Our market decline has stabilized, but is at an unsustainably low level vs. our competition at ORF and RIC

Passenger growth from American and new airlines MUST occur quickly
Importance of Air Service

**BUSINESSES**
- Attraction and retention hinges on convenient air service
- Without PHF service, businesses will be motivated to move elsewhere

**TOURISM**
- Attraction and retention of visitors and their spending
- Dollars more likely to be spent in Norfolk or Richmond on rental car, lodging, meals & entertainment

**CONVENTIONS/EVENTS**
- Attracting and hosting larger events
- Without air service, national events and conventions will migrate to communities that have better service

**RESIDENTS**
- More frequent/higher income flyers will move closer to their preferred airport, either across the bridge tunnel or up the Peninsula
Growth Plan

**FILL EXISTING SEATS**
- Create PHF brand awareness and bookings
- Target Load Factor >85% (seats filled)

**GET NEW SEATS**
- Grow current routes with AA (On hold)
- New Routes – Legacy Carriers (On hold)
  - New AA hub
  - Return Delta
  - United to IAD
- New Routes – Ultra-Low and Low-Cost Carriers

**FILL NEW SEATS**
- Existing Routes – continue aggressive support
- Marketing Investment
  - Airport funded
  - Community funded
- Limited Incentives
  - Airport fee waivers
  - Direct financial incentives
Coastal Virginia’s strong economy is driven by government, military, and shipbuilding.

57% of bookings from these industries come from the Peninsula.

$66,800 Median Household Income
Median household income is $4k above the national average of $62,800.

$97.9B Goods & Services
Produced annually by the Newport News area economy. Newport News Shipbuilding is the sole designer, builder and refueler of US Navy aircraft carriers and one of two for submarines. This company alone has $4 billion in revenue and more than 25,000 employees.

11,000 New Jobs Expected
At nearly 40,000 establishments by 2025.

400,000 Millennials
More than 9% above average for metro areas of similar size.

Source: EMSI and Hampton Roads Military and Federal Facilities Alliance
Leakage supporting other airports

PHF's catchment area is home to the most pax per capita and the fewest seats per capita in Coastal VA

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>2019 PDEW</th>
<th>Pax per Capita</th>
<th>Seats per Capita</th>
<th>Leakage</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHF</td>
<td>539,363</td>
<td>2,615</td>
<td>3.54</td>
<td>0.48</td>
<td>88%</td>
</tr>
<tr>
<td>ORF</td>
<td>1,180,473</td>
<td>4,216</td>
<td>2.61</td>
<td>2.13</td>
<td>8%</td>
</tr>
<tr>
<td>RIC</td>
<td>1,170,052</td>
<td>4,496</td>
<td>2.80</td>
<td>2.38</td>
<td>15%</td>
</tr>
<tr>
<td>PHF/ORF Battle Zone</td>
<td>171,802</td>
<td>418</td>
<td>1.77</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: Catchment Analytics via ADI
The most resilient demand

YE3Q21 traffic as a % of 2019 is in line with ORF and RIC despite losing significantly more service

<table>
<thead>
<tr>
<th></th>
<th>2019 PDEW</th>
<th>YE3Q21 PDEW</th>
<th>2019 Seats</th>
<th>YE3Q21 Seats</th>
<th>Seats as a % of '19</th>
<th>PDEW as a % of '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHF</td>
<td>2,615</td>
<td>1,548</td>
<td>261,222</td>
<td>103,262</td>
<td>40%</td>
<td>59%</td>
</tr>
<tr>
<td>ORF</td>
<td>4,216</td>
<td>3,032</td>
<td>2,514,328</td>
<td>1,978,343</td>
<td>77%</td>
<td>72%</td>
</tr>
<tr>
<td>RIC</td>
<td>4,496</td>
<td>2,734</td>
<td>2,783,456</td>
<td>1,790,027</td>
<td>64%</td>
<td>61%</td>
</tr>
<tr>
<td>PHF/ORF Battle Zone</td>
<td>418</td>
<td>292</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>70%</td>
</tr>
</tbody>
</table>

Source: Catchment Analytics via ADI
Opportunity is everywhere

**Trailing Twelve Month O&D Passengers**

Source: O&D and Schedules via Airline Data, Inc., Emsi

<table>
<thead>
<tr>
<th></th>
<th>PHF MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 Population</td>
<td>1,787,147</td>
</tr>
<tr>
<td>Proj. 2026 Population</td>
<td>1,816,721</td>
</tr>
<tr>
<td>Proj. Population Growth</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Total Jobs</td>
<td>856,533</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>3.1%</td>
</tr>
<tr>
<td>Median HHI</td>
<td>$66,759</td>
</tr>
<tr>
<td>Cost of Living Index</td>
<td>103.7</td>
</tr>
<tr>
<td>Air Service</td>
<td>AA 5x daily to CLT AA seasonal 1x daily to PHL</td>
</tr>
</tbody>
</table>
PHF has substantially lower CPE than either of the other two airports, meaning more profits.

A daily 76 seat jet invested in PHF with 85% LF makes $72,152 more in profits than ORF or $147,369 more than RIC.

A daily 150 seat jet invested in PHF with 85% LF makes $142,405 more in profits than ORF or $291,859 more than RIC.

Source: FAA CATS database
Both the airport and the community incentivize air service at PHF

<table>
<thead>
<tr>
<th><strong>The Airport</strong></th>
<th><strong>Newport News EDA</strong></th>
<th><strong>State of Virginia</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Waived airport rents &amp; fees for 2 years</td>
<td>$1.2 Million</td>
<td>$25,000 per route</td>
</tr>
<tr>
<td>Significant Direct Marketing Budget depending on service level</td>
<td>Air Service Incentive Fund that can be used for Marketing, MRGs, Start-up cost offsets, etc</td>
<td>State marketing funds to promote air service, up to $250,000</td>
</tr>
</tbody>
</table>
United Airlines

Federal Award: $847K
Community Support: $600K
PAC Marketing: $150K
PAC: In-kind: $404K
Total Project: $2,001,897

Minimum:
2x Daily Non-stop to Dulles

Start date: TBD
But United has been cutting back in IAD, including in 50 seat jet routes like PHF would be

These cuts are driven by staffing shortages of ground staff and regional pilots, as well as uncertainty in demand outlook driven by COVID variants.

Source: Schedule data via ADI
Aggressive marketing campaign (2x budget) to rebrand the airport and drive passenger volume

It's about time.
Newport News Williamsburg Airport
FASTER CURB TO GATE.

Lose wait.
Newport News Williamsburg Airport
FASTER CURB TO GATE.

Easy going.
Newport News Williamsburg Airport
FASTER CURB TO GATE.

Faster to the fun.
Newport News Williamsburg Airport
Easy going.

150 Destinations
Book now! Easy going.
Clear Vision
New Passenger Experience

Faster, easier, more enjoyable

New team, new passion, improved terminal
Airport Capital Improvements

Completed: $38M
(Since 2016)
Planned: $193M
(Through 2027)

Terminal Projects (fully funded)

- Interior: Restrooms, Jet Bridges, Incoming Luggage Carousels
- Exterior: Roof, Windows, Roadways, Parking Lots and more
Economic Development

- 60,000 Square Feet
- Largest private monetary investment - $15.3M
- Local Developer

- 200+ Aerospace Industry Jobs
- Multi-millions in Private & Government Contracts

More Aviation/Commercial property available now!!!
Multimodal Proof of Concept

- Connecting the Dots
- Serving the entire neighborhood

Newport News Williamsburg Airport

Federal Grant Application Submitted
Questions?
Backup
Delta lost passengers from the PHF Catchment area after leaving PHF

PHF Catchment O&D Share YE1Q20

- American: 31%
- Southwest: 11%
- United: 17%
- Delta: 28%
- Other: 13%

PHF Catchment O&D Share YE2Q21

- American: 36%
- Southwest: 17%
- United: 15%
- Delta: 19%
- Other: 13%

Source: O&D via ADI
Delta’s exit of PHF hurt it in the region overall...

Delta Seat Share vs. O&D Share for PHF/RIC/ORF

Share gap = +0.4 pts

 YE1Q20  

31.50%  31.90%

Share gap = -3.6 pts

 YE2Q21  

27.00%  23.40%

Source: O&D and Schedules via ADI
…and they lost share of ORF and RIC demand

Delta Seat Share vs. O&D Share for PHF/RIC/ORF

Source: O&D and Schedules via ADI
Delta was consistently full at 83% LF and contributed $10M per year to other ATL routes

2019 Delta Load Factor by Month

<table>
<thead>
<tr>
<th>Month</th>
<th>Load Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>69%</td>
</tr>
<tr>
<td>2</td>
<td>73%</td>
</tr>
<tr>
<td>3</td>
<td>82%</td>
</tr>
<tr>
<td>4</td>
<td>87%</td>
</tr>
<tr>
<td>5</td>
<td>85%</td>
</tr>
<tr>
<td>6</td>
<td>87%</td>
</tr>
<tr>
<td>7</td>
<td>85%</td>
</tr>
<tr>
<td>8</td>
<td>84%</td>
</tr>
<tr>
<td>9</td>
<td>87%</td>
</tr>
<tr>
<td>10</td>
<td>86%</td>
</tr>
<tr>
<td>11</td>
<td>87%</td>
</tr>
<tr>
<td>12</td>
<td>88%</td>
</tr>
</tbody>
</table>

2019 Delta Load Factor by Month

<table>
<thead>
<tr>
<th>Month</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$2,143,245</td>
</tr>
<tr>
<td>2</td>
<td>$2,755,846</td>
</tr>
<tr>
<td>3</td>
<td>$2,612,822</td>
</tr>
<tr>
<td>4</td>
<td>$2,350,391</td>
</tr>
<tr>
<td>Total</td>
<td>$9,882,304</td>
</tr>
</tbody>
</table>
However, Delta has been slow to restore market exits in 2020

Delta cities cancelled in 2020 not restored by YE2021

Source: Schedules via ADI
And Delta has been the most conservative of the big 4 in restoring capacity to 2019 levels.

2021 Monthly Seat Capacity vs. 2019 by Carrier

Source: Schedules via ADI