PASSENGE RETENTION AND LEAKAGE

ARCATA-EUREKA AIRPORT ■ DATA FOR YEAR ENDED 2Q 2024







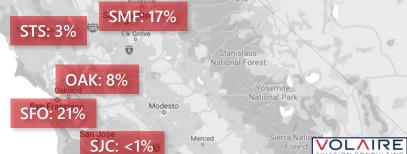


ARCATA-EUREKA GENERATES 800+ PASSENGERS PER DAY EACH WAY WITH ITS BEST RETENTION IN MORE THAN A DECADE

- ➤ Arcata-Eureka Airport is retaining more passengers than at any point in the last decade, with 41% of the market using ACV, up from just 23% in 2019.
- ➤ Fewer passengers are driving to Bay Area airports, with less than 30% using San Francisco, Oakland, and San Jose, down from 56% of passengers in 2019.
- > Leakage to other airports has remained steady.
- ➤ The overall market size has declined since 2019, due to losses in air service primarily at San Francisco and Oakland, making it harder for ACV catchment area passengers to access the national air transportation network.
- ➤ The catchment generated 804 passengers per day each way (PDEW) in the year ended second quarter 2024, down from 1,000 PDEW in 2019.
- ➤ The market is still large enough to fill 12 departures per day, indicating ACV is vastly underserved.

9	4412	Medford		147	P. 1		CI		_
	30	MFR:	9%	Klamath Falls		STUDY AI	REA		
Brookings						Brookings	Cranen	7	
Crescent Cd	ty S		eka		C.	Smith River	95543 3asquet 1999	~~	1
		amath		J. May	1	Crescent City	Seesal Happy Camp	Yreka	
10		nal Forest			Mo Nationa		**************************************	For Jones	gue
1	Six Rivers		Mt Shasta		4 6	Namen -		Ema O	
	National Forest		Shasta-T	rinity		A	95546 \$4556	25	>
McKinley	orde and a second	of l	National I	Forest	Y D	A 90070	Y 05548		Winnemuc
AC	V: 41%					ACV	95525 Heldheid 95519 9557	The Comments	10
Eureka	THE RES		Redding	Lass	en	McKniwyrite Arcata 9524 Maria O Eureka S652		47	
				National		Fureka 5553 9550 9550 bayin Baying 15537 95533 Indarotic O		Cosn City (Analysis) Lawiston Douglas City	
					18.13.N	Femiliale 05540 9554	desiring They taylo	Sharta	۵.
						95536 95532	95528 95528 95528	1	
				No.	PI	80558	Mranda 85574	5	
	A Bar		Ū	Chico	Nation	95542	95560 Garberville	{	
	1160	Mendocir	20	CINCO	16	Sheller Cove 005	95507		
		National Fo			0	10 20 40 Miles	95585 101	Coreio	- 0
	1				Natio	Onal Forest	S S Statement		
PDEW	Share				Ū	Car	rson City		
331.8	41.3%	1			9/7				
170.5	21.2%			Ro	seville	South La Tahoe			
139.4	17.3%			SSMF	:17%	1	2017 1. 2	AU -	
68.8	8.6%	ST	S::3%	Elk G					
60.3	7.5%	The state of the s		Ü		Stanisla			9
19.8	2.5%	31.		1	12981	Stallista	ing.		

	Rank	Airport Code	Airport Location and Name	O&D Passengers	PDEW	Share
ſ	1	ACV	Arcata-Eureka Airport	242,866	331.8	41.3%
	2	SFO	San Francisco International Airport	124,830	170.5	21.2%
	3	SMF	Sacramento International Airport	102,054	139.4	17.3%
	4	MFR	Medford-Rogue Valley Int'l Airport	50,386	68.8	8.6%
	5	OAK	Oakland International Airport	44,139	60.3	7.5%
	6	STS	Santa Rosa-Sonoma County Airport	14,499	19.8	2.5%
	7	CEC	Crescent City Del Norte County Airport	7,008	9.6	1.2%
	8	SJC	San Jose International Airport	2,601	3.6	0.4%
			All Airports	588,384	803.8	100.0%









THE OVERALL ARCATA-EUREKA CATCHMENT FARE IS UP 24% SINCE 2019, TO AN AVERAGE OF \$263 EACH WAY

- > The average fare paid by Arcata-Eureka catchment area passengers has climbed dramatically since 2019.
- ➤ The average fare is now \$263 each way, before taxes and fees, up from \$212 in 2019, an increase of 24% or \$51 each way.
- ➤ Fare have climbed due to a reduction in airline capacity at all airports in northern California, which has caused ACV catchment demand to drop by 20% since 2019.
- ➤ The fare at ACV, itself, has fallen from \$250 each way to \$231 each way due to the entry of Avelo Airlines to the market.
- > But fares at all other airports used by ACV catchment area passengers have climbed since 2019, making air service less attainable for a large portion of the market's potential travelers.

Brookings		R: \$232	math Falls	STUDY AREA		281
Crespent City				Brookings Tunier Smith Rived Gasquer 1995	Other	•
	Klamath		Mo	Crescent City 95531	}	Montague
8	National Fo	Mt Shasta	Nationa	Namatr 95548	Fina C	
	Six Rivers National Forest	Shasta-Trinity National Fores		9556		Winnema
AC\	V: \$231			ACV 05050 McKennyviste Acvan 90000 officer all	05568 557 Mileor Chesk	5
A	-	Redding	Lassen National Forest	Manufac 5553 55 555 555 555 555 555 555 555 55	2003 Pri Anno Sen City Meaver the Lewis Dougles City Dougles City Office City	aton Street
		700		Riso J. M. Toperson 8 8 95528	+aytork O	
		5	Pi Nation	S5558 Mirando (S5552 Pediasty) S5562 Shellar Core (S556)	85514 Bobyl Bobyl Bobyl	
DEW		ndocino nal Forest			Covero Covero	1
6,806	\$231		- N	10 20 40 Miles 10 10 20 40 Miles 10 10 20 40 Miles 11 10 10 10 10 10 10 10 10 10 10 10 10 1	Lastomite	
6,404	\$448			Carson City		
26,255	\$188	26 30				
5,956	\$232		Roseville	South Lake Tahoe		
9,225	\$153		SMF: \$18	8	The Real Property	
4,256	\$215	STS: \$215	Elk Grove			7
1,174	\$123		, Ö	Stanislaus		-
951	\$267	CAL	0.0152	National Forest	STAX	
11,027	\$263	Dakland	: \$153		emite.	2
		SFO: \$448	Modest		nal Park	M. a.
		San	Jose SJC: \$267	Merced S	Sierra Natio	.NIRE

Rank	Airport Code	e Airport Location and Name	RDEW	Fare
1	ACV	Arcata-Eureka Airport	\$76,806	\$231
2	SFO	San Francisco International Airport	\$76,404	\$448
3	SMF	Sacramento International Airport	\$26,255	\$188
4	MFR	Medford-Rogue Valley Int'l Airport	\$15,956	\$232
5	OAK	Oakland International Airport	\$9,225	\$153
6	STS	Santa Rosa-Sonoma County Airport	\$4,256	\$215
7	CEC	Crescent City Del Norte County Airport	\$1,174	\$123
8	SJC	San Jose International Airport	\$951	\$267
		All Airports	\$211,027	\$263

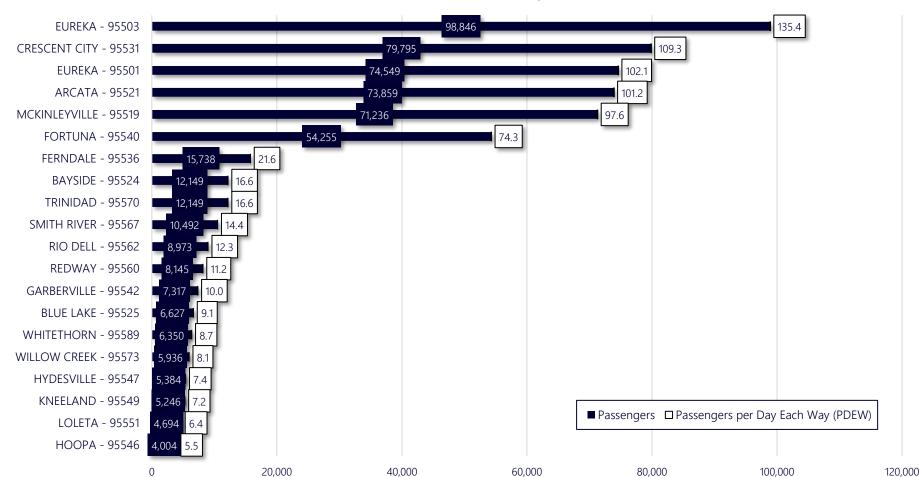






ARCATA & EUREKA ZIP CODES GENERATE 42% OF ALL DEMAND TO AND FROM THE AREA, OR 339 PASSENGERS/DAY EACH WAY

PASSENGERS BY ZIP CODE AND CITY WITHIN THE ARCATA-EUREKA CATCHMENT AREA









UNITED CAPTURES 39% OF ALL ARCATA-EUREKA PASSENGERS, WHILE AVELO NOW CAPTURES 9% WITH BURBANK NONSTOPS

CARRIER SHARE FOR ARCATA-EUREKA CATCHMENT AREA PASSENGERS

	Passengers per Day Each Way									Airport	Share		Average One-Way Fare					
Rank	Code	Airline	ACV	SFO	SMF	MFR	Total	Share	ACV	SFO	SMF	MFR	ACV	SFO	SMF	MFR	Total	
1	UA	United	257.9	33.9	7.0	11.3	310.3	38.6%	83.1%	10.9%	2.3%	3.7%	\$274	\$427	\$262	\$301	\$292	
2	WN	Southwest			81.0		132.0	16.4%			61.3%				\$149		\$147	
3	XP	Avelo	73.9			0.7	76.0	9.4%	97.3%			0.9%	\$82			\$68	\$82	
4	AA	American		34.2	18.1	9.4	70.4	8.8%		48.6%	25.7%	13.3%		\$283	\$269	\$306	\$283	
5	DL	Delta		22.7	15.8	22.4	62.9	7.8%		36.1%	25.1%	35.6%		\$357	\$290	\$242	\$295	
6	AS	Alaska		22.7	2.3	16.0	52.6	6.5%		43.2%	4.3%	30.4%		\$221	\$159	\$184	\$199	
7	NK	Spirit			7.5		11.0	1.4%			68.3%				\$56		\$59	
8	HA	Hawaiian		4.6	2.0		10.2	1.3%		45.3%	19.0%			\$250	\$283		\$263	
9	G4	Allegiant				8.0	8.1	1.0%				98.5%				\$52	\$51	
10	LF	Contour					7.7	1.0%									\$123	
11	В6	JetBlue		6.4	0.2		7.3	0.9%		87.5%	2.6%			\$288	\$204		\$288	
12	AM	AeroMexico		2.4	3.2		6.0	0.7%		40.1%	54.1%			\$316	\$281		\$297	
13	F9	Frontier		4.7	0.9		5.6	0.7%		83.6%	16.4%			\$73	\$71		\$73	
14	AC	Air Canada		2.9	1.3	0.3	4.4	0.5%		65.4%	28.7%	6.0%		\$399	\$309	\$596	\$385	
15	PR	Phillipine		3.6			3.6	0.5%		100.0%				\$1,146			\$1,146	
		15 Largest Airlines	331.8	138.1	139.2	68.0	768.1	95.6%	43.2%	18.0%	18.1%	8.9%	\$231	\$338	\$187	\$224	\$234	
		All Other Airlines	0.0	32.5	0.2	0.8	35.7	4.4%	0.1%	91.0%	0.7%	2.2%	\$326	\$916	\$864	\$878	\$872	
		All Airlines	331.8	170.5	139.4	68.8	803.8	100.0%	41.3%	21.2%	17.3%	8.6%	\$231	\$448	\$188	\$232	\$263	

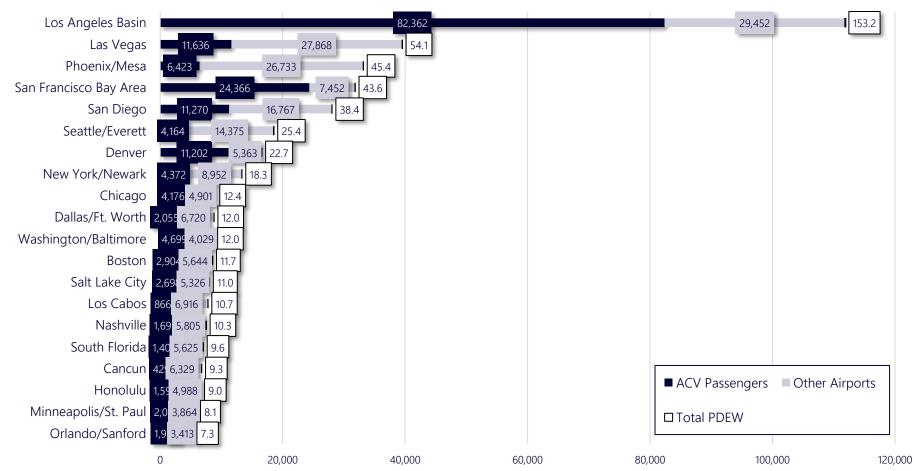






THE LA BASIN IS NOW ARCATA-EUREKA'S TOP MARKET, WITH AN AVERAGE OF 153 PDEW, FOLLOWED BY LAS VEGAS AND PHOENIX

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









LAX IS THE #1 AIRPORT IN THE LA BASIN, WITH 28 PASSENGERS PER DAY EACH WAY DRIVING TO THE BAY AREA TO FLY TO LA

STATISTICAL ANALYSIS OF THE ARCATA-EUREKA – LOS ANGELES BASIN MARKET

		Passengers per Day Each Way							Airport	One-Way Fare						
Metro Area	Airport	ACV	SMF	SFO	OAK	Total	_	ACV	SMF	SFO	OAK	ACV	SMF	SFO	OAK	Total
Los Angeles Basin	BUR	67.4	0.2	0.4		68.3		98.6%	0.4%	0.6%		\$91	\$125	\$126		\$92
	LAX	38.3	14.2	4.4	9.3	73.3		52.2%	19.3%	6.0%	12.6%	\$176	\$127	\$115	\$112	\$149
	ONT	3.3				3.4		96.5%				\$249				\$247
	SNA	3.9	0.2	0.5	0.1	8.1		47.7%	2.7%	6.2%	1.5%	\$264	\$125	\$134	\$115	\$212
		112.8	14.6	5.3	9.4	153.2		73.7%	9.6%	3.5%	6.1%	\$130	\$127	\$118	\$112	\$129



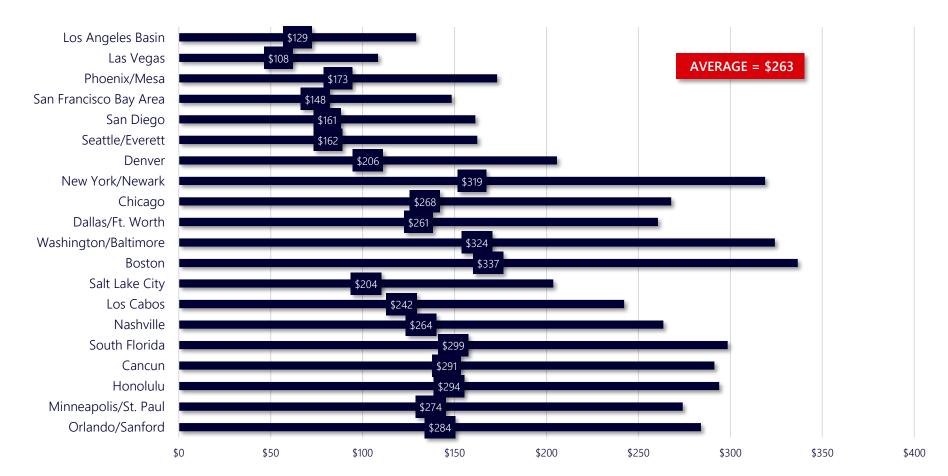






ARCATA-EUREKA PASSENGERS PAY AN AVERAGE OF \$263 ONE WAY AT ALL AIRPORTS THEY USE TO ACCESS SERVICE

AVERAGE ONE WAY FARE IN ARCATA-EUREKA'S TOP 20 O&D MARKETS



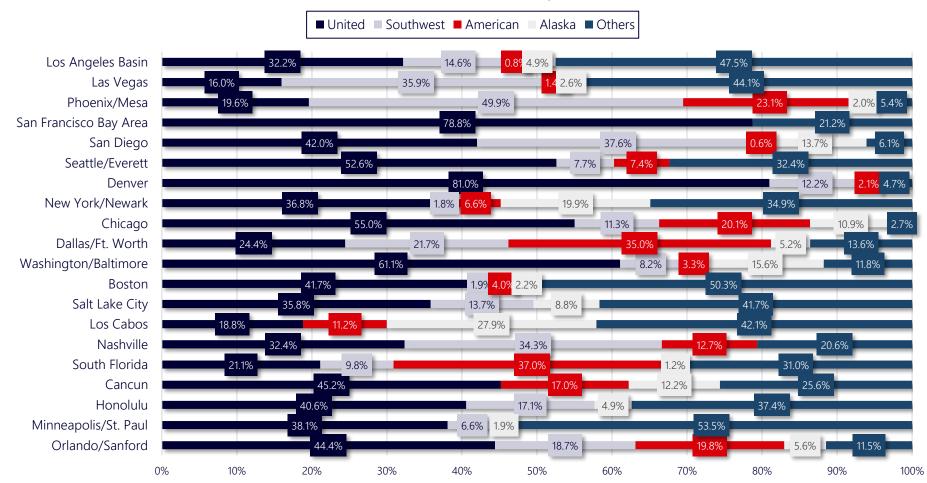






DESPITE BEING THE LARGEST CARRIER AT ACV, UNITED CAPTURES JUST 39% OF CATCHMENT DEMAND, WITH 16% ON SOUTHWEST

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



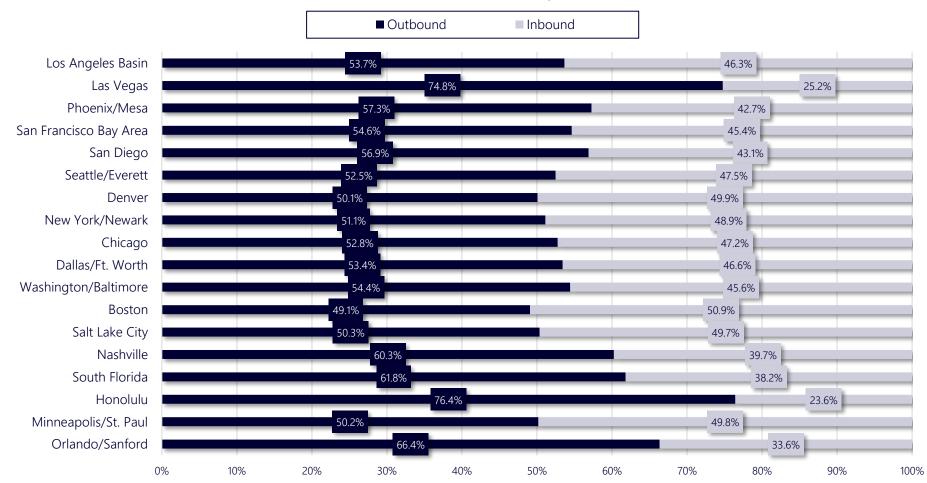






ARCATA-EUREKA IS A HEAVILY-WEIGHTED OUTBOUND MARKET, WITH 55% OF PASSENGERS ORIGINATING IN THE CATCHMENT

POINT-OF-ORIGIN IN TOP DOMESTIC O&D MARKETS IN THE ARCATA-EUREKA CATCHMENT AREA









JACK PENNING

MANAGING PARTNER VOLAIRE AVIATION TUCSON, ARIZONA

JACK.PENNING@VOLAIREAVIATION.COM

