

Forecasting Advanced Air Mobility

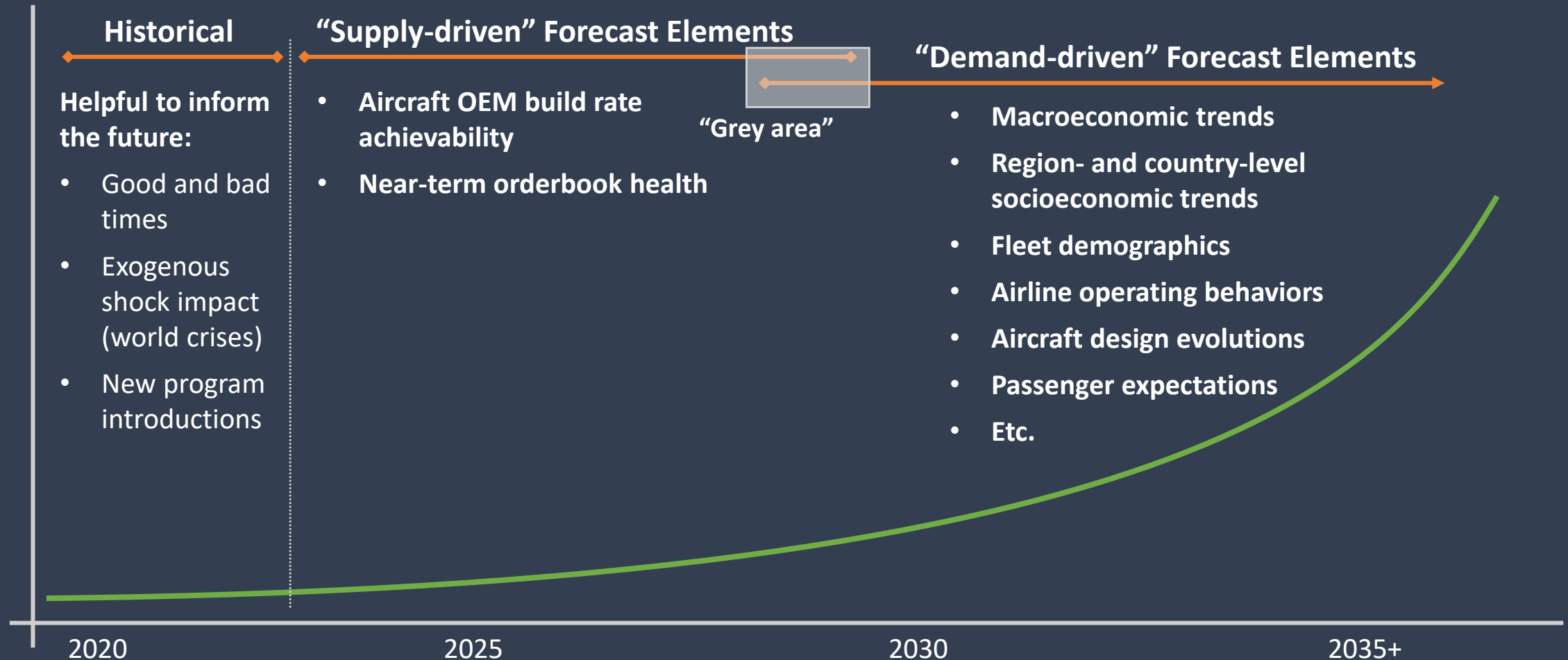
“If you build it... they will come”

Jay Carmel



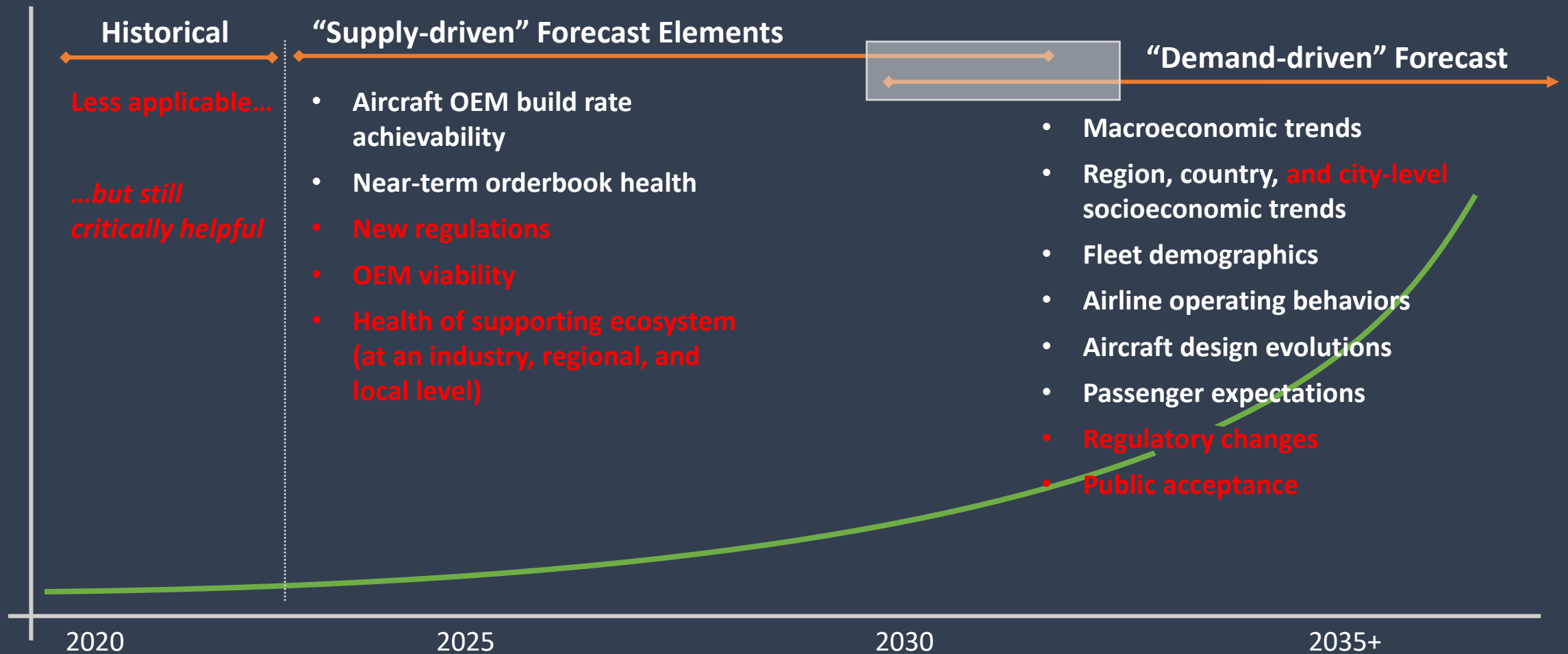
Aviation Forecasting is Art & Science

“Traditional Commercial Aviation” Forecast Inputs



AAM Forecasting is...messy

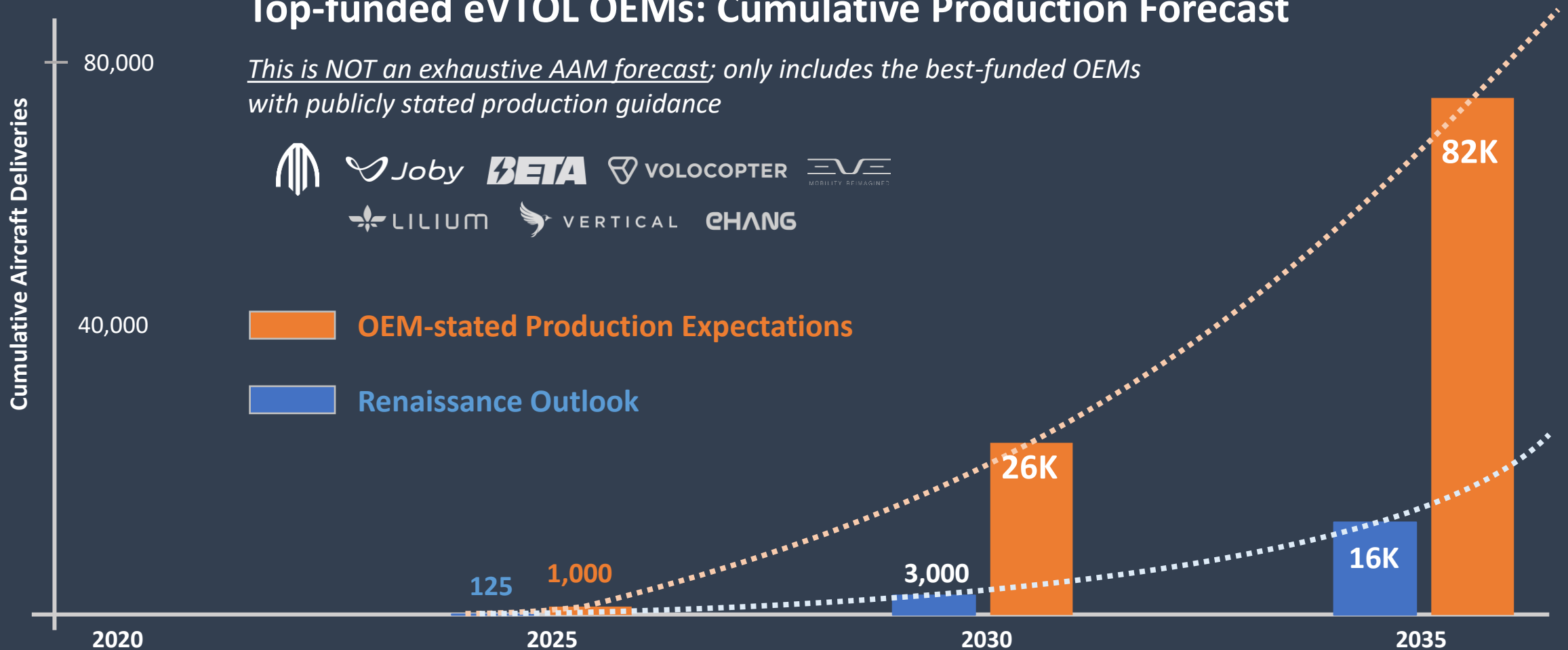
AAM Forecast Inputs



Views of the Revolution

Top-funded eVTOL OEMs: Cumulative Production Forecast

This is NOT an exhaustive AAM forecast; only includes the best-funded OEMs with publicly stated production guidance



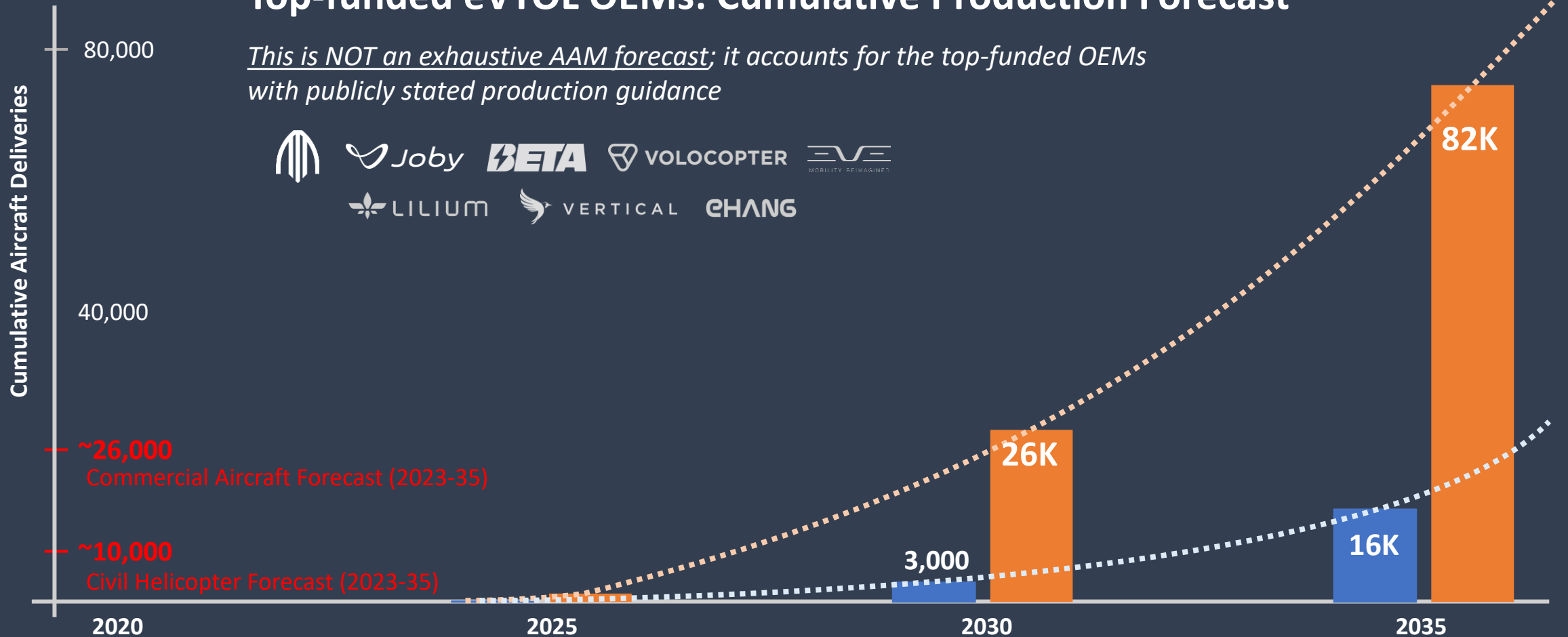
*Based on a synthesis of public financial data, news interviews, launch announcements, etc. Best effort interpretation of production evolution; outyears without explicit info are held constant at the prior year's production rate

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20% of the OEM Forecast is still “Revolutionary”

Top-funded eVTOL OEMs: Cumulative Production Forecast

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Historical precedent matters in the near-term

Historical

Still helpful...

...But less applicable

A

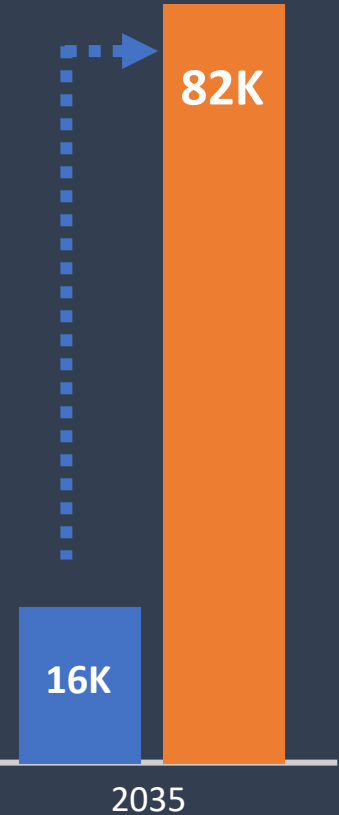
"Supply side" Forecast

- Program build rate achievability
 - Near-term orderbook health
 - New regulations
 - OEM viability
 - **Health of supporting ecosystem (at an industry, regional, and local level)**
- B**

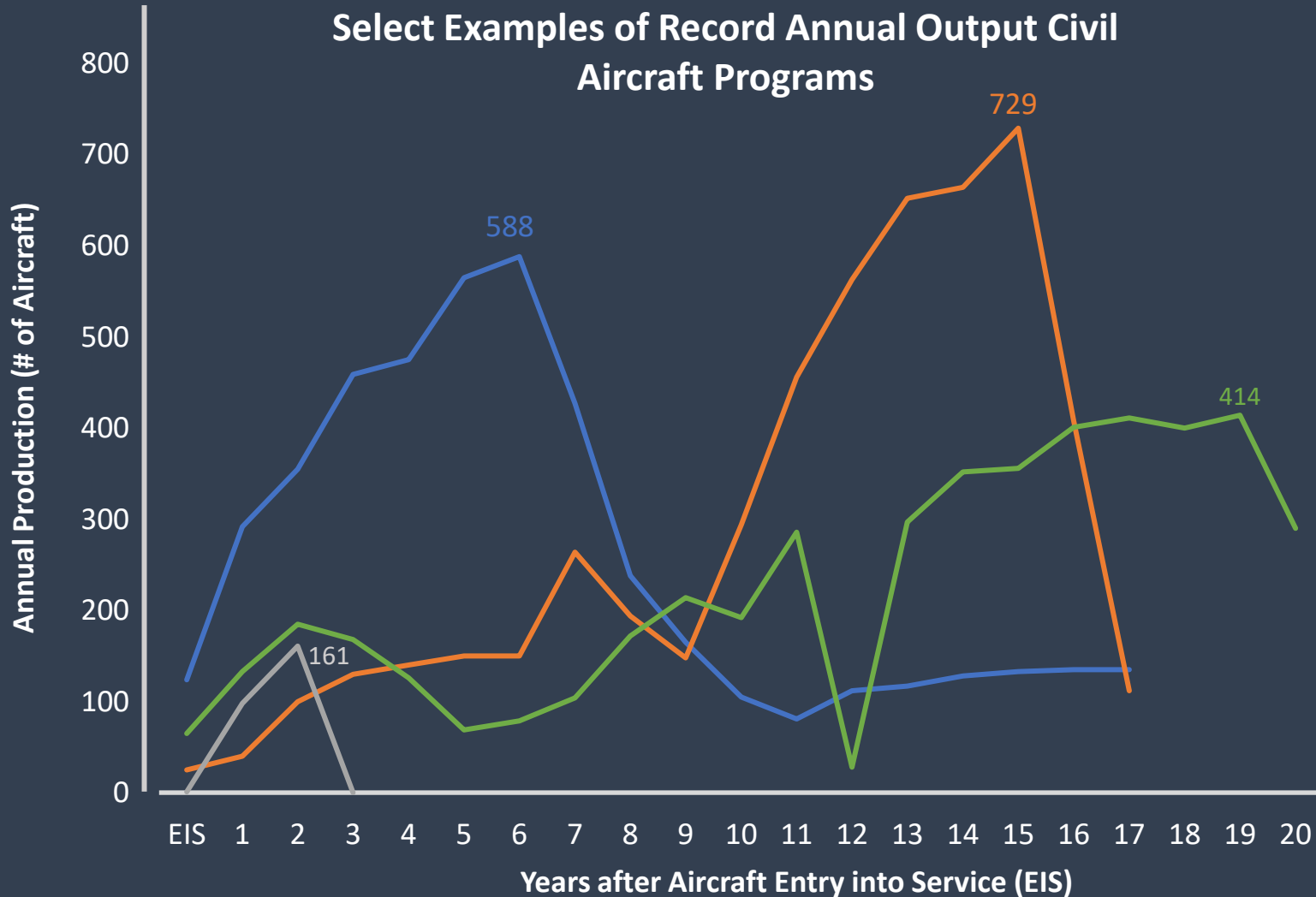
"Demand side" Forecast

- Macroeconomic trends
- Region, country, **and city-level** socioeconomic trends
- Fleet demographics
- Airline operating behaviors
- Aircraft design evolutions
- Passenger expectations
- Regulatory changes
- Public acceptance

Historical precedent and the immaturity of the AAM ecosystem influence a more tempered near-term outlook



A Historical Context



— Cirrus SR22 (EIS: 2001)
All-composite, part 23 single piston engine

— Robinson R44 (EIS: 1993)
Light helicopter, metallic, single-engine

— Eclipse 500 (EIS: 2006)
Very-light Jet (VLJ); metal airframe;
bankruptcy 3 years after EIS

— B737-800 (EIS: 1998)
3rd Generation B737; highest annual
production rate for passenger jet

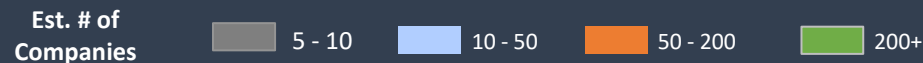
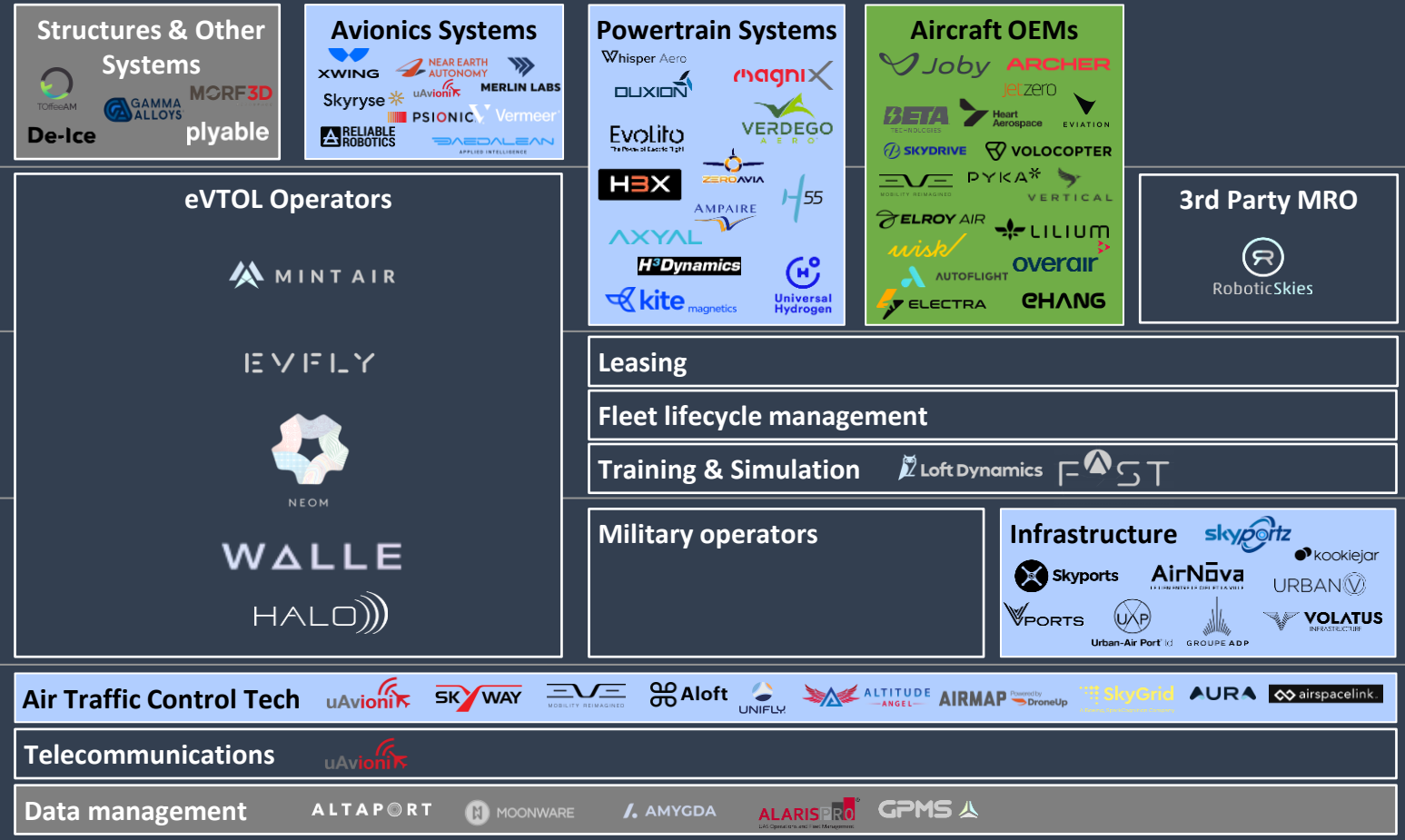
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B AAM Ecosystem: Startup hot (and cold) spots

Value Chain Components



Key Startups by Segment (illustrative and non-exhaustive)

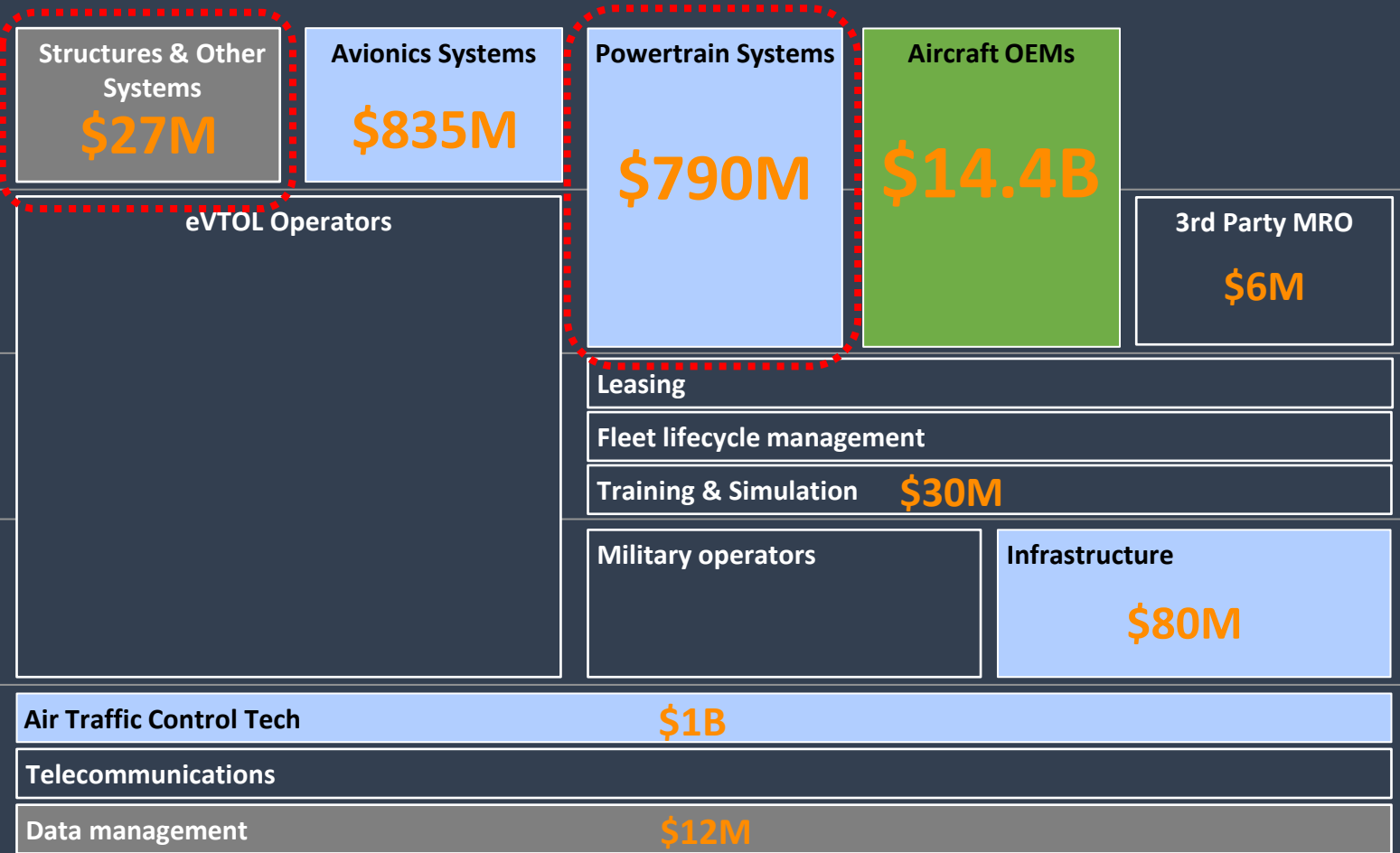


B AAM Ecosystem: Many Layers Unaddressed

Value Chain Components



Total Venture Funding by Segment (as of Sep. 2023)



Est. # of Companies: 5 - 10 (Grey), 10 - 50 (Blue), 50 - 200 (Orange), 200+ (Green)

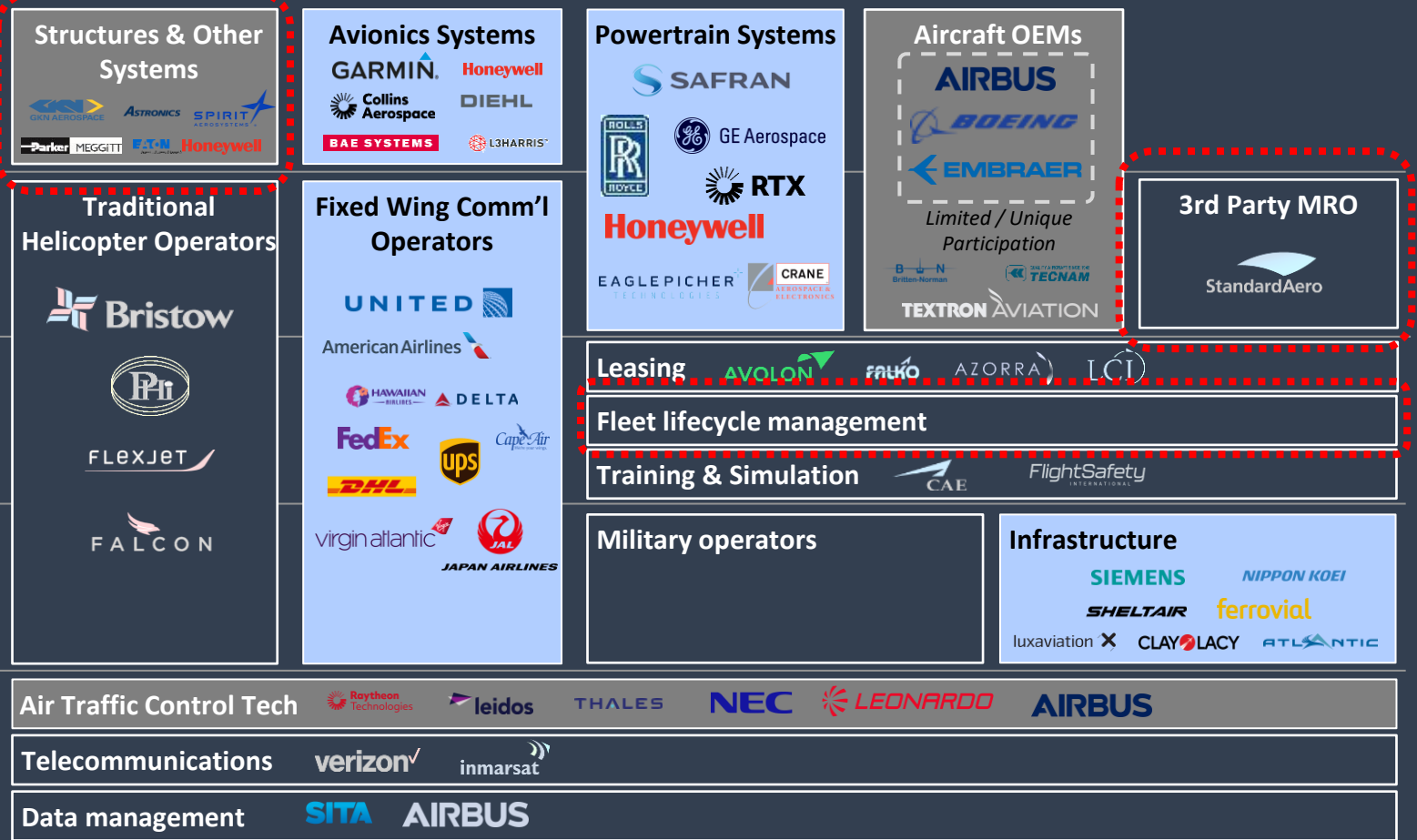
Source: RSA analysis; funding based on public data only since 2012

B Traditional Aerospace Has a Critical Role to Play

Value Chain Components



Example Traditional Aerospace Participants (illustrative and non-exhaustive)



Est. # of Companies: 5 - 10 (grey), 10 - 50 (light blue), 50 - 200 (orange), 200+ (green)

Source: RSA analysis; based on companies with expressed agreements, investments, or collaboration pertaining to AAM

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Key Takeaways

- With an initial order book in place, the shape of the future forecast curve depends on how well we address “supply-side” ecosystem gaps
- Innovative technologies, capabilities, and perspectives WILL establish a new aviation paradigm, but breakthroughs will only occur if we understand and appreciate historical precedents and lessons learned
- Startups and traditional actors should continue to look for opportunities to collaborate and identify supply chain strategic needs and solutions