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➔ **Forecasting Advanced Air Mobility (AAM)**



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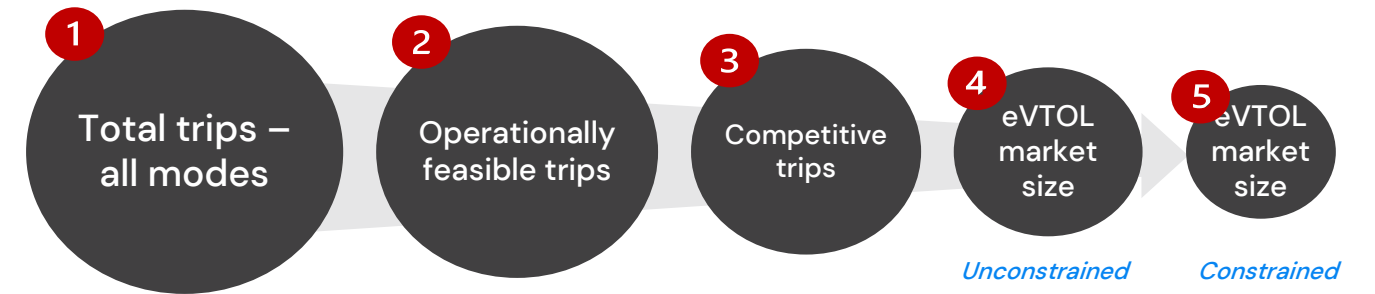
09/06/2023

Yes – there most definitely is a market for AAM

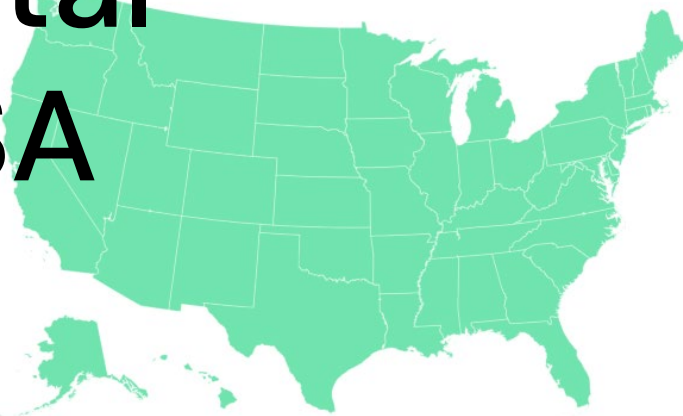
We estimate **U.S. AAM market size of 180 million passengers**. This represents a penetration rate of just under 0.1% of all trips taken by residents.

As the AAM passenger market matures, this share is likely to increase, providing opportunities for substantial long-term growth of the sector.

ICF's forecast methodology



Total USA



230bn → 125bn → 400m → 200m → **180m annually**

ICF estimates of the near-term US AAM passenger market (based on 2022 activity)

Future technology will make eVTOL flight **more affordable, more convenient** and **more accessible**, providing growth potential well beyond our market sizing



We can easily see AAM larger than commercial aviation – by the year... ?

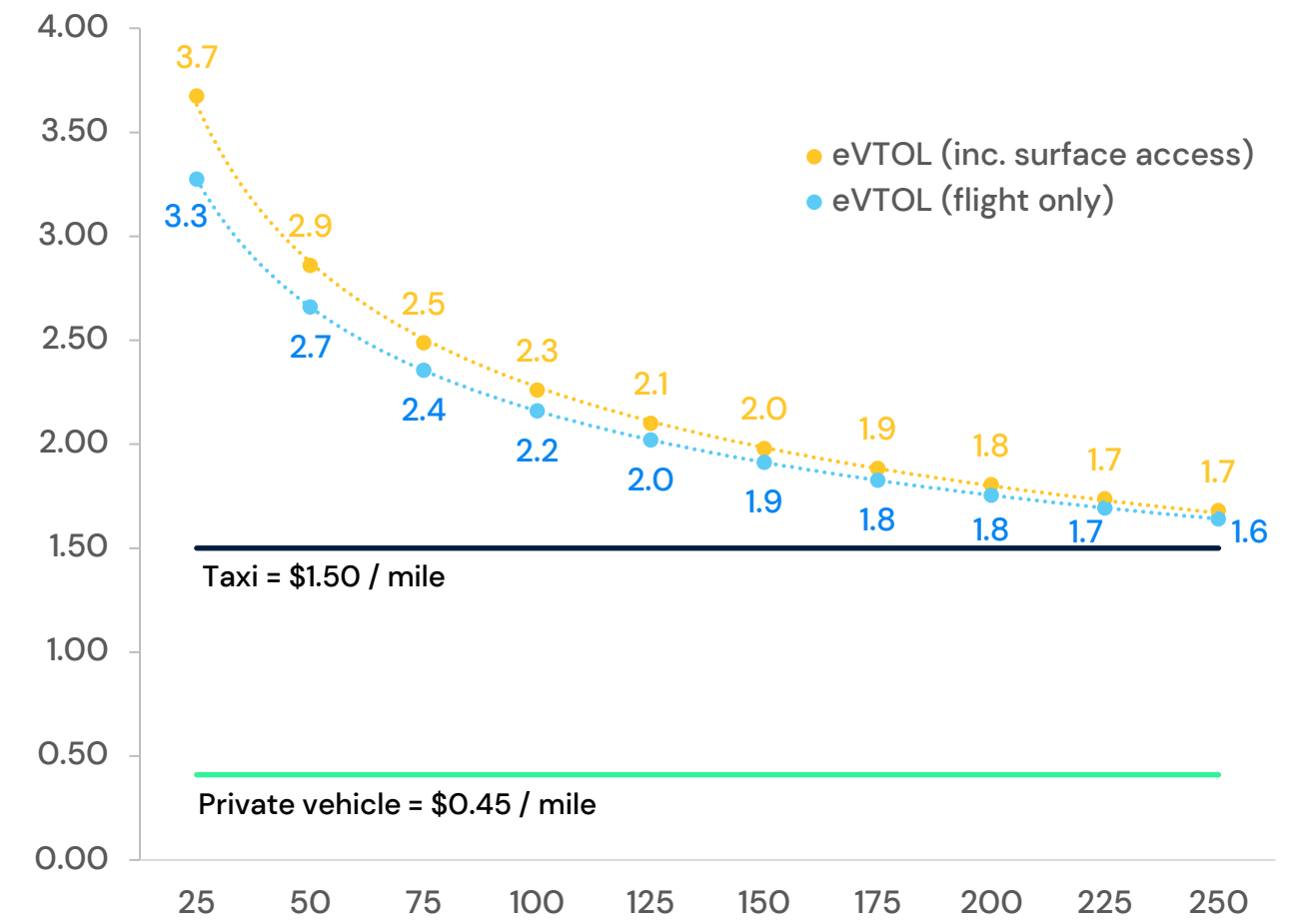
1 To achieve demand OEMs must deliver of operating costs

Key Factors to Demand Forecasts

- Demand elasticity = price/TMV
- Our model based on \$3.00/mile
- Need understand ownership cost
- The cost of battery reserves have not been adequately addressed

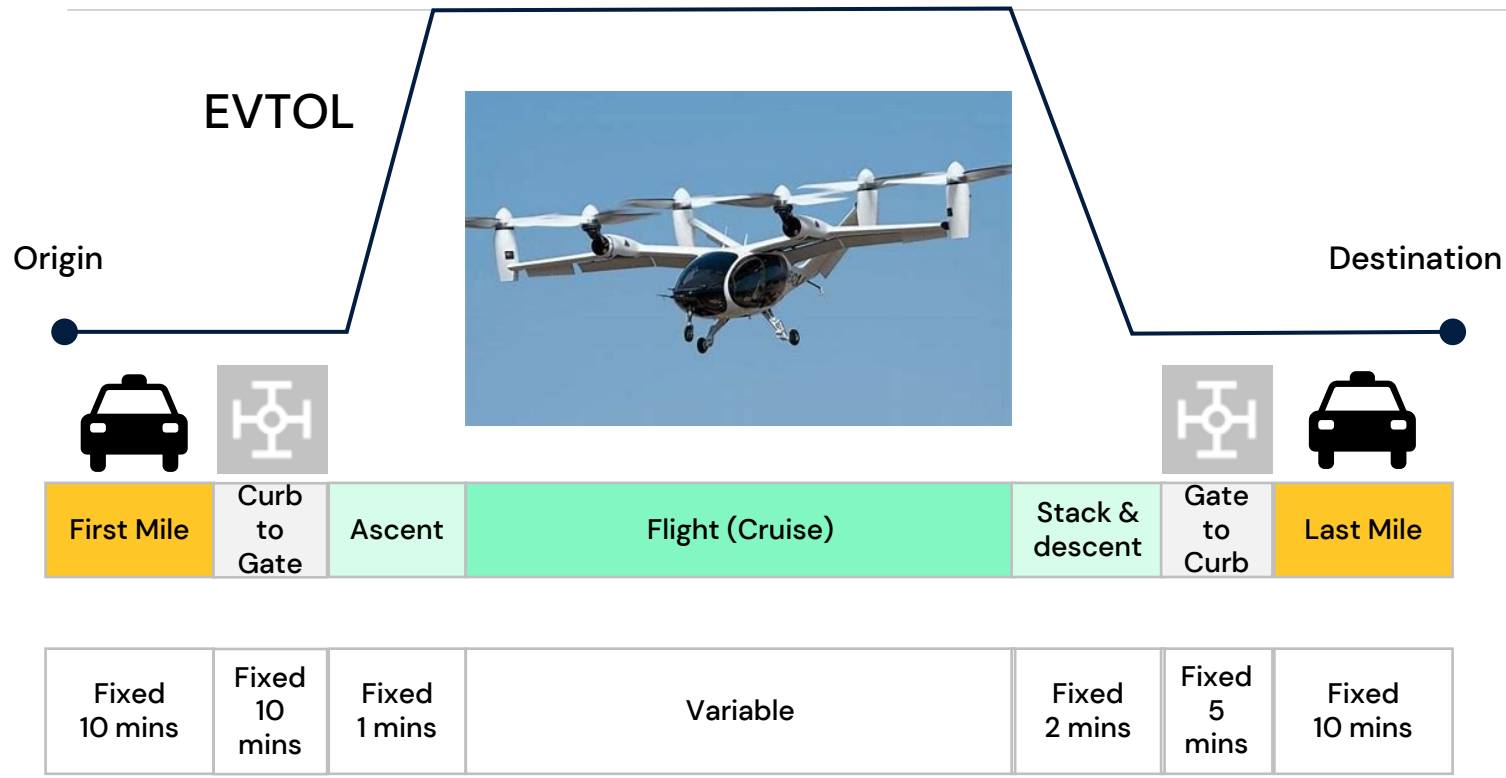


Assumed Price per passenger mile (\$) by flight distance (mi)



2

Operators must reduce operational complexity



eVTOL in an airport perimeter



UBER



Operators need a seamless experience and offer a superior product

3 Operational reliability is going to be critical to launch

This...



...Or this?



Operators must get this right – 1st impressions are important

Launch operators will need to get the business model right

Key Operator Issues

- Demand = fares = operating costs
- The cost of battery reserves have not been addressed
- Someone else needs to pay for ground /charging infrastructure
- OEM's cannot simply sell aircraft, extensive support required
- Expect a significant operational learning curve



First impressions are important – we need to work hard to get it right the first time



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