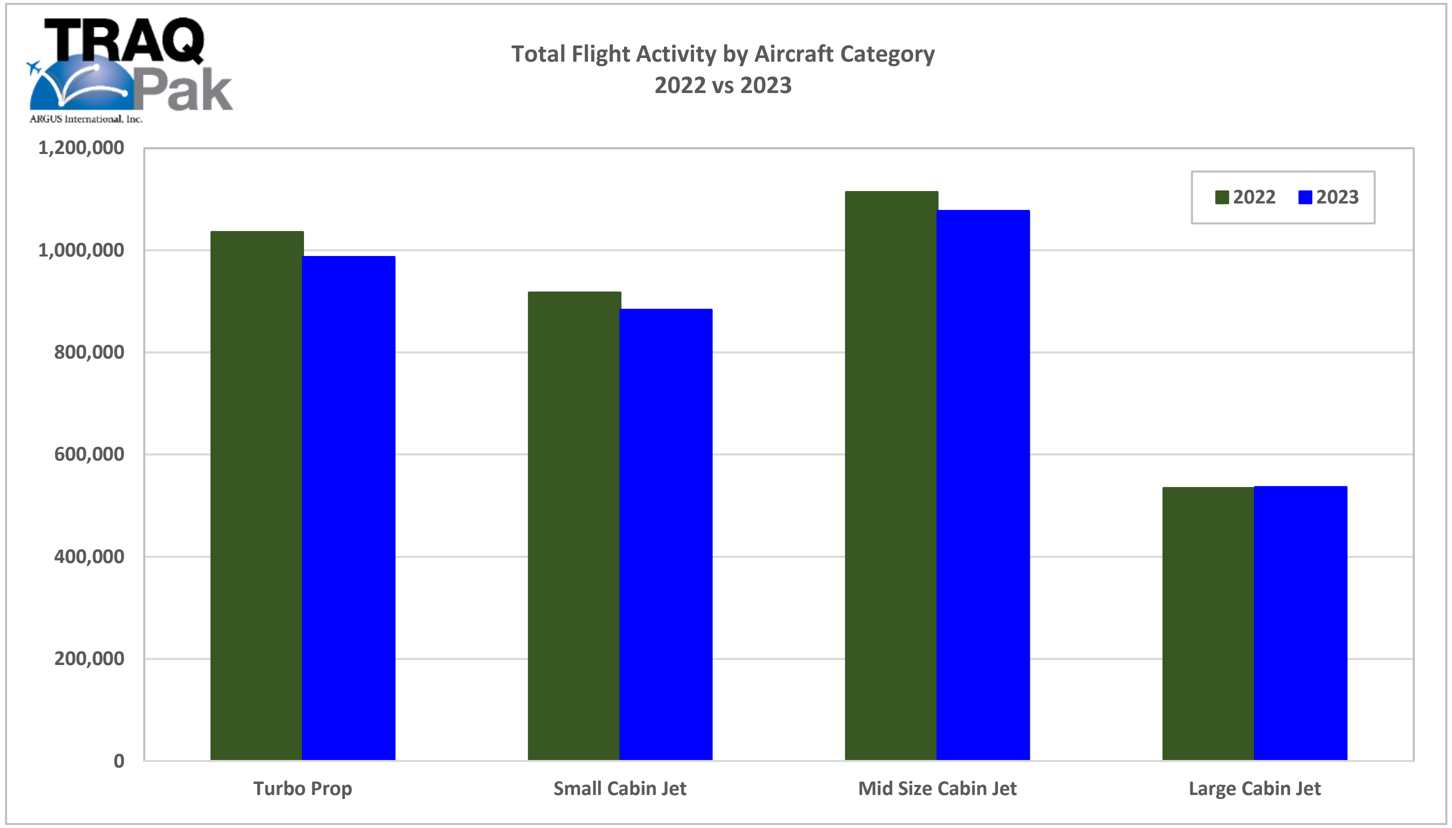
Aircraft Activity Analysis & Market Intelligence Tool

FLIGHT ACTIVITY BY OPERATIONAL CATEGORY- NORTH AMERICA



Fractional flight activity was the only positive segment in 2023, recording a yearly growth of 8.9% which represented a yearly gain of 46,926 flights. Part 91 activity flew 42,569 fewer flights in 2023 which equated to a 2.6% decline in flight activity. Part 135 activity saw a steeper decline in 2023 after flying 121,551 less flights. The segment finished down 8.6% for the year.

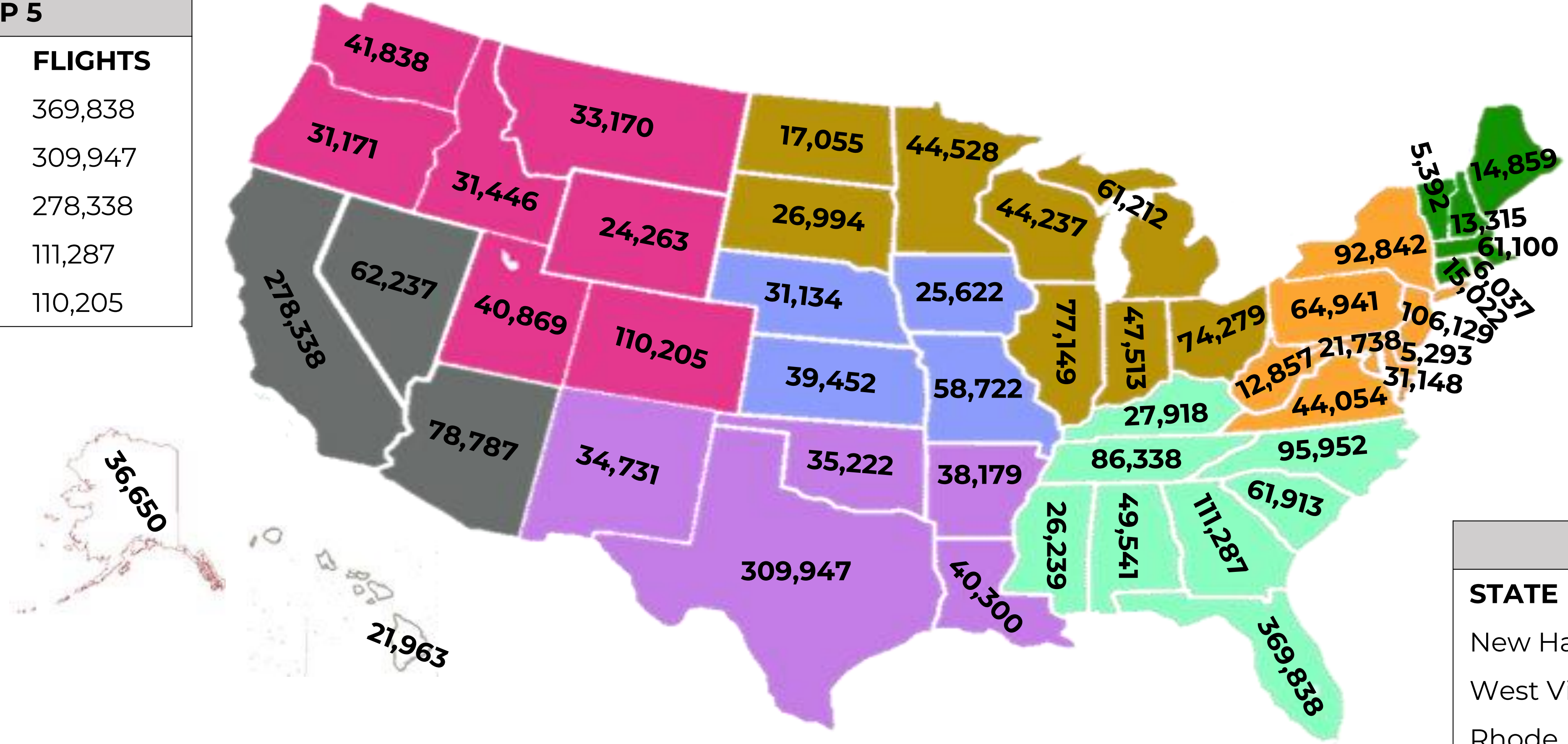
FLIGHT ACTIVITY BY AIRCRAFT CATEGORY- NORTH AMERICA



Flight Activity by Aircraft Category			
Aircraft Category	**2022**	**2023**	**% Change**
Turboprops	1,035,638	986,973	-4.7%
Small Cabin	917,194	883,108	-3.7%
Mid-Size Cabin	1,113,698	1,077,237	-3.3%
Large Cabin	534,353	536,371	+0.4%

DEPARTURES BY STATE 1/1/23 -12/31/2023

TOP 5	
STATE	**FLIGHTS**
Florida	369,838
Texas	309,947
California	278,338
Georgia	111,287
Colorado	110,205



BOTTOM 5	
STATE	**FLIGHTS**
New Hampshire	13,315
West Virginia	12,857
Rhode Island	6,037
Vermont	5,392
Delaware	5,293

A year over year increase was recorded in 8 states in 2023. The largest yearly increase occurred in Vermont, up 13.9% from 2022. The largest yearly decrease was recorded in Hawaii, down 11.2% from 2022. New Mexico recorded a statistical yearly change of 0%, although the state recorded 17 fewer departures in 2023, compared to 2022.

2023 DAILY FLIGHT ACTIVITY ANALYSIS

TOP 10 DAYS	
DATE	FLIGHTS
17-Nov-23	12,628
30-Jun-23	12,437
17-Feb-23	12,195
29-Jun-23	12,049
19-Oct-23	12,045
04-May-23	12,038
18-May-23	11,974
16-Nov-23	11,961
26-Nov-23	11,917
06-Apr-23	11,892

During 2023 there were 164 days that topped the 10,000 flight mark. All of the top 10 days occurred on a Thursday or Friday except Sunday November 26th, which is a top travel day following Thanksgiving weekend.

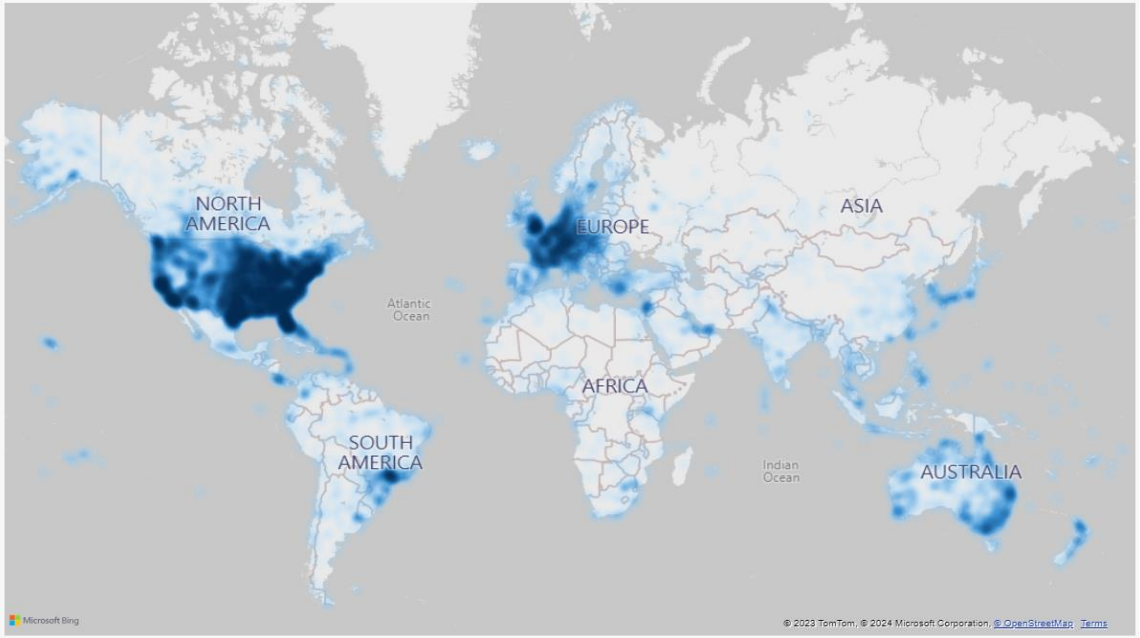
BOTTOM 10 DAYS	
DATE	FLIGHTS
23-Nov-23	3,605
25-Dec-23	3,914
24-Dec-23	3,972
04-Jul-23	4,809
28-May-23	5,630
31-Dec-23	5,765
03-Sep-23	5,842
03-Jul-23	5,916
04-Feb-23	6,182
02-Sep-23	6,211

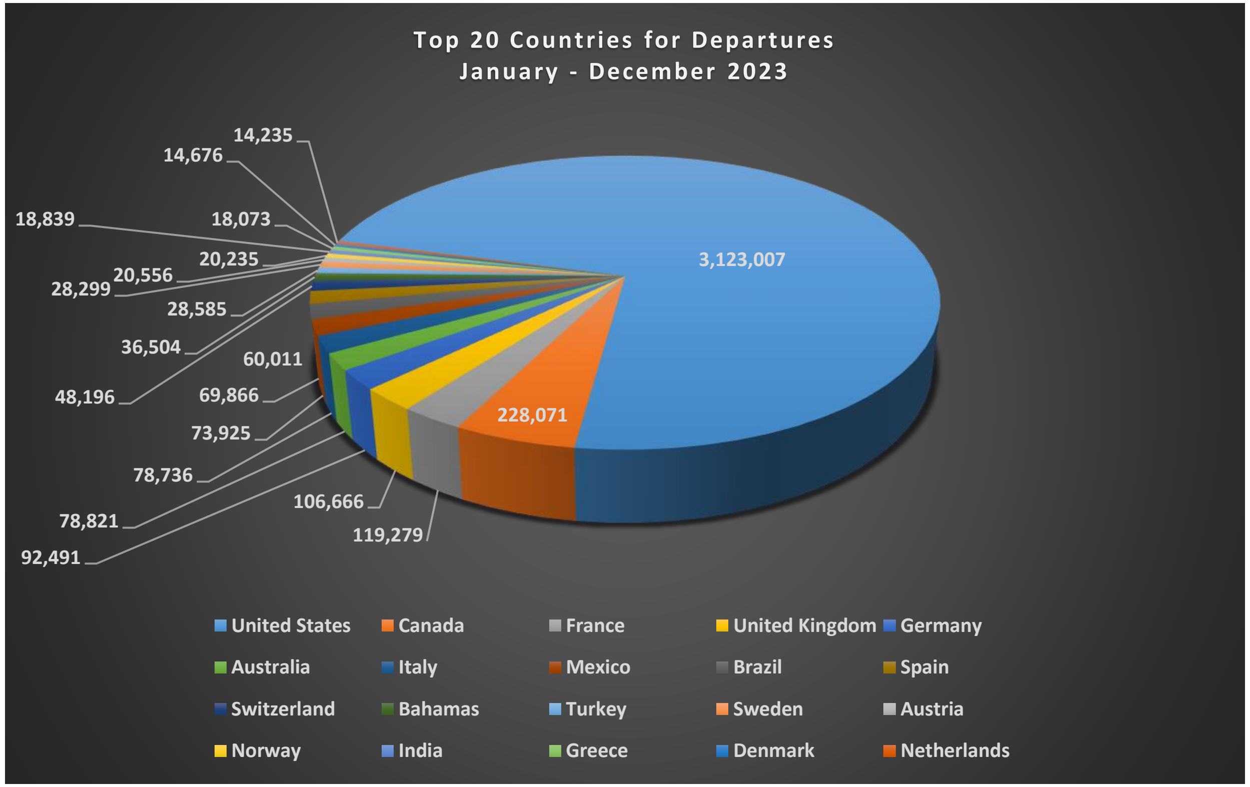
Keeping with normal trends, all of the bottom 10 days occurred on weekends or holidays when business travel is normally at its lowest levels.

AVERAGE FLIGHT ACTIVITY- BY DAY OF WEEK	
DATE	FLIGHTS
Monday	9,492
Tuesday	9,537
Wednesday	10,342
Thursday	10,956
Friday	10,456
Saturday	7,257
Sunday	8,786

Flight activity for all 7 days of the week decreased from 2022 by an average of 3.3%. Wednesday, Thursday, Friday and Saturday recorded the smallest yearly decreases. Sunday recorded the largest yearly change in activity with a decline of 6.1% from 2022. Overall, in 2023 the average day recorded 9,544 business aviation flights.

GLOBAL FLIGHT ACTIVITY BREAKDOWN





From January – December 2023 there were 4,681,989 business aircraft departures globally. The United States was responsible for 66.7% of those departures, followed by Canada at 4.8%. The Netherlands rounded out the Top 20 countries with a 0.3% share of activity. When combined, the European nations were #2 behind the United States, representing 16.5% of global departures. Countries 21-30 in order were: Belgium, Russia, China, New Zealand, Saudi Arabia, UAE, Portugal, Poland, Argentina and the Czech Republic.

2023 INDUSTRY TRENDS

• As we now mark 4 years since the beginning of the COVID-19 pandemic and 5 years since the last “normal” year in business aviation, one thought seems to be emerging: we’ve leveled out from the lows of the pandemic and the highs of the post-Covid travel boom. We can compare the North American industry to 2019, and if we do it was up 11.8% in 2023, but, at this point, it is worth noting that had the industry not seen COVID-19 and grew at 2% - 3% annually, then 2023 was right about where we would have been regardless.

• The biggest question mark in flight activity in North America right now is Part 135 activity, with it’s 8.6% decline. It raises the question where did the demand go? Are the new travelers we saw post-pandemic already gone from business aviation or did they just cut back? Have demand patterns changed, and associated leisure travel? What about demand around the rest of the world?

• When we observed the activity boom in 2021 and early 2022 we expected that the bulk of new entrants into the market would likely move into in the Part 135 small and mid-size cabin space, which meant that if they did cut back or leave the industry that would likely be the segment hit the hardest in that environment. While we do not have specific data to back that up, it is worth noting that the largest declines in North American business aviation in 2023 were in Part 135 turboprop flying (down 10.0%), small cabin jets (down 13.3%) and mid-size cabin jets (down 8.0%). Part 135 large cabin flying was essentially flat on the year, declining 0.7%. No matter what the story was behind the declines, something changed in demand patterns over the last year.

2023 INDUSTRY TRENDS (continued)

- The other key factor in the post-Covid activity boom was the significant boost in leisure travel. A factor that led to Sunday seeing a significant uptick in flight activity as people would fly out for long weekends and then return home on Sunday. Pre-Covid, Sunday was a busy day, but the busiest day was always Thursday, followed by Friday and Wednesday; the traditional strong business travel days. While Thursday remained the busiest day post-Covid it seemed to see more of a mix of business and leisure travel in 2021 and 2022 as we observed the leisure demand boom. As the numbers suggest the day of the week that recorded the largest yearly decline in operations during 2023 was Sunday, further signaling that the post-Covid leisure boom has changed.

- It is hard to know exactly what changed or why, but it is likely that the industry in North America has moved back to more of the traditional business aviation environment, with less of a focus on leisure these days. New entrants seem to indicate they still fly in the space but maybe a bit less now that offices and schools have moved to more in-person days, which means less flexibility for working location.

- Around the globe, we can see that other markets are growing and showing strength in the post-Covid world, which is something that we will monitor closely in 2024. Overall, business aviation seems to remain in a position of strength in America and around the world which is certainly manageable for the long-haul.

2024 FLIGHT ACTIVITY FORECAST

• As flight activity continues to evolve the TRAQPak team has taken a look into 2024 to determine how the year will shape out and are proud to deliver the 2024 flight activity forecast. Overall, the team is expecting just north of 3.4 million flights for the North American industry in 2024.

• TRAQPak analysts estimate that flight activity in 2024 will finish the year in a similar fashion to 2023, down 0.7%. This would mean that only 4/12 months would see a year over year increase: February, July, August and December. The 2nd half of the year is expected to see slightly better performance than the Jan-Jun period.

• January 2024 -0.5% from 2023
• February 2024 +4.0% from 2023
• March 2024 -1.9% from 2023
• April 2024 -2.1% from 2023
• May 2024 -1.6% from 2023
• June 2024 -2.8% from 2023
• July 2024 +1.3% from 2023
• August 2024 +0.3% from 2023
• September 2024 -2.1% from 2023
• October 2024 -1.9% from 2023
• November 2024 -2.7% from 2023
• December 2024 +1.8% from 2023

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