



THE ARCATA-EUREKA "TRUE MARKET"

GROWING AIR SERVICE TO HUMBOLDT COUNTY ■ AUGUST 2021



> AGENDA

- > **POST-PANDEMIC OUTLOOK**
 - > AIRLINE NETWORK CHANGES
 - > ACV OUTPACING THE REGION
- > **THE ARCATA-EUREKA "TRUE MARKET"**
 - > NEW PASSENGER RETENTION DATA
- > **GROWING THE MARKET**
 - > TOP UNSERVED MARKETS
 - > TARGET ROUTES





TOPIC ONE POST-PANDEMIC OUTLOOK



> 385 CANCELLED ROUTES

PERMANENTLY CANCELLED ROUTES IN THE UNITED STATES SINCE MARCH 2020

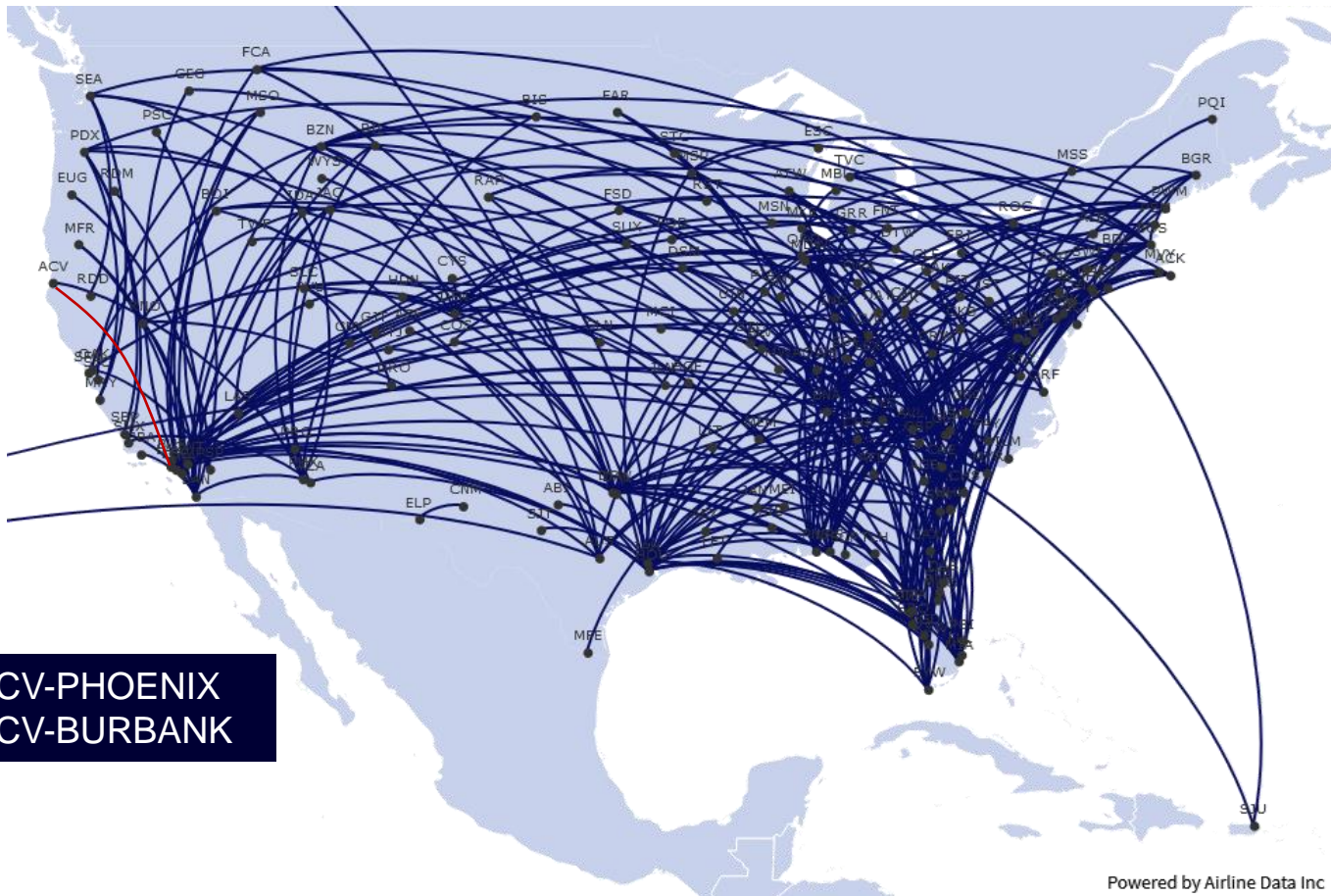


SOURCE: VOLAIRE AVIATION CONSULTING ANALYSIS OF AIRLINE SCHEDULE DATA



> 324 NEW ROUTES ADDED

ROUTES ADDED IN THE UNITED STATES SINCE MARCH 2020



- ACV-PHOENIX
- ACV-BURBANK

SOURCE: VOLAIRE AVIATION CONSULTING ANALYSIS OF AIRLINE SCHEDULE DATA



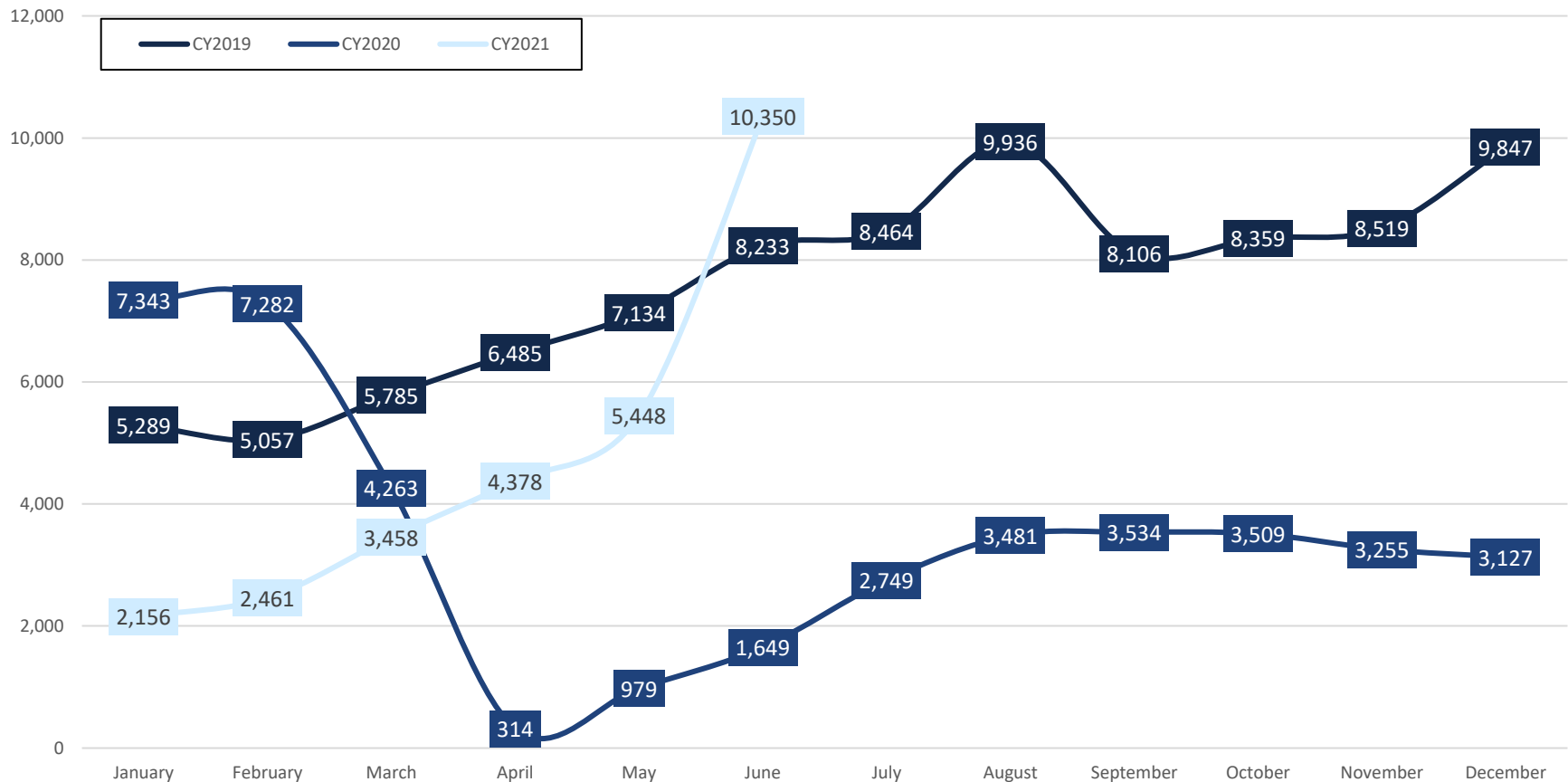
ACV HAS ITS HIGHEST CAPACITY IN THREE DECADES THIS SUMMER, WITH AMERICAN AND AVELO LAUNCHING

Carrier	Market	August 2021 Daily Dept	August 2021 Daily Dept Seats	August 2019 Daily Dept	August 2019 Daily Dept Seats	Seat Change
AA	PHX	1.5	101.6			100.0%
UA	DEN	1.0	76.0	1.0	50.0	52.0%
UA	LAX	1.0	78.5	2.0	100.0	-21.5%
UA	SFO	3.0	187.7	4.4	230.6	-18.6%
XP	BUR	0.6	109.7			100.0%
		7.0	553.5	7.4	380.6	45.4%



ARCATA-EUREKA HIT AN ALL-TIME RECORD FOR PASSENGERS IN JUNE, 26% HIGHER THAN THE PREVIOUS PEAK

ARCATA-EUREKA MONTHLY TSA SCREENINGS
JANUARY 2019 – JUNE 2021

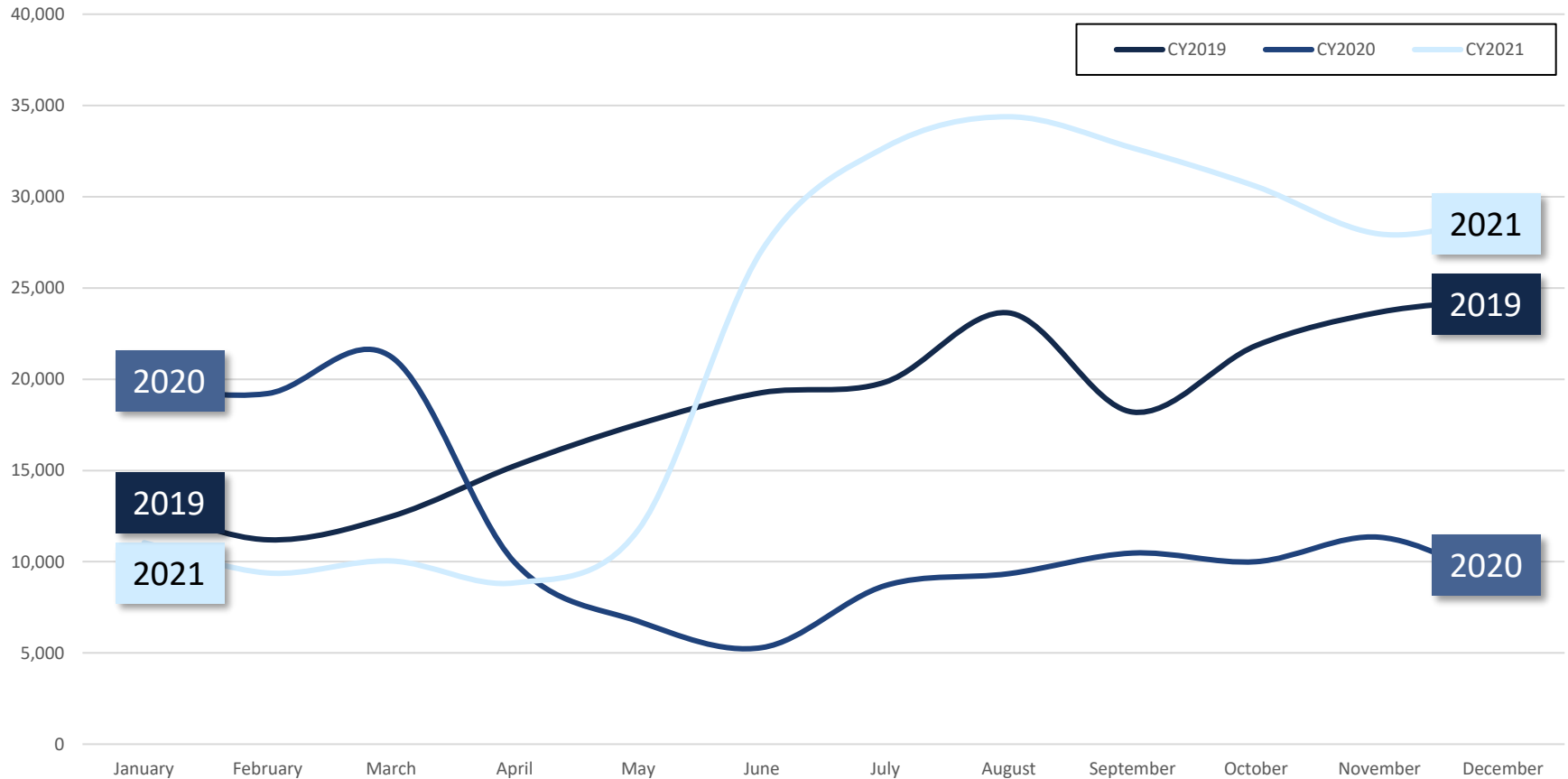


SOURCES: VOLAIRE ANALYSIS OF AIRLINE DATA, INC. TSA SCREENING DATA



ARCATA-EUREKA CAPACITY IS SCHEDULED TO BE UP 20% FROM THE 2019 PEAK, WITH THE ADDITION OF AMERICAN AND AVELO

SCHEDULED AIRLINE SEATS AT ARCATA-EUREKA
 JANUARY 2019 – DECEMBER 2021

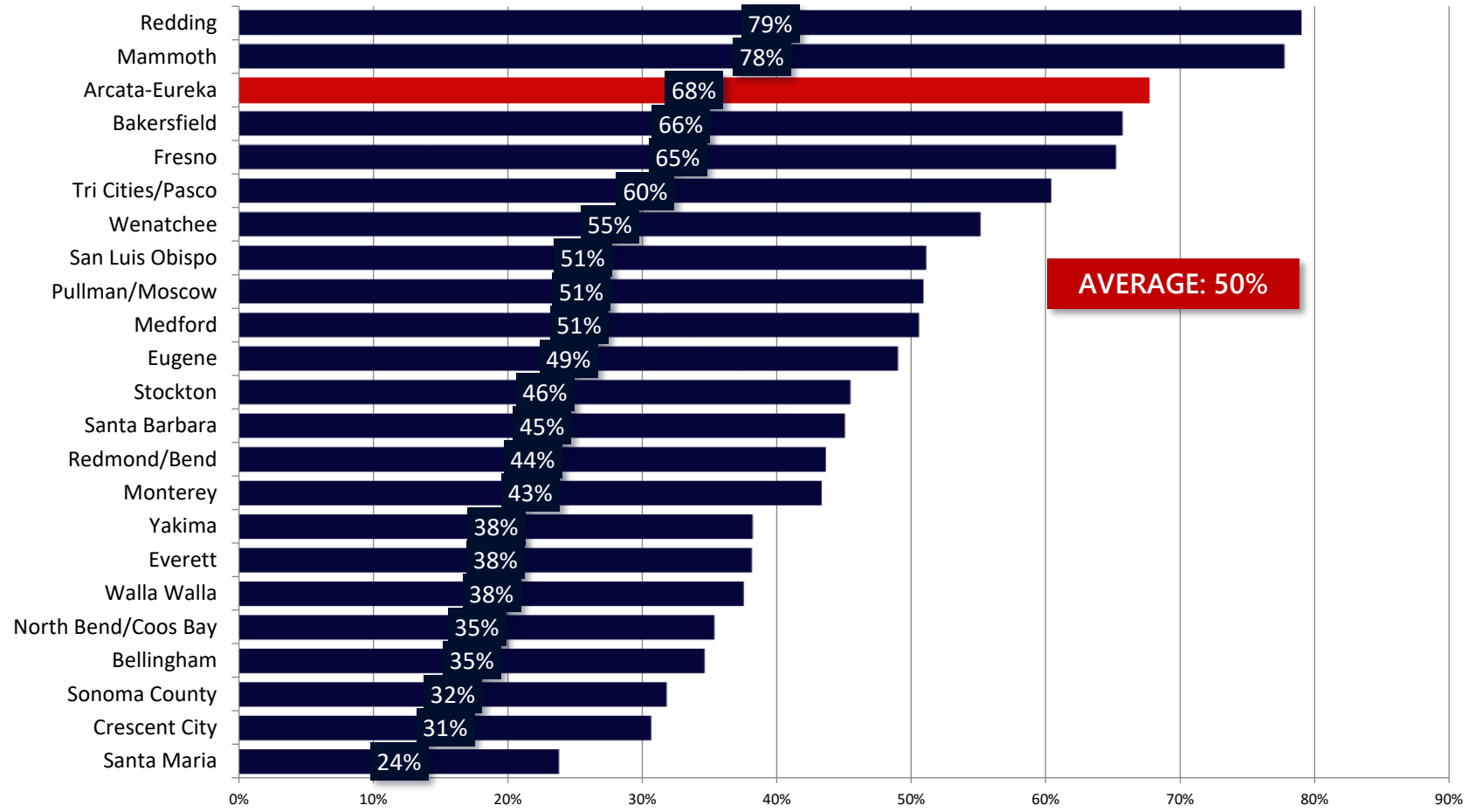


SOURCES: VOLAIRE ANALYSIS OF AIRLINE DATA, INC. CARRIER SCHEDULES



ACV HAD THE THIRD-HIGHEST FALL LOAD FACTOR OF ALL WEST COAST REGIONAL MARKETS, 18-POINTS ABOVE AVERAGE

LOAD FACTOR IN WEST COAST REGIONAL MARKETS
 OCTOBER 2020 (INCLUDES CALIFORNIA, OREGON, AND WASHINGTON)



SOURCES: VOLAIRE ANALYSIS OF AIRLINE DATA, INC. US DOT T100 DATA



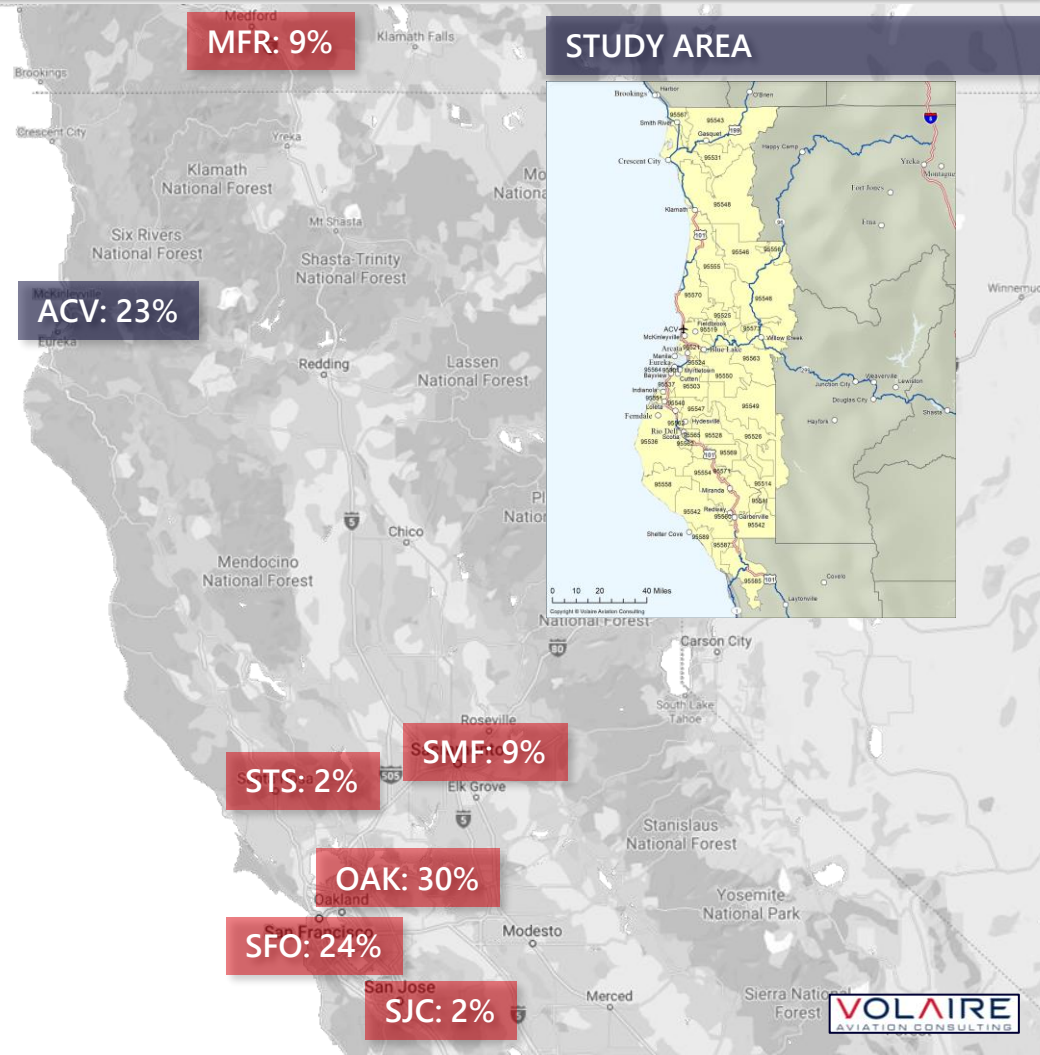


TOPIC TWO THE ARCATA-EUREKA TRUE MARKET



ARCATA-EUREKA GENERATES 733,000 ANNUAL PASSENGERS OR AN AVERAGE OF 1,000+ PASSENGERS PER DAY EACH WAY

- Demand to fill 13 roundtrips per day on 76-seat regional jets
- Or 20 roundtrips per day on 50-seat regional jets.
- ACV, itself, captured just 306 PDEW, or 23% of total demand.

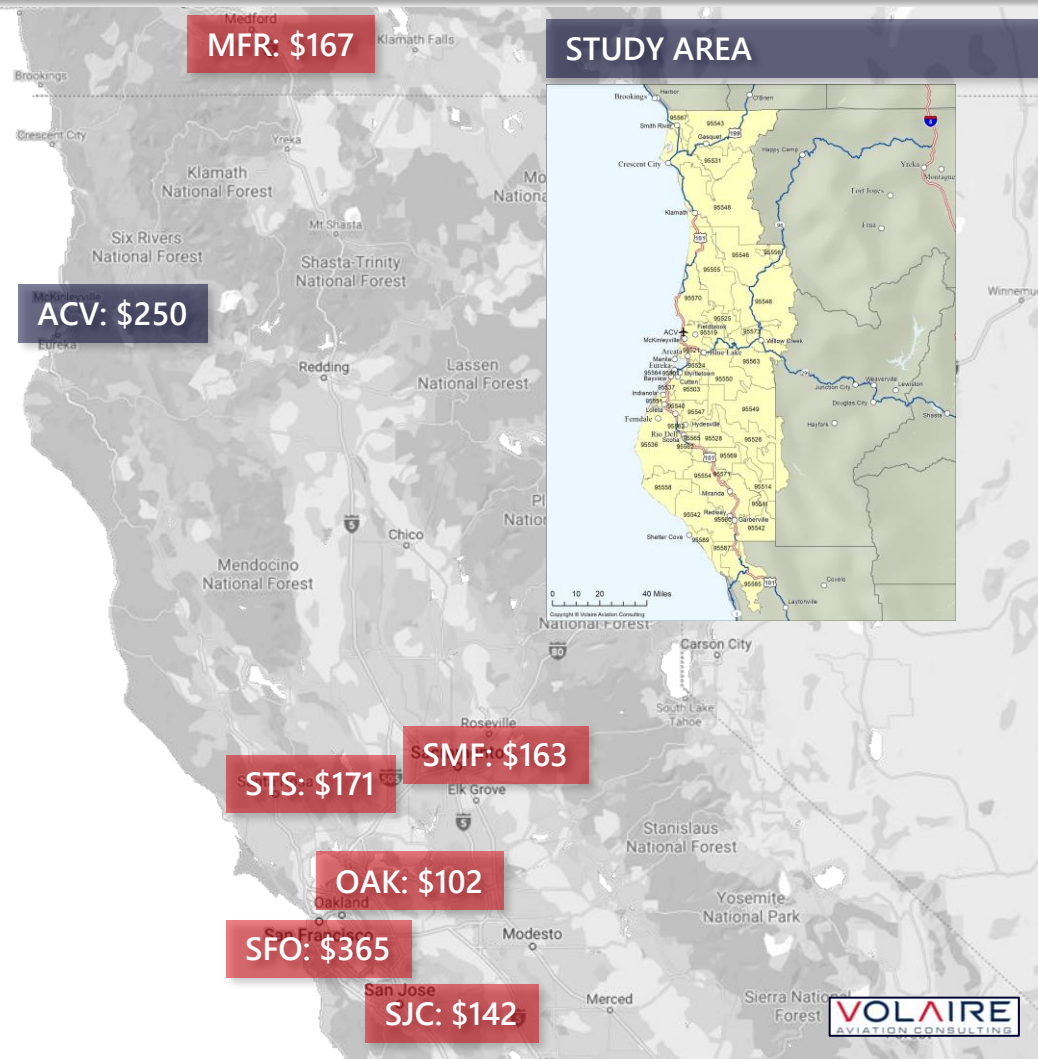


SOURCE: ARCATA-EUREKA PASSENGER RETENTION STUDY, VOLAIRE AVIATION CONSULTING, DATA FOR CALENDAR YEAR 2019



THE ARCATA-EUREKA CATCHMENT AREA GENERATES PREMIUM FARES, AVERAGING \$212 OVERALL, DESPITE LCCs AT OAKLAND

- Average of almost \$213,000 in airline revenue per day each way (RDEW)
- More than \$155 million per year
- Almost a quarter of ACV catchment area passengers drive to San Francisco, despite a one way fare of \$365

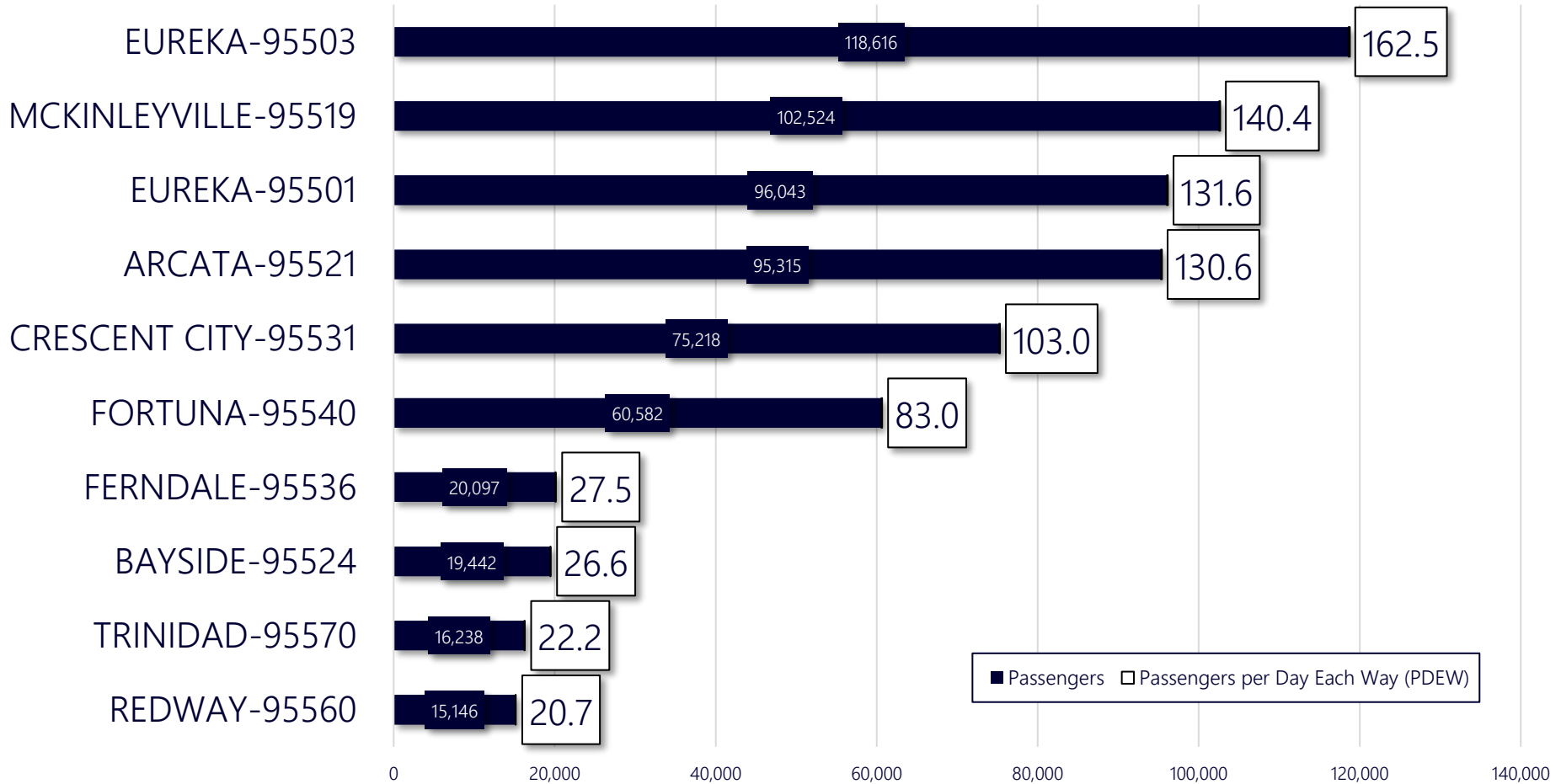


SOURCE: ARCATA-EUREKA PASSENGER RETENTION STUDY, VOLAIRE AVIATION CONSULTING, DATA FOR CALENDAR YEAR 2019



ARCATA & EUREKA ZIP CODES GENERATE 42% OF ALL DEMAND TO AND FROM THE AREA, OR 424 PASSENGERS/DAY EACH WAY

PASSENGERS BY ZIP CODE AND CITY WITHIN THE ARCATA-EUREKA CATCHMENT AREA
 STUDY PERIOD: CALENDAR YEAR 2019



SOURCE: ARCATA-EUREKA PASSENGER RETENTION STUDY, VOLAIRE AVIATION CONSULTING





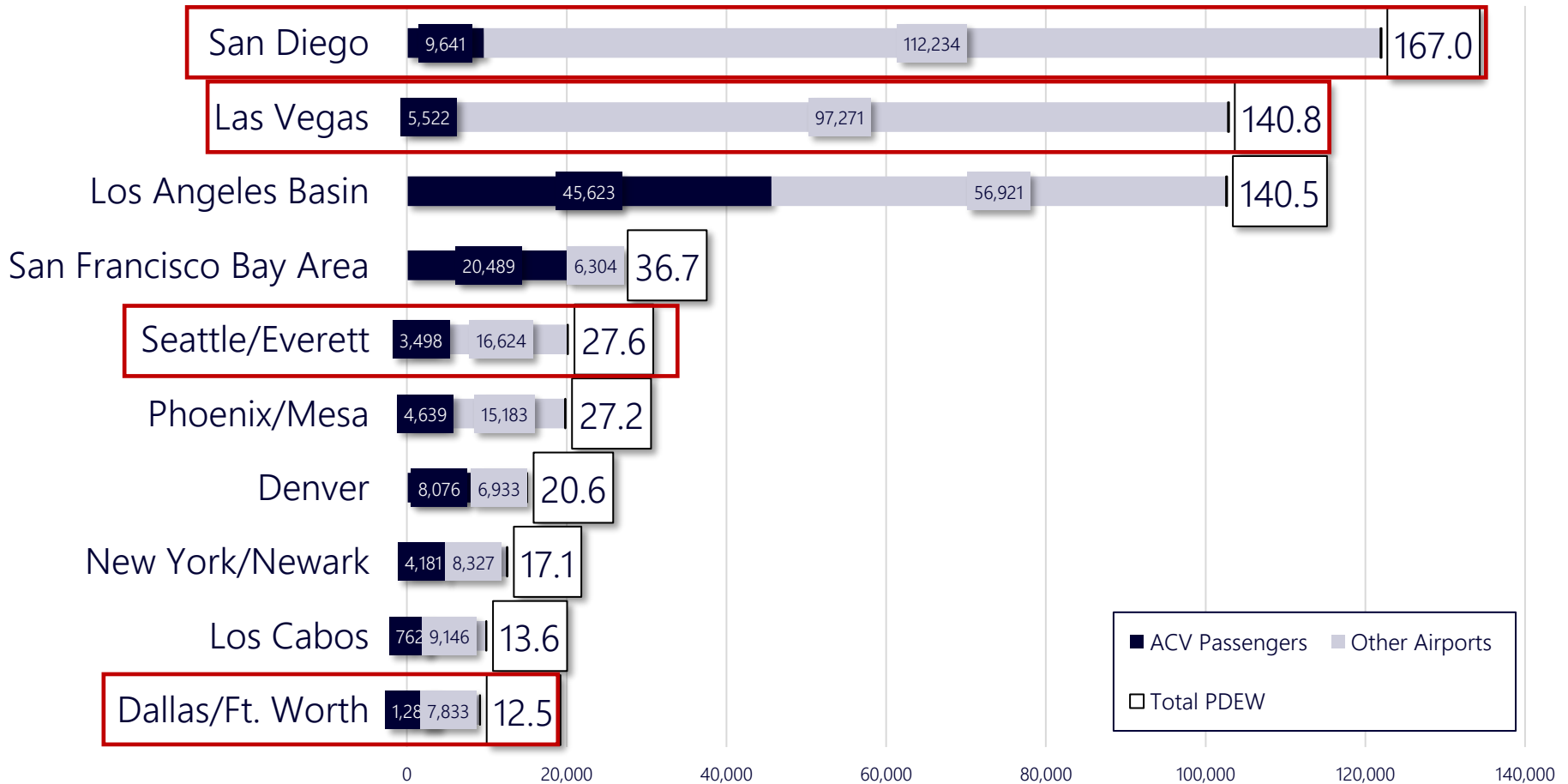
TOPIC THREE GROWING THE MARKET



ACV RETAINS JUST 6% OF PASSENGERS IN ITS TOP TWO MARKETS, AND ONLY HAS NONSTOPS TO FOUR OF THE TOP TEN

TOP 20 O&D MARKETS IN THE ARCATA-EUREKA CATCHMENT AREA

STUDY PERIOD: CALENDAR YEAR 2019



SOURCE: ARCATA-EUREKA PASSENGER RETENTION STUDY, VOLAIRE AVIATION CONSULTING



> ACV'S BEST TARGET MARKETS

AS OF SUMMER 2021



VOLAIRE
AVIATION CONSULTING

SOURCE: VOLAIRE CONSULTING ANALYSIS



VOLAIRE
AVIATION CONSULTING

> MITIGATING AIRLINE RISK

FEE WAIVERS/COST OFFSETS

- > LANDING FEE WAIVER
- > TERMINAL RENT WAIVER
- > START-UP COST OFFSETS
- > GROUND HANDLING SUPPORT
- > CONSIDERED STANDARD

MARKETING SUPPORT

- > DIRECT CASH FOR ADVERTISING
- > ENSURES FULL PLANES
- > RAISES OVERALL AIRPORT AWARENESS
- > CONSIDERED STANDARD

MINIMUM REVENUE GUARANTEE (MRG)

- > AGREE TO BASE REVENUE TARGET
- > BELOW TARGET: DIRECT LOSS PAYMENT
- > ABOVE TARGET: NO PAYMENT
- > BEST WAY TO "MOVE UP THE LIST"



> OUR UPCOMING EFFORTS

- > **RE-ESTABLISH COMMUNITY CONNECTIONS**
 - > WILL EVENTUALLY NEED LOCAL SUPPORT
- > **UPCOMING AIRLINE MEETINGS**
 - > TAKEOFF CONFERENCE: OCTOBER/NOVEMBER
 - > HEADQUARTERS MEETINGS



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