

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

Commission file number 001-40444

flyExclusive, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

86-1740840

(I.R.S. Employer Identification No.)

2860 Jetport Road

Kinston, NC

(Address of Principal Executive Offices)

28504

(Zip Code)

(252) 208-7715

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock	FLYX	NYSE American LLC
Redeemable warrants, each whole warrant exercisable for one share of Class A Common Stock at an exercise price of \$11.50 per share	FLYX WS	NYSE American LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The Registrant had outstanding 52,151,748 shares of Class A Common Stock, par value \$0.0001 per share, and 49,930,000 shares of Class B Common Stock, par value \$0.0001 per share as of July 31, 2026.

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EXPLANATORY NOTES

Unless the context otherwise requires, all references to “flyExclusive,” the “Company,” “we,” “us,” and “our” in this Quarterly Report on Form 10-Q (this “Report”) refer to flyExclusive, Inc., and where appropriate, its consolidated subsidiaries, Exclusive Jets, LLC, Jetstream Aviation, LLC, and LGM Enterprises, LLC.

All trade names, trademarks, and service marks appearing in this Report are the property of their respective owners. We have assumed that the reader understands that all such terms are source-indicating. Accordingly, such terms, when first mentioned in this Report, appear with the trade name, trademark, or service mark notice and then throughout the remainder of this Report without trade name, trademark, or service mark notices for convenience only and should not be construed as being used in a descriptive or generic sense.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements.” When contained in this Report, the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions, or results, and involve a number of known and unknown risks, uncertainties, assumptions, and other important factors, many of which are outside our management’s control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. These forward-looking statements are based on information available as of the date of this Report and our management’s current expectations, forecasts, and assumptions, and involve a number of judgments, risks, and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors discussed from time to time in this Report as well as the risks described under Item 1A - “Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2025, and in other documents which we file with the Securities and Exchange Commission (“SEC”). In addition, such statements could be affected by risks and uncertainties related to:

- our ability to recognize the anticipated benefits from the recent merger between a merger subsidiary established by flyExclusive and a subsidiary of Jet.AI, Inc. (the “Jet.AI Merger”), which closed on July 13, 2026, and the final post-closing settlement of the Jet.AI Merger, including the Jet.AI net cash condition, and the relative ownership levels in and shares issued by flyExclusive in such final settlement as of the closing date, which will depend on Jet.AI’s net cash as of the closing date;
- risks associated with the overall economy, including future increases in interest rates, the impact of current or future shutdowns of the federal government, and the potential for recession;
- the risk of downturns in the aviation industry, including due to increases in fuel costs in light of the war in Ukraine, the Israel and Hamas conflict in Gaza, the conflict in Venezuela, the conflict in Iran and the Middle East, and other global political and economic issues;
- the ability to implement business plans, forecasts, and other expectations and identify and realize additional opportunities;
- our results of operations and financial condition;
- costs related to being a public company;
- limited liquidity and trading of our securities;
- the outcome of any legal proceedings;
- the ability to maintain the listing of our securities on the NYSE American LLC (“NYSE American”) or any other national securities exchange;
- that the price of our securities may be volatile due to a variety of factors, including changes in the competitive and highly regulated industry in which we operate, variations in operating performance across competitors, changes in laws and regulations affecting our business, and any changes in our capital structure;
- the risks associated with our indebtedness and our debt’s potential impact on our business and financial condition; and
- a changing regulatory landscape in the highly competitive aviation industry.

Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may vary in material respects from those expressed or implied by these forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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flyExclusive, Inc. Condensed Consolidated Balance Sheets (Unaudited)

(in thousands, except share amounts)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	\$ 14,236	\$ 29,340
Accounts receivable, net	5,036	3,030
Other receivables	6,803	6,235
Due from related parties, current portion	1,792	1,325
Parts and supplies inventory, net	6,496	5,068
Prepaid engine overhauls, current portion	19,184	15,601
Aircraft held for sale, current portion	—	3,421
Prepaid expenses and other current assets	9,946	10,352
Total current assets	63,493	74,372
Notes receivable, non-current portion, net	7,078	7,728
Property and equipment, net	228,281	223,730
Operating lease right-of-use assets	54,494	61,028
Finance lease right-of-use assets	34,085	26,061
Prepaid engine overhauls, non-current portion	45,942	42,694
Other non-current assets	6,010	4,383
Total assets	\$ 439,383	\$ 439,996
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$ 40,436	\$ 30,674
Long-term notes payable, current portion	24,358	29,905
Deferred revenue, current portion	131,419	135,891
Operating lease liabilities, current portion	13,727	14,932
Finance lease liabilities, current portion	7,811	4,451
Other current liabilities	33,923	36,519
Short-term notes payable	6,917	8,537
Long-term notes payable - related party, current portion	19,467	9,041
Total current liabilities	278,058	269,950
Long-term notes payable, non-current portion	79,505	79,031
Long-term notes payable - related party, non-current portion	14,531	30,621
Operating lease liabilities, non-current portion	42,184	47,493
Finance lease liabilities, non-current portion	21,264	19,159
Deferred revenue, non-current portion	28,429	26,428
Warrant liabilities	2,995	4,444
Other non-current liabilities	55,754	47,140
Total liabilities	\$ 522,720	\$ 524,266
Temporary equity		
Redeemable noncontrolling interest	102,058	213,411
Series A preferred stock, par value \$0.0001; 25,000 shares authorized and 25,000 shares issued and outstanding	30,685	27,965
Stockholders' deficit		
Class A common stock; par value \$0.0001; 200,000,000 and 200,000,000 shares authorized; 46,474,856 and 31,184,738 shares issued and outstanding, respectively	5	3
Class B common stock; par value \$0.0001; 100,000,000 and 100,000,000 shares authorized; 49,930,000 and 59,930,000 shares issued and outstanding, respectively	5	6
Additional paid-in capital	236,936	113,625
Accumulated deficit	(456,984)	(440,385)
Total flyExclusive stockholders' deficit	(220,038)	(326,751)
Noncontrolling interests	3,958	1,105
Total stockholders' deficit	(216,080)	(325,646)
Total liabilities, temporary equity and stockholders' deficit	\$ 439,383	\$ 439,996

The accompanying notes are an integral part of these condensed consolidated financial statements.

flyExclusive, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

<i>(in thousands, except share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 111,124	\$ 91,332	\$ 207,474	\$ 179,457
Costs and expenses				
Cost of revenue	88,436	77,609	165,695	154,434
Selling, general and administrative	22,281	20,298	44,994	41,288
Depreciation and amortization	5,450	5,770	10,634	12,021
(Gain) loss on aircraft sales and aircraft held for sale	708	15	1,528	(1,190)
Total costs and expenses	116,875	103,692	222,851	206,553
Loss from operations	(5,751)	(12,360)	(15,377)	(27,096)
Other income (expense)				
Interest income	37	236	213	939
Interest expense	(5,667)	(4,429)	(10,956)	(9,817)
Gain (loss) on lease termination	(38)	(19)	(324)	19
Change in fair value of warrant liabilities	226	212	1,449	781
Loss on extinguishment of debt	—	—	—	(4,161)
Other income (expense)	(214)	231	219	159
Total other expense, net	(5,656)	(3,769)	(9,399)	(12,080)
Loss before income taxes	(11,407)	(16,129)	(24,776)	(39,176)
Income tax expense	57	—	60	—
Net loss	(11,464)	(16,129)	(24,836)	(39,176)
Less: Net loss attributable to redeemable noncontrolling interests	(5,501)	(12,063)	(13,400)	(29,621)
Less: Net income attributable to noncontrolling interests	1,413	698	2,443	658
Net loss attributable to flyExclusive, Inc.	(7,376)	(4,764)	(13,879)	(10,213)
Add: Series A Preferred Dividends	(1,291)	(1,032)	(2,720)	(2,039)
Add: Series B Preferred Dividends	—	(1,305)	—	(2,297)
Net loss attributable to common stockholders	\$ (8,667)	\$ (7,101)	\$ (16,599)	\$ (14,549)
Basic and Diluted Loss Per Share	\$ (0.16)	\$ (0.26)	\$ (0.33)	\$ (0.55)
Weighted Average Common Shares Outstanding (Basic & Diluted)	53,865,974	27,772,428	50,025,086	26,471,721
Other comprehensive loss				
Net loss attributable to flyExclusive, Inc.	\$ (7,376)	\$ (4,764)	\$ (13,879)	\$ (10,213)
Unrealized gains on available-for-sale debt securities	—	2	—	56
Reclassification adjustment for gains realized in net income	(3)	—	(3)	—
Comprehensive loss attributable to flyExclusive, Inc.	\$ (7,379)	\$ (4,762)	\$ (13,882)	\$ (10,157)

The accompanying notes are an integral part of these condensed consolidated financial statements.

flyExclusive, Inc.
Condensed Consolidated Statements of Stockholders' Equity (Deficit) and Temporary Equity (Unaudited)

	Temporary Equity				Permanent Equity				Total fly Exclusive stockholders' equity (deficit)	Noncontrolling Interests	Total stockholders' equity (deficit)	
	Redeemable noncontrolling interest	Series A Preferred stock	Class A Common stock Shares	Amount	Class B Common stock Shares	Amount	Additional paid-in capital	Accumulated other comprehensive income (loss)				Accumulated deficit
(in thousands, except share amounts)												
Balances at December 31, 2025	\$ 213,411	\$ 27,965	31,184.73		59,930.00		113,625	\$ —	\$ (440,385)	\$ (326,751)	\$ 1,105	\$ (325,646)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	7,315	7,315
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(2,272)	(2,272)
Unrealized gains on available-for-sale securities	—	—	—	—	—	—	—	3	—	3	—	3
Issuance of Class A common stock pursuant to Securities Purchase Agreements	—	—	4,007,022	1	—	—	18,453	—	—	18,454	—	18,454
Accretion of Redeemable non controlling interest to redemption amount	(58,224)	—	—	—	—	—	58,224	—	—	58,224	—	58,224
Dividends payable on Series A Preferred temporary equity	—	1,155	—	—	—	—	—	—	(1,155)	(1,155)	—	(1,155)
Amortization of discount on Series A Preferred temporary equity	—	274	—	—	—	—	—	—	(274)	(274)	—	(274)
Redemption of Class B Common Stock for Class A Common Stock	(34,595)	—	10,000.00	1	(10,000.00)	(1)	34,595	—	—	34,595	—	34,595
Stock based compensation	—	—	—	—	—	—	1,631	—	—	1,631	—	1,631
Net (loss) income	(7,899)	—	—	—	—	—	—	—	(6,503)	(6,503)	1,030	(5,473)
Balances at March 31, 2026	\$ 112,693	\$ 29,394	45,191.76		49,930.00		226,528	\$ 3	\$ (448,317)	\$ (221,776)	\$ 7,178	\$ (214,598)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	103	103
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(4,736)	(4,736)
Reclassification adjustment for realized gains on available-for-sale securities	—	—	—	—	—	—	—	(3)	—	(3)	—	(3)
Issuance of Class A common stock pursuant to Securities Purchase Agreements	—	—	1,283,096	—	—	—	3,622	—	—	3,622	—	3,622
Accretion of Redeemable non controlling interest to redemption amount	(5,134)	—	—	—	—	—	5,134	—	—	5,134	—	5,134
Dividends payable on Series A Preferred temporary equity	—	1,094	—	—	—	—	—	—	(1,094)	(1,094)	—	(1,094)
Amortization of discount on Series A Preferred temporary equity	—	197	—	—	—	—	—	—	(197)	(197)	—	(197)
Stock based compensation	—	—	—	—	—	—	1,652	—	—	1,652	—	1,652
Net (loss) income	(5,501)	—	—	—	—	—	—	—	(7,376)	(7,376)	1,413	(5,963)
Balances at June 30, 2026	\$ 102,058	\$ 30,685	46,474.85		49,930.00		236,936	\$ —	\$ (456,984)	\$ (220,038)	\$ 3,958	\$ (216,080)

flyExclusive, Inc.

Condensed Consolidated Statements of Stockholders' Equity (Deficit) and Temporary Equity (Unaudited) (continued)

	Temporary Equity					Permanent Equity							
	Redeemabl e noncontrolli ng	Series A Preferre d	Series B Preferred	Class A Common stock	Amoun t	Class B Common stock	Amoun t	Additio nal paid-in	Accumulated other comprehensive income	Accumulat ed	Total fly Exclusive stockholders' equity	Noncontrollin g	Total stockholders' equity
(in thousands, except share amounts)	interest	stock	stock	Shares		Shares		capital	(loss)	deficit	(deficit)	Interests	(deficit)
Balances at December 31, 2024	\$ 159,514	\$ 23,799	\$ 15,073	18,199,586	\$ 2	59,930,000	\$ 6	\$ —	\$ (56)	\$ (233,441)	\$ (233,489)	\$ 23,431	\$ (210,058)
Contributions from non controlling interests	—	—	—	—	—	—	—	—	—	—	—	71	71
Distributions to non controlling interests	—	—	—	—	—	—	—	—	—	—	—	(9,636)	(9,636)
Unrealized gains on available-for-sale securities	—	—	—	—	—	—	—	—	54	—	54	—	54
Issuance of Class A common stock pursuant to Securities Purchase Agreement	—	—	—	2,000,000	—	—	—	5,800	—	—	5,800	—	5,800
Issuance of Series B Preferred stock	—	—	3,963	—	—	—	—	4,426	—	—	4,426	—	4,426
Accretion of Redeemable non controlling interest to redemption amount	50,068	—	—	—	—	—	—	(11,100)	—	(38,968)	(50,068)	—	(50,068)
Dividends payable on Series A Preferred temporary equity	—	662	—	—	—	—	—	—	—	(662)	(662)	—	(662)
Amortization of discount on Series A Preferred temporary equity	—	345	—	—	—	—	—	—	—	(345)	(345)	—	(345)
Dividends payable on Series B Preferred temporary equity	—	—	992	—	—	—	—	—	—	(992)	(992)	—	(992)
Amortization of discount on Series B Preferred temporary equity	—	—	190	—	—	—	—	(190)	—	—	(190)	—	(190)
Stock based compensation	—	—	—	—	—	—	—	1,064	—	—	1,064	—	1,064
Net loss	(17,558)	—	—	—	—	—	—	—	—	(5,449)	(5,449)	(40)	(5,489)
Balances at March 31, 2025	\$ 192,024	\$ 24,806	\$ 20,218	20,199,586	\$ 2	59,930,000	\$ 6	\$ —	\$ (2)	\$ (279,857)	\$ (279,851)	\$ 13,826	\$ (266,025)
Contributions from non controlling interests	—	—	—	—	—	—	—	—	—	—	—	1,354	1,354
Distributions to non controlling interests	—	—	—	—	—	—	—	—	—	—	—	(9,431)	(9,431)
Unrealized gains on available-for-sale securities	—	—	—	—	—	—	—	—	2	—	2	—	2
Accretion of Redeemable non controlling interest to redemption amount (revised)	(24,839)	—	—	—	—	—	—	24,839	—	—	24,839	—	24,839
Dividends payable on Series A Preferred temporary equity	—	758	—	—	—	—	—	—	—	(758)	(758)	—	(758)
Amortization of discount on Series A Preferred temporary equity	—	274	—	—	—	—	—	—	—	(274)	(274)	—	(274)
Dividends payable on Series B Preferred temporary equity	—	—	1,305	—	—	—	—	—	—	(1,305)	(1,305)	—	(1,305)
Dividends paid on Series B Preferred temporary equity	—	—	(360)	—	—	—	—	—	—	—	—	—	—
Amortization of discount on Series B Preferred temporary equity	—	—	188	—	—	—	—	(188)	—	—	(188)	—	(188)
Stock based compensation	—	—	—	—	—	—	—	948	—	—	948	—	948
Net loss	(12,063)	—	—	—	—	—	—	—	—	(4,764)	(4,764)	698	(4,066)
Balances at June 30, 2025	\$ 155,122	\$ 25,838	\$ 21,351	\$ 586	\$ 2	\$ 000	\$ 6	\$ 9	\$ —	\$ (286,958)	\$ (261,351)	\$ 6,447	\$ (254,904)

The accompanying notes are an integral part of these condensed consolidated financial statements.

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flyExclusive, Inc. Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
	2026	2025
<i>(in thousands)</i>		
Cash flows from operating activities:		
Net loss	\$	(39,176)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	9,810	11,326
Amortization of finance lease right-of-use assets	824	695
Amortization of contract costs	756	754
Non-cash interest income	(25)	(634)
Non-cash interest expense	920	1,726
Non-cash rent expense	9,915	11,244
(Gain) loss on aircraft sales and aircraft held for sale	1,528	(1,190)
(Gain) loss on lease termination	324	(19)
Provision for credit losses	441	72
Provision for inventory reserve	(16)	10
Realized (gain) loss on investment securities	(3)	294
Change in fair value of private placement warrant liability	(303)	(304)
Change in fair value of public warrant liability	(177)	(177)
Change in fair value of penny warrant liability	(969)	(300)
Loss on extinguishment of debt	—	4,161
Stock-based compensation	3,283	2,013
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable	(2,158)	(700)
Notes receivable - related parties	3,250	1,420
Accounts receivable - related parties	(467)	—
Other receivables	(568)	(756)
Parts and supplies inventory	(1,412)	(677)
Prepaid expenses and other current assets	(350)	(2,461)
Operating lease liabilities	(9,821)	(11,034)
Other assets	(654)	(157)
Accounts payable	9,762	12,027
Other current liabilities	(2,638)	522
Deferred revenue	(2,901)	(5,154)
Other non-current liabilities	8,614	6,374
Net cash flows from operating activities	2,129	(10,101)
Cash flows from investing activities:		
Capitalized development costs	76	(23)
Purchases of property and equipment	(19,123)	(4,108)
Proceeds from sales of property and equipment	15,768	31,521
Finance lease direct initial costs	(478)	(381)
Purchases of engine overhauls	(14,051)	(9,628)
Purchases of investments	(4,858)	(15,457)
Proceeds from sale of investments	4,866	80,025
Net cash flows from investing activities	(17,800)	81,949
Cash flows from financing activities:		
Proceeds from issuance of debt	13,698	3,474
Repayment of debt	(29,747)	(79,407)
Proceeds from failed sale-leaseback of aircraft	4,700	—
Payment of debt issuance costs	(1,905)	(373)
Principal payments from finance leases	(2,850)	(278)
Payment of dividends, preferred stock	—	(360)
Cash contributions - noncontrolling interests	2,468	633
Cash distributions - noncontrolling interests	(6,540)	(17,212)
Proceeds from common stock issuance, net of issuance costs	20,743	—
Proceeds from preferred stock issuance, net of issuance costs	—	5,800
Net cash flows from financing activities	567	(87,723)
Net increase (decrease) in cash and cash equivalents	(15,104)	(15,875)
Cash and cash equivalents at beginning of period	29,340	31,694
Cash and cash equivalents at end of period	\$ 14,236	\$ 15,819
Supplemental disclosure of cash flow information:		
Non-cash investing and financing activities:		
Change in redemption value of redeemable noncontrolling interest	\$ 63,358	\$ 24,839
Dividends payable and amortization of discount on Class A Temporary Equity	\$ 2,720	\$ 2,039
Dividends payable on Class B Temporary Equity	\$ -	\$ 2,315
Redemption of Class B Common Stock for Class A Common Stock	\$ 34,596	\$ -
Issuances of Class A Common Stock	\$ 1,333	\$ -
Transfers from prepaid engine overhaul to property and equipment	\$ 2,413	\$ 2,403
Transfer of fixed assets and prepaid engine overhauls to held for sale	\$ -	\$ 605
Unrealized change in fair value of available-for-sale securities	\$ -	\$ 56
Consideration payable to customer	\$ 430	\$ -
Non-cash exchanges for non-controlling ownership interest	\$ 5,418	\$ 1,063

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(Amounts in thousands, except per share amounts)

1. Organization and Operations

Nature of the Business

flyExclusive, Inc. is a holding company that has no material assets other than its ownership in LGM Enterprises, LLC ("LGM"). flyExclusive, Inc. operates and controls all of the businesses and operations of LGM and LGM's subsidiaries. flyExclusive, Inc. and its predecessor for accounting purposes, LGM, are collectively referred to herein as "flyExclusive," the "Company," "we", or "us". flyExclusive is a premier owner/operator of jet aircraft and aircraft sales, with a focus on private jet charter. The Company's businesses provide separate offerings such as wholesale and retail ad hoc flights, a jet club program, partnership program, fractional program, and other services as well.

As part of its plan to become a full-service private aviation company, in 2021, the Company launched its maintenance, repair, and overhaul operations ("MRO"), offering maintenance, interior, and exterior refurbishment to third parties in addition to maintaining its own fleet.

On December 27, 2023 (the "Closing Date"), EG Acquisition Corp., a Delaware corporation ("EGA"), and LGM, a North Carolina limited liability company, consummated a business combination (the "Merger") pursuant to the equity purchase agreement dated October 17, 2022 and subsequent amendment to the equity purchase agreement dated April 21, 2023 (collectively, the "Equity Purchase Agreement" or "EPA"). In connection with the closing of the Merger, EGA changed its name to flyExclusive, Inc. The Class A common stock of flyExclusive ("flyExclusive Class A Common Stock" or the "Company's Class A Common Stock") and the public warrants of flyExclusive (the "Public Warrants") commenced trading on The NYSE American LLC under the symbol "FLYX" and "FLYX WS", respectively, on December 28, 2023.

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and with the rules and regulations of the United States Securities and Exchange Commission (the "SEC").

In the opinion of management, the condensed consolidated financial statements reflect all adjustments, consisting of normal recurring accruals, which are necessary for the fair statement of the financial condition, and results of operations, for the interim periods presented.

The accompanying condensed consolidated financial statements were prepared in accordance with the requirements for interim financial information. Accordingly, these interim financial statements have not been audited and exclude certain disclosures required for annual financial statements. Also, the operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of flyExclusive, its wholly-owned subsidiaries, all majority owned subsidiaries where the ownership is more than 50%, and the accounts of variable interest entities ("VIE") for which flyExclusive or one of its subsidiaries is the primary beneficiary, regardless of the ownership percentage.

All significant intercompany transactions and balances have been eliminated in consolidation. Where the Company's ownership interest is less than 100%, the non-redeemable noncontrolling ownership interests held by third parties in the financial position and operating results of the Company's subsidiaries and/or consolidated VIEs are reported as noncontrolling interest in the condensed consolidated balance sheets (unaudited) within stockholders' (deficit). Noncontrolling ownership interests that can be redeemed for cash

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

where redemption is not within the sole control of the Company are classified as temporary equity in the condensed consolidated balance sheets (unaudited) in accordance with Accounting Standards Codification ("ASC") 480-10-S99-3(A)(2).

Liquidity and Going Concern

During the six months ended June 30, 2026, the Company incurred net losses and has operated with a working capital deficit. To date, the Company has financed its operations primarily through a combination of operating cash flows, the sale of equity securities and convertible debt, and borrowings under loan facilities. At June 30, 2026, the Company had an accumulated deficit of \$456,984 and a working capital deficit, as defined by a shortfall of current assets as compared with current liabilities, of \$214,565 and \$195,578 as of June 30, 2026 and December 31, 2025, respectively. The Company's net losses were \$24,836 and \$39,176 for the six months ended June 30, 2026 and 2025, respectively. Net cash flows provided by (used in) operating activities were \$2,129 and \$(10,101) for the six months ended June 30, 2026 and 2025, respectively. The Company expects to incur operating losses in the near term as the Company advances its fleet modernization and invests in long-term cost savings initiatives.

As of June 30, 2026, the Company had cash and cash equivalents of \$14,236.

The Company believes its cash and cash equivalents on hand, operating cash flows, and proceeds from the fractional program will be sufficient to fund operations, including capital expenditure requirements, for at least 12 months from the filing date of the Form 10-Q of which these financial statements are a part. However, the Company might need additional capital to fund growth plans or as circumstances change, which it would expect to obtain through equity issuances, refinancing existing debt, or new borrowings. Adequate capital might not be available to the Company when needed or on acceptable terms. If the Company is unable to raise capital, it could be forced to delay, reduce, suspend, or cease its working capital requirements, capital expenditures, and business development efforts, which would have a negative impact on its business, prospects, operating results, and financial condition.

2.Summary of Significant Accounting Policies

Reclassification

Certain amounts presented in the Company's previously issued financial statements have been reclassified to conform to the current period presentation. This reclassification had no impact on the Company's financial position, net loss, or cash flows for any period presented.

Use of Estimates

The preparation of condensed consolidated financial statements (unaudited) in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures of contingent assets and liabilities as of the date of the condensed consolidated financial statements (unaudited) as well as the reported amounts of revenues and expenses during the reporting period. Estimates are based on several factors including the facts and circumstances available at the time the estimates are made, historical experience, risk of loss, general economic conditions and trends, and the assessment of the probable future outcome. Actual results could differ from those estimates. For a more complete description of the Company's business and accounting policies, readers are encouraged to review the Company's Form 10-K for the year ended December 31, 2025.

Segment Information

The Company determined its operating segment after considering the Company's organizational structure and the information regularly reviewed and evaluated by the Company's chief operating decision maker ("CODM") in deciding how to allocate resources and assess performance. The Company's CODM is its Chief Executive Officer. The CODM reviews the financial information on a consolidated basis for purposes of evaluating financial performance and allocating resources. On the basis of these factors, the Company determined that it operates and manages its business as one operating segment, charter aviation services. All ancillary and other revenue sources, such as fractional ownership and MRO services, are primarily to support the provision of the Company's private aviation

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

services to customers. Substantially all the Company's long-lived assets are held in the United States, and revenue from charter aviation services is substantially earned from flights throughout the United States. See Note 4 "Segment Information" for additional disclosures.

Public Warrants, Private Warrants, and Penny Warrants

As of June 30, 2026, the following Company warrants were outstanding: (i) the Public Warrants initially included in the EGA units issued in EGA's initial public offering, (ii) the warrants of EGA held by EG Sponsor LLC (the "EGA Sponsor") that were issued to the EGA Sponsor at the closing of EGA's initial public offering (the "Private Placement Warrants"), (iii) warrants issued on March 4, 2024 in connection with the Series A Preferred Stock offering as described within Note 22 "Stockholders' Equity (Deficit), Temporary Equity and Noncontrolling Interests" (the "Series A Penny Warrants"), and (iv) warrants issued on August 8, 2024, August 14, 2024, and March 21, 2025 in connection with the March 2025 and August 2024 Series B Preferred Stock offerings and the March 2025 note conversion as described within Note 22 "Stockholders' Equity (Deficit), Temporary Equity and Noncontrolling Interests" (the "Series B Penny Warrants," together with the Series A Penny Warrants, the "Penny Warrants," and together with the Public Warrants, the Private Placement Warrants, and the Series A Penny Warrants, the "Warrants").

The Company classifies the Warrants as either a liability or as equity by first assessing whether the Warrants meet liability classification in accordance with ASC 480, Distinguishing Liabilities from Equity ("ASC 480"). Under ASC 480, a financial instrument that embodies an unconditional obligation, or a financial instrument other than an outstanding share that embodies a conditional obligation, that the issuer must or may settle by issuing a variable number of its equity shares must be classified as a liability (or an asset in some circumstances) if, at inception, the monetary value of the obligation is based solely or predominantly on any one of the following: (a) a fixed monetary amount known at inception; (b) variations in something other than the fair value of the issuer's equity shares; or (c) variations inversely related to changes in the fair value of the issuer's equity shares. The Company determined that the Warrants should not be classified as liabilities under ASC 480.

If financial instruments, such as the Warrants, are not required to be classified as liabilities under ASC 480, the Company assesses whether such instruments are indexed to the Company's own stock under ASC 815-40. For an instrument to be considered indexed to an entity's own stock, its settlement amount must always equal the difference between the following: (a) the fair value of a fixed number of the Company's equity shares, and (b) a fixed monetary amount or a fixed amount of a debt instrument issued by the Company. Because there are scenarios in which the settlement amount would not equal the difference between the fair value of a fixed number of shares and a fixed monetary amount (or a fixed amount of a debt instrument), the Company determined that the Series A Penny Warrants, the Public Warrants, and the Private Placement Warrants were not indexed to the Company's own stock and therefore they must be classified as liabilities. The Company also determined that the Series A Penny Warrants, the Public Warrants, and the Private Placement Warrants satisfied all criteria to meet the definition of a derivative under ASC 815-10-15-83. For the Series B Penny Warrants, the Company determined that they were indexed to the Company's own stock and would be settled in shares of the Company's Class A Common Stock at an explicit share limit. As such, the Company concluded that the Series B Penny Warrants must be classified as permanent equity, and that the Series B Penny Warrants are not subject to remeasurement at each reporting date.

The Company recorded the Series A Penny Warrants, the Public Warrants, and the Private Placement Warrants as liabilities on the condensed consolidated balance sheets (unaudited) at fair value, with subsequent changes in the fair value recognized in the condensed consolidated statements of operations and comprehensive loss (unaudited) at each reporting date.

Fair Value Measurement

Certain assets and liabilities are carried at fair value under U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2— Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies, and similar techniques.

The Company's cash equivalents and investments in securities are carried at fair value in Level 1 or Level 2, determined according to the fair value hierarchy described above (see Note 5 "Fair Value Measurements").

The Company's Series A Penny Warrants issued alongside the Series A Preferred Stock (as defined in Note 22 "Stockholders' Equity (Deficit), Temporary Equity and Noncontrolling Interests") represent a liability which is remeasured to fair value at each reporting period based on significant inputs not observable in the market. The fair value of the Penny Warrants is classified as a Level 3 measurement according to the fair value hierarchy described above due to the use of an unobservable input for volatility under the valuation method as described within Note 5 "Fair Value Measurements."

The closing price of the Public Warrants is used as the fair value of the Public Warrants and Private Warrants as of each relevant reporting date. The fair value of the Public Warrants is classified as a Level 1 fair value measurement due to the use of an observable market quote in an active market. The fair value of the Private Warrants is classified as a Level 2 fair value measurement due to the use of an observable market quote for the Public Warrants, which are considered to be a similar asset in an active market.

Receivables, Net of Allowance for Credit Losses

Accounts receivable are recorded at the invoiced or earned amount billed to the customers and are reported as net of an allowance for credit losses. The Company applies an incurred loss estimate to calculate the allowance for doubtful accounts. Under ASC 326, the Company maintains an allowance for credit losses and considers the level of past-due accounts based on the contractual terms of the receivables, historical write offs, and existing economic conditions, as well as its relationships with, and the economic status of individual accounts to calculate the allowance for credit losses. The estimated credit losses charged to the allowance is recorded as "selling, general and administrative" in the condensed consolidated statements of operations and comprehensive loss (unaudited). Accounts receivable are written off when deemed uncollectible based on individual credit evaluations and specific circumstances. The Company had an allowance for credit losses on accounts receivable of \$80 as of both June 30, 2026 and December 31, 2025. As of June 30, 2026, two customers accounted for 15% and 10% of accounts receivable, respectively. As of December 31, 2025, two customers accounted for 19% and 13% of accounts receivable, respectively.

Notes receivable are recorded at amortized cost, and are reported as net of an allowance for credit losses. Under ASC 326, the Company maintains an allowance for credit losses based on the difference between the fair value of the collateral associated with the note, less costs to sell the asset, and the amortized cost basis of the note. The Company recognized no allowance for credit losses as of June 30, 2026 and December 31, 2025.

Noncontrolling interest

Noncontrolling interests represent ownership interests attributable to third parties in certain consolidated subsidiaries and VIEs. Noncontrolling interests are presented as a separate component of equity on the condensed consolidated balance sheets (unaudited), condensed consolidated statements of operations and comprehensive loss (unaudited), and condensed consolidated statements of stockholders' equity (deficit) and temporary equity (unaudited) attributed to controlling and noncontrolling interests.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Redeemable Noncontrolling Interest

In connection with the Merger, the former holders (the "Existing Equityholders") of units of ownership interest in LGM (the "LGM Common Units") retained post-Merger ownership interests in LGM as noncontrolling interests. Pursuant to the Amendment and Restated Operating Agreement, dated December 27, 2023 (the "Operating Agreement"), upon the first anniversary of the Closing Date, the Existing Equityholders may redeem all or a portion of their LGM Common Units for either (a) shares of the Company's Class A Common Stock or (b) an equivalent amount of cash as determined pursuant to the Operating Agreement.

While the Company determines whether redemption settlement is for cash or shares, settlement is not considered within the sole control of the Company as the holders of the Company's Class B common stock ("flyExclusive Class B Common Stock" or the "Class B Common Stock") will designate a majority of the members of the Company's board of directors (the "Board"). Since redemption for cash is not considered within the sole control of the Company, the noncontrolling interest is classified as temporary equity in accordance with ASC 480-10-S99-3(A)(2).

For periods in which the noncontrolling interest is not yet redeemable, but the likelihood of the noncontrolling interest becoming redeemable is probable, the Company will accrete changes in its redemption value from the date it becomes probable that it will become redeemable (the Closing Date) to its earliest redemption date (first anniversary of the Closing Date). This measurement method is in accordance with ASC 480-10-S99-3(A)15a. The Company will adjust the carrying value of the redeemable noncontrolling interest based on the higher of (1) the initial carrying value, increased or decreased for the redeemable noncontrolling interest's share of net income or loss, or (2) the redemption value. The Company is required to either (1) accrete changes in the redemption value over the period from the date of issuance to the earliest redemption date of the instrument using an appropriate methodology, usually the interest method, or (2) recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of each reporting period. The Company has elected to accrete changes in the redemption value over the period from the Closing Date to the earliest redemption date (the one year anniversary of the Closing Date) using the interest method.

For periods in which the noncontrolling interest is currently redeemable, the Company will adjust the carrying value of the noncontrolling interest based on the higher of (1) the initial carrying value, increased or decreased for the redeemable noncontrolling interest's share of net income or loss, or (2) the redemption value.

Any change in the carrying value of the redeemable noncontrolling interest will be recorded against retained earnings, or additional paid-in capital to the extent available in the absence of retained earnings. In the absence of both retained earnings and additional paid-in capital, the change will be recorded against accumulated deficit within equity.

Temporary Equity

The Company accounts for its common and preferred stock subject to possible redemption in accordance with the guidance in ASC 480 "Distinguishing Liabilities from Equity." Common and preferred stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable common and preferred stock (including common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. Our Series A Preferred Stock and Series B Preferred Stock (as defined within Note 22 "Stockholders' Equity (Deficit), Temporary Equity and Noncontrolling Interests") feature certain redemption rights that are outside of our control and subject to the occurrence of uncertain future events. Accordingly, 25,000 shares of Series A Preferred Stock subject to possible redemption are presented at redemption value as temporary equity, outside of the stockholders' equity section of our balance sheets at June 30, 2026 and December 31, 2025. No shares of Series B Preferred Stock were outstanding after December 31, 2025, and therefore are not subject to possible redemption.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization. Expenditures for repairs and maintenance are expensed as incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Estimated Useful Life</u>
Transportation equipment	5-20 years
Office furniture and equipment	3-10 years
Leasehold improvements	Shorter of remaining lease term or useful life

(Gain) Loss on Aircraft Sales and Aircraft Held for Sale

The Company occasionally sells aircraft held for use from its fleet. The (gain) or loss from each transaction is recognized upon completion of the sale as a (gain) or loss on aircraft sales which is presented within the (gain) loss on aircraft sales and aircraft held for sale on the condensed consolidated statements of operations and comprehensive loss (unaudited).

The (gain) or loss on aircraft previously held for use as property and equipment and subsequently elected to actively market for sale is presented within the (gain) loss on aircraft sales and aircraft held for sale on the condensed consolidated statements of operations and comprehensive loss (unaudited). When a decision is made to actively market for sale, depreciation is discontinued, and aircraft held for sale is recorded at the lower of carrying value or fair value less costs to sell. We present aircraft assets held for sale at the lower of their current carrying value or their fair market value less costs to sell including \$0 and \$3,421 classified within "current assets" on the Company's consolidated balance sheets as of June 30, 2026 and December 31, 2025, respectively, as well as \$0 classified within "non-current assets" on the Company's condensed consolidated balance sheets (unaudited) as of June 30, 2026 and December 31, 2025, respectively. The fair values are based on observable and unobservable inputs, including market trends and conditions. The assumptions used to determine the fair value of the assets held for sale are subject to inherent uncertainty and could produce a wide range of outcomes which the Company will continue to monitor in future periods as new information becomes available. Prior to the ultimate sale of the assets, subsequent changes in the estimate of the fair value of the assets held for sale will be recorded as a (gain) or loss with a corresponding adjustment to the assets' carrying value.

The Company had zero and one aircraft classified as held for sale as of June 30, 2026 and December 31, 2025, respectively. The following table summarizes the Company's held for sale activity during the six months ended June 30, 2026:

	<u>Six Months Ended June 30,</u> <u>2026</u>
Aircraft held for sale as of December 31, 2025	\$ 3,421
Aircraft held for sale sold	(3,421)
Aircraft reclassified to held for sale	—
Loss due to fair value adjustments	—
Aircraft held for sale as of June 30, 2026	<u>\$ —</u>

Contract Acquisition Costs

The Company pays commissions on deposits from new and recurring Jet Club member contracts. These commissions are contract acquisition costs that are capitalized as an asset on the condensed consolidated balance sheets (unaudited) as these are incremental amounts directly related to attaining contracts with customers. Capitalized sales commissions capitalized were \$541 and \$965 during the three and six months ended June 30, 2026, respectively, and \$412 and \$857 during the three and six months ended June 30, 2025, respectively.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

As of June 30, 2026 and December 31, 2025, contract acquisition costs of \$980 and \$920, respectively, were included within prepaid expenses and other current assets and \$1,574 and \$1,424, respectively, were included within other non-current assets on the condensed consolidated balance sheets (unaudited).

Capitalized contract costs are amortized on a straight-line basis concurrently over the same period of benefit in which the associated revenue is recognized. Amortization expense related to capitalized contract costs included in selling, general and administrative expense in the condensed consolidated statements of operations and comprehensive loss (unaudited) was \$381 and \$756 during the three and six months ended June 30, 2026, respectively, and \$390 and \$754 during the three and six months ended June 30, 2025, respectively.

Other Accounting Policies

See the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for a description of other accounting principles upon which basis the accompanying condensed consolidated financial statements in this Report were prepared.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" ("ASU 2024-03"), and in January 2025 issued ASU 2025-01 "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date" ("ASU-2025-01") 2025-01. ASU 2024-03 and ASU 2025-01 are intended to improve disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. Such information should allow investors to better understand an entity's performance, assess future cash flows, and compare performance over time and with other entities. ASU 2024-03 will require public business entities to disclose in the notes to the financial statements, at each interim and annual reporting period, specific information about certain costs and expenses, including purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each expense caption presented on the face of the income statement, and the total amount of an entity's selling expenses. ASU 2024-03, as clarified by ASU 2025-01, is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027, and may be applied either prospectively or retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance on the consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments—Credit Losses (Topic 326)", ("ASU 2025-05") which introduces a practical expedient for measuring expected credit losses on trade receivables and contract assets. Under ASU 2025-05, an entity is required to disclose whether it has elected to use the practical expedient, which permits assuming that current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when estimating expected credit losses. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, and interim periods within fiscal years beginning after December 15, 2026. Early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance on the consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements" ("ASU 2025-11"), which is intended to improve the navigability of the required interim disclosures and clarify when that guidance is applicable. The amendments also provide additional guidance on what disclosures should be provided in interim reporting periods, including a requirement to disclose events since the end of the last annual report period that have materially impacted the Company. The amendments in ASU 2025-11 are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance on the consolidated financial statements.

In April 2026, the FASB issued ASU 2026-01, "Equity (Topic 505): Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock" ("ASU 2026-01"), which is intended to provide authoritative guidance on how an issuer should initially measure paid-in-kind dividends on equity-classified preferred stock. The amendments in ASU 2026-01 are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

permitted in an interim or annual reporting period in which financial statements have not yet been issued or made available for issuance. The Company is currently evaluating the impact of adopting this guidance on the consolidated financial statements.

3.Earnings (Loss) Per Share

The Company computes basic earnings (loss) per share using net loss attributable to Company common stockholders and the weighted average number of common shares outstanding during each period. Because the Penny Warrants obligate the Company to issue shares for little or no cash consideration contingent only upon the passage of time (see Note 16 "Warrant Liabilities" for a description of the Penny Warrants), weighted average shares issuable under the Penny Warrants are included in the denominator in the calculation of basic and diluted EPS. Shares of Class B Common Stock do not share in the earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings (loss) per share of Class B Common Stock under the two-class method has not been presented.

The following table sets forth the computation of the Company's basic and diluted net (loss) income per share:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Numerator:				
Net loss	\$ (11,464)	\$ (16,129)	\$ (24,836)	\$ (39,176)
Less: Net loss attributable to redeemable noncontrolling interests	(5,501)	(12,063)	(13,400)	(29,621)
Less: Net income attributable to noncontrolling interests	1,413	698	2,443	658
Add: Series A Preferred Dividends	(1,291)	(1,032)	(2,720)	(2,039)
Add: Series B Preferred Dividends	—	(1,305)	—	(2,297)
Net loss attributable to common stockholders	\$ (8,667)	\$ (7,101)	\$ (16,599)	\$ (14,549)
Denominator:				
Weighted Average Class A Common Stock outstanding	46,055,296	20,199,586	42,231,163	19,470,304
Weighted Average Class A Common Stock issuable under Series A Penny Warrants	1,542,578	1,304,742	1,525,823	1,293,803
Weighted Average Class A Common Stock issuable under Series B Penny Warrants	6,268,100	6,268,100	6,268,100	5,707,614
Weighted Average Shares Outstanding - basic and diluted	<u>53,865,974</u>	<u>27,772,428</u>	<u>50,025,086</u>	<u>26,471,721</u>
Basic and Diluted Earnings (Loss) Per Share				
Basic	\$ (0.16)	\$ (0.26)	\$ (0.33)	\$ (0.55)
Diluted	\$ (0.16)	\$ (0.26)	\$ (0.33)	\$ (0.55)

The following table summarizes potentially dilutive outstanding securities for the three and six months ended June 30, 2026 and 2025 which were excluded from the calculation of diluted EPS, because their effect would have been anti-dilutive:

	For the three months ended June 30, 2026	For the six months ended June 30, 2026	For the three and six months ended June 30, 2025
Public warrants	2,519,869	2,519,869	2,519,869
Private Placement Warrants	4,333,333	4,333,333	4,333,333
Series A Penny Warrants	1,542,578	1,525,823	1,304,742
Class B Common Stock	49,930,000	52,637,182	59,930,000
Total anti-dilutive features	<u>58,325,780</u>	<u>61,016,207</u>	<u>68,087,944</u>

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

4. Segment Information

The Company has one reportable segment, private aviation services, managed on a consolidated basis by the Chief Executive Officer who is the CODM. The private aviation services segment provides charters, aircraft partnerships, jet club memberships, fractional ownership shares, MRO, and aircraft management services. The Company derives revenue primarily in North America and manages the business activities on a consolidated basis.

The accounting policies of the segment are the same as those described in the summary of significant accounting policies. The CODM assesses performance and decides how to allocate resources based on net loss that is also reported on the income statement as consolidated net loss. The measure of segment assets is reported on the balance sheets as consolidated total assets.

The CODM allocates resources and evaluates performance based on net loss, which is the Company's measure of segment profit or loss. The CODM considers budget to actual and year-over-year variances for net loss when making decisions about how to utilize the Company's resources. The components of segment profit or loss were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Total revenue	\$ 111,124	\$ 91,332	\$ 207,474	\$ 179,457
Less:				
Cost of revenue	88,436	77,609	165,695	154,434
Selling, general and administrative	22,281	20,298	44,994	41,288
Depreciation and amortization	5,450	5,770	10,634	12,021
(Gain) loss on aircraft sales and aircraft held for sale	708	15	1,528	(1,190)
Other ⁽¹⁾	5,656	3,769	9,399	12,080
Net loss before income taxes	<u>\$ (11,407)</u>	<u>\$ (16,129)</u>	<u>\$ (24,776)</u>	<u>\$ (39,176)</u>

(1) Includes all items within other income (expense) on the condensed consolidated statements of operations and comprehensive loss (unaudited).

No single customer accounted for 10% or more of consolidated revenue for the three and six months ended June 30, 2026 or the three and six months ended June 30, 2025.

5. Fair Value Measurements

The following tables present the Company's fair value hierarchy for its assets and liabilities that are measured at fair value on a recurring basis and indicate the level within the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value:

	Fair Value Measurements at June 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market mutual funds	1,098	—	—	1,098
	\$ 1,098	\$ -	\$ -	\$ 1,098
Liabilities:				
Warrant liability - public warrants	\$ 529	\$ —	\$ —	\$ 529
Warrant liability - private placement warrants	—	910	—	910
Warrant liability - Series A penny warrants	—	—	1,556	1,556
	<u>\$ 529</u>	<u>\$ 910</u>	<u>\$ 1,556</u>	<u>\$ 2,995</u>

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

	Fair Value Measurements at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market mutual funds	5,401	—	—	5,401
	<u>\$ 5,401</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,401</u>
Liabilities:				
Warrant liability - public warrants	\$ 706	\$ —	\$ —	\$ 706
Warrant liability - private placement warrants	—	1,213	—	1,213
Warrant liability - Series A penny warrants	—	—	2,525	2,525
	<u>\$ 706</u>	<u>\$ 1,213</u>	<u>\$ 2,525</u>	<u>\$ 4,444</u>

The fair values of government money market funds have been measured on a recurring basis using Level 1 inputs, which are based on unadjusted quoted market prices within active markets.

The fair value of the Public Warrants is classified as Level 1 due to the use of an observable market quote in an active market. The fair value of the Private Placement Warrants is classified as Level 2 due to the use of an observable market quote for the Public Warrants, which are considered to be a similar asset in an active market. The warrant liability is calculated by multiplying the quoted market price of the Company's Public Warrants by the total number of Public Warrants and Private Placement Warrants.

The Company's Level 3 liability consists of the Series A Penny Warrants associated with the issuance of Series A Preferred Stock. This liability has been classified as Level 3 due to the use of unobservable inputs within the valuation, namely volatility.

The fair value of the Series A Penny Warrant liability as of June 30, 2026 and December 31, 2025 was determined utilizing a Monte Carlo simulation valuation method, using the following inputs and assumptions:

	June 30, 2026
\$ in thousands, except for stock price, strike price, and share amounts	
Warrant shares	1,548,871
Aggregate value cap	\$ 11,250
Stock price	\$ 2.00
Strike price	\$ 0.01
Term (in years)	2.68
Volatility	125.0%
Risk free rate	4.1%
Dividend rate	—%
\$ in thousands, except for stock price, strike price, and share amounts	
Warrant shares	1,469,519
Aggregate value cap	\$ 11,250
Stock price	\$ 4.11
Strike price	\$ 0.01
Term (in years)	3.18
Volatility	109.0%
Risk free rate	3.6%
Dividend rate	—%

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

The following table shows the change in the fair value of the Series A Penny Warrant liability for the six months ended June 30, 2026

	June 30, 2026
Balance as of December 31, 2025	\$ 2,525
Issuance of Series A Penny Warrants	—
Change in fair value of Series A Penny Warrants	(969)
Balance as of June 30, 2026	<u>\$ 1,556</u>

There have been no other changes in valuation techniques and related inputs. As of June 30, 2026 and December 31, 2025, there were no transfers between Level 1, Level 2, and Level 3.

6. Variable Interest Entities

As part of the organizational structure, the Company has established numerous single-asset LLC entities (“SAEs”) each for the primary purpose of holding a single identifiable asset, individual planes / aircraft and leasing the asset to the Company through its wholly-owned subsidiaries. There are SAEs in which the Company has less than 100% equity interest (generally 50% or less) (“SAEs with Equity”). There are also SAEs in which the Company holds no equity interests. Generally, in these instances, the Company initially acquired the aircraft, contributed the aircraft to the SAE, and subsequently sold 100% of the equity interests in the SAE and leased the aircraft back from the third-party in a transaction structured as sale-leaseback (“SAEs without Equity”). The Company also has a 50% noncontrolling ownership interest in an entity that operates an aircraft paint facility (“Paint Entity”).

Management analyzes the Company’s variable interests including loans, guarantees, and equity investments, to determine if the Company has any variable interests in these entities. This analysis includes both qualitative and quantitative reviews. Qualitative analysis is based on an evaluation of the design and primary risk of these entities, their organizational structures including decision making abilities, and financial and contractual agreements. Quantitative analysis is based on these entities’ equity interests and investment. The Company determined it has variable interests in Paint Entity and SAEs with Equity as a result of its equity interest in these entities. For those SAEs without Equity in which the Company has a (a) lease agreement for the aircraft which is the primary asset of these entities (the “Lessor SAEs without Equity”), and (b) either (i) has a call option and/or (ii) a lessor put option for a fixed purchase price, it is determined that the Company has variable interests in the Lessor SAEs without Equity.

The Company then determines whether the entities that the Company has variable interests in are VIEs. ASC 810, Consolidation, defines a VIE as an entity that either (i) lacks sufficient equity to finance its activities without additional subordinated financial support from other parties; or (ii) has an equity holder(s) that, as a group, lack the characteristics of a controlling financial interest. Paint Entity, SAEs with Equity, and Lessor SAEs without Equity are VIEs as they met at least one of the criteria above.

A VIE is consolidated by its primary beneficiary, which is defined as the party who has a controlling financial interest in the VIE through (a) power to direct the activities of the VIE that most significantly affect the VIE’s economic performance, and (b) obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE.

The Company uses qualitative and quantitative analyses to determine if it is the primary beneficiary of VIEs including evaluation of (a) the purpose and design of the VIE, and (b) activities that most significantly impact economic performance of the VIE. The Company also determines how decisions about significant activities are made in the VIE and the party or parties that make them. The Company determined that it is the primary beneficiary of these VIEs because it acts as manager of the entities’ aircraft or retains control of the entity through terms in the leases, thereby giving it the power to direct activities of the entities that most significantly impact its economic performance. In addition, the Company either (a) has obligations to the losses of the VIEs and the right to receive benefits from the VIEs that could potentially be significant to the entities as a result of its equity interests, or (b) is deemed to have a controlling financial interest in the VIEs due to the other equity holders of these VIEs, as a group, lacking the characteristics of a controlling financial interest.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

The Company's condensed consolidated balance sheets (unaudited) include the following assets and liabilities of these VIEs:

	June 30, 2026		December 31, 2025
Cash	\$ 623	\$	495
Property and equipment, net	44,668		46,027
Long-term notes payable, current portion	15,678		17,861
Long-term notes payable, non-current portion	8,299		10,318

The Company's condensed consolidated statements of operations and comprehensive loss (unaudited) include the following expenses of these VIEs:

	Three Months Ended June 30, 2026		2025		Six Months Ended June 30, 2026		2025
Interest expense	\$ 309	\$	506	\$	747	\$	981
Depreciation and amortization	685		920		1,359		2,000

The assets of the Company's VIEs are only available to settle the obligations of these entities. Creditors of each of the VIEs have no recourse to the general credit of the Company.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

7. Revenue

Disaggregation of Revenue

The following table disaggregates revenue by service type and the timing of when these services are provided to the member or customer:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Services transferred at a point in time:				
Flights	\$ 104,205	\$ 85,770	\$ 196,442	\$ 168,516
Aircraft Management Services	260	552	595	1,317
Services transferred over time:				
Memberships	(540)	266	(656)	1,323
MRO	4,366	2,872	6,374	4,633
Fractional ownership purchase price	2,833	1,872	4,719	3,668
	<u>\$ 111,124</u>	<u>\$ 91,332</u>	<u>\$ 207,474</u>	<u>\$ 179,457</u>

Transaction Price

The transaction prices for each of the primary revenue streams are as follows:

- Jet Club and Charter – Membership fees (less credits issued), and flight related charges based on trips flown
- MRO – Time and materials incurred for services performed
- Fractional Ownership – The portion of fractional interest purchase price (less credits issued) allocated to revenue, and flight related charges based on trips flown
- Aircraft Management Services – Fixed monthly management fees charged to third-party aircraft owners.

The following table provides a rollforward of deferred revenue for the six months ended June 30, 2026 and 2025:

	2026	2025
Balance as of January 1	\$ 162,319	\$ 149,517
Revenue recognized	(165,484)	(160,006)
Revenue deferred	163,013	154,852
Balance as of June 30	<u>\$ 159,848</u>	<u>\$ 144,363</u>

8. Other Receivables

Other receivables consisted of the following:

	June 30, 2026	December 31, 2025
Rebate receivables	\$ 2,105	\$ 1,226
Federal excise tax receivable	4,255	4,657
Insurance settlement in process	418	320
Other	25	32
	<u>\$ 6,803</u>	<u>\$ 6,235</u>

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

9. Parts and Supplies Inventory

Parts and supplies inventory consists primarily of aircraft parts and materials and supplies. Parts and supplies inventory, net of reserve, consisted of the following:

	June 30, 2026	December 31, 2025
Aircraft parts	\$ 5,869	\$ 4,820
Materials and supplies	852	457
Less: parts and supplies inventory reserve	(225)	(209)
	<u>\$ 6,496</u>	<u>\$ 5,068</u>

10. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	June 30, 2026	December 31, 2025
Prepaid vendor expenses	\$ 4,700	\$ 3,696
Prepaid insurance	2,577	602
Prepaid directors and officers insurance	946	2,199
Prepaid maintenance	426	456
Prepaid non-aircraft subscriptions	317	322
MRO revenue in excess of billings	—	2,157
Deferred commission	980	920
	<u>\$ 9,946</u>	<u>\$ 10,352</u>

11. Property and Equipment, Net

Property and equipment, net consisted of the following:

	June 30, 2026	December 31, 2025
Transportation equipment	\$ 310,502	\$ 309,675
Office furniture and equipment	3,623	3,418
Leasehold improvements	2,599	2,417
Construction in progress	1,339	236
Deposits on transportation equipment	3,628	1,725
	321,691	317,471
Less: Accumulated depreciation	(93,410)	(93,741)
Property and equipment, net	<u>\$ 228,281</u>	<u>\$ 223,730</u>

Depreciation expense for property and equipment was \$4,857 and \$9,524, respectively for the three and six months ended June 30, 2026 and \$5,247 and \$10,974 for the three and six months ended June 30, 2025. The net carrying value of disposals of long-lived assets as of June 30, 2026 and December 31, 2025 was \$9,892 and \$83,093, respectively.

Interest payments on borrowings to acquire aircraft are capitalized for the month of acquisition when the aircraft's in-service date begins following the 15th of the month. Interest payments for the month of acquisition would be expensed if the aircraft is placed into service before the 15th of the month. There was no capitalized interest as of June 30, 2026 or December 31, 2025.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

12. Other Current Liabilities

Other current liabilities consisted of the following:

	June 30, 2026	December 31, 2025
Accrued vendor payments	\$ 7,245	\$ 6,395
Accrued ERC payments	9,044	9,044
Accrued directors and officers insurance	623	1,622
Accrued employee-related expenses	11,775	11,722
Accrued engine expenses	1,326	2,479
Accrued tax expenses	1,161	1,430
Accrued interest	952	2,145
Excise tax payable	999	999
Other	798	683
	<u>\$ 33,923</u>	<u>\$ 36,519</u>

Employee Retention Credit (“ERC”)

The CARES Act, enacted on March 27, 2020, provides an ERC that is a refundable tax credit against certain employer taxes. The ERC was subsequently amended by the Taxpayer Certainty and Disaster Tax Relief Act of 2020, the Consolidated Appropriation Act of 2021, and the American Rescue Plan Act of 2021, all of which amended and extended the ERC availability and guidelines under the CARES Act. The goal of the ERC program is to encourage employers to retain and continue paying employees during periods of pandemic-related reduction in business volume even if those employees are not actually working, and therefore, are not providing a service to the employer.

Under the Act, eligible employers could take credits up to 70% of qualified wages with a limit of \$7 per employee per quarter for the first three quarters of calendar year 2021. In order to qualify for the ERC in 2022, organizations generally had to experience a 20% or greater decrease in gross receipts in the quarter compared to the same quarter in calendar year 2019 or its operations had to have been fully or partially suspended during a calendar quarter due to “orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes)” due to COVID-19. The credit is taken against the Company’s share of Social Security Tax when the Company’s payroll provider files, or subsequently amends the applicable quarterly employer tax filings.

As of June 30, 2026, the Company had received ERC payments totaling \$9,044. The Company’s legal counsel has issued a legal opinion that the Company, more likely than not, qualified for the ERC. However, it remains uncertain whether the Company meets the eligibility qualifications required for the ERC. Therefore, the balance was included in other current liabilities in the condensed consolidated balance sheets (unaudited) as of June 30, 2026 and December 31, 2025 since the Company may potentially be required to repay the ERC.

13. Other Non-Current Liabilities

Other non-current liabilities consisted of the following:

	June 30, 2026	December 31, 2025
Fractional ownership deposits	\$ 55,754	\$ 47,140
Other	—	—
	<u>\$ 55,754</u>	<u>\$ 47,140</u>

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

14. Debt

The components of the Company's outstanding short-term notes payable consisted of the following:

	Interest Rates	June 30, 2026	December 31, 2025
Short-term notes payable			
Bank 1	n/a	\$ —	\$ 3,160
Bank 2	7.8 %	3,674	4,229
Financial Institution 5	26.5 %	4,421	1,594
Less: Unamortized debt issuance costs		(1,178)	(446)
Total short-term notes payable		<u>\$ 6,917</u>	<u>\$ 8,537</u>

In June 2023, the Company entered into two loan agreements in the amounts of \$8,000 and \$6,400 principal. Both loans bear an interest rate of 7.75%. These loans originally had a maturity date of six months from the loan date. The maturity date of the \$6,400 loan has been extended to June 2026, and the \$8,000 loan to April 2029. In June 2026, the \$6,400 loan was extended to June 2027.

In April 2025, the Company entered into two loan agreements in the principal amounts of \$1,540 and \$1,620 with Bank 1, each of which bore an interest rate of 6.5% and had a maturity date of May 2026. These loans were paid off in May of 2026. In July 2025, the Company entered into a loan agreement in the principal amount of \$3,750 with Financial Institution 5, which bore an interest rate of 10.0% and had a maturity date of April 2026 at which time the loan was paid off. In May 2026, the Company entered into a loan agreement in the principal amount of \$5,000 with Financial Institution 5, which bears an interest rate of 26.5% and has a maturity date of May 2027.

As of June 30, 2026 and December 31, 2025 unamortized debt issuance costs were \$1,178 and \$446 for short-term notes payable, respectively.

During the three months ended June 30, 2026 and 2025 the Company recorded \$265 and \$15, respectively, in amortization of debt issuance cost related to short-term debt within interest expense. During the six months ended June 30, 2026 and 2025, the Company recorded \$605 and \$30, respectively in amortization of debt issuance cost within interest expense in the condensed consolidated statements of operations and comprehensive loss (unaudited).

Total interest expense related to short-term debt was \$113 and \$136 for the three months ended June 30, 2026 and 2025, respectively. Total interest expense related to short-term debt was \$244 and \$243 for the six months ended June 30, 2026 and 2025, respectively.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

The components of the Company's outstanding long-term debt consisted of the following:

	Interest Rates		Amounts		Maturity Dates	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Long-term notes payable with banks for the purchase of aircrafts						
Bank 1	n/a	4.0% - 7.3%	\$ —	\$ 6,304	n/a	Aug 2026 - Feb 2029
Bank 2	7.5% - 7.8%	7.5% - 7.8%	8,641	9,208	Jun 2028 - Dec 2030	Jun 2028 - Dec 2030
Bank 3	n/a	2.3% + SOFR**	—	1,508	n/a	Sep 2026
Bank 5	7.7%	7.7%	1,201	1,344	Jan 2030	Jan 2030
Bank 6	n/a	4.0%	—	519	n/a	Sep 2027
Bank 7	8.8%	8.8%	11,476	11,914	May 2029	May 2029
Bank 8	2.8% + SOFR**	2.8% + SOFR**	1,245	1,322	Apr 2027	Apr 2027
Long-term notes payable with financial institutions for the purchase of aircrafts						
Financial Institution 2	3.6% - 7.0%	3.6% - 7.0%	3,551	6,499	Nov 2026 - Dec 2026	Nov 2026 - Dec 2026
Financial Institution 3	9.5%	9.5%	12,239	12,777	Dec 2033 - Mar 2034	Dec 2033 - Mar 2034
Financial Institution 5	15.2%	n/a	7,991	—	Mar 2031	n/a
Financial Institution 6	14.4% - 14.9%	14.4% - 15.9%	10,414	10,898	Nov 2030	Nov 2030
Other long-term debt payable						
Financing obligations from sale-leaseback transactions	2.5% - 12.0%	12.0%	23,200	18,500	Nov 2028 - May 2031	Nov 2028
EID loan	See disclosure below	See disclosure below	122	122	See disclosure below	See disclosure below
Long-term debt from VIEs			23,977	28,180		
Total Long-term notes payable			104,057	109,095		
Less: Unamortized debt issuance costs and debt discount			(194)	(159)		
Less: current portion			(24,358)	(29,905)		
Long-term notes payable, non-current portion			<u>\$ 79,505</u>	<u>\$ 79,031</u>		

** SOFR is defined as "Secured Overnight Financing Rate."

The Company and its subsidiaries (the "Borrowers") routinely enter into long-term loan agreements with various lenders for the purpose of financing purchases of aircraft. These loans usually have an initial term between 2 to 15 years and sometimes the Borrowers negotiate with the lenders to extend the maturity date at the end of the initial term. The Borrowers will refinance as needed to meet their respective obligations as they become due within the next 12 months. As the parent, the Company has maintained a positive relationship with the lenders and has not historically had any difficulty refinancing these debt obligations. Based on historical experience and the fact that the Company has not suffered any decline in creditworthiness, it expects that cash on hand and cash earnings will enable it to secure the necessary refinancing. Amendments are executed at times when interest rates and terms are changed. Under these long-term loan agreements, the Borrowers usually pay principal and interest payments each month, followed by a balloon payment of all unpaid principal and accrued and unpaid interest due upon maturity, and when applicable, a loan origination fee upon execution. Each note payable is collateralized by the specific aircraft financed and is guaranteed by the owners of the Borrowers.

A lender may impose a restriction that the outstanding balance of the note may not exceed a percentage of the retail value of the collateral. In the event the outstanding value of the loan exceeds the percentage threshold of the collateralized aircraft, the Borrowers may be required to make a payment in order to reduce the balance of the loan. Pursuant to the loan agreements, the Borrowers must maintain certain debt service ratios (such as cash flow to leverage or certain EBITDA to total borrowings) specific to each lender as long as the Borrowers hold outstanding loans. There were 16 separate loan agreements (each loan agreement includes the initial agreement and amendments if applicable) with note payable balances outstanding as of June 30, 2026, compared to 24 separate loan agreements as of December 31, 2025.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

As of June 30, 2026 and December 31, 2025, unamortized debt issuance costs were \$194 and \$159 for long-term notes payable (excluding convertible note), respectively.

During the three months ended June 30, 2026 and 2025, the Company recorded \$7 and \$25, respectively, in amortization of long-term debt issuance cost within interest expense. During the six months ended June 30, 2026 and 2025, the Company recorded \$65 and \$53, respectively, in amortization of debt issuance cost within interest expense in the condensed consolidated statements of operations and comprehensive loss (unaudited).

Total interest expense related to long-term debt (excluding convertible note and VIEs) was \$2,371 and \$1,619 for the three months ended June 30, 2026 and 2025, respectively, and total interest expense was \$4,306 and \$3,973 for the six months ended June 30, 2026 and 2025, respectively.

The table below presents the Company's contractual principal payments (not including debt issuance costs) as of June 30, 2026 under then-outstanding long-term debt agreements in each of the next five calendar years (does not include VIE loans):

Fiscal year	Amount
Remainder of 2026	\$ 5,570
2027	5,053
2028	22,235
2029	17,658
2030	13,392
Thereafter	16,172
	80,080
Long-term notes payable from VIE	23,977
Debt issuance costs	(194)
Total long-term notes payable	<u>\$ 103,863</u>

Sale-Leaseback Transactions

In November 2025, the Company sold an aircraft to a third party for approximately \$18,500. In connection with the sale, the Company entered into an agreement to lease back the aircraft for a 3-year period. Since the lease agreement provides the Company an option to repurchase the aircraft equal to the greater of \$18,500 or the fair market value of the aircraft as of the purchase date, the transaction is accounted for as a failed sale-leaseback. As a result, the aircraft remains on our condensed consolidated balance sheet (unaudited) as of June 30, 2026. The Company recognized \$18,500 of the proceeds as a financing obligation as a component of long-term debt.

In May 2026, the Company sold an aircraft to a third party for \$4,700. In connection with the sale, the Company entered into an agreement to lease back the aircraft for a 5-year period. Because the lease agreement provides the Company an option to repurchase the aircraft at a price equal to the greater of \$4,700 or the fair market value of the aircraft as of the purchase date, the transaction is accounted for as a failed sale-leaseback. As a result, the aircraft remains on our condensed consolidated balance sheet (unaudited) as of June 30, 2026. The Company recognized \$4,700 of the proceeds as a financing obligation as a component of long-term debt.

Debt Covenants

Financial covenants contained in the debt borrowings mandate that the Company maintains certain financial metrics, including, but not limited to, debt service coverage ratios, fixed charge cover ratios, or cash flow cover ratios. If the Company is unable to maintain the financial metric, it is a breach of the debt covenant and is considered an event of default. An event of default can result in all loans and other obligations becoming immediately due and payable, including the advance of any sums necessary to cure the event of default, allowing the lenders to seize the collateralized assets, which include aircraft and the debt agreements being terminated. As of December 31, 2025, the Company was not in compliance with certain financial covenants and obtained waiver request letters from the various lenders. Pursuant to the waiver letters, the lenders agreed to waive the financial covenants as of December 31, 2025 through

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

December 31, 2026. The aggregate balances of outstanding debt obligations for which waiver letters were received were \$0 and \$8,924 as of June 30, 2026 and December 31, 2025 respectively.

Economic Injury Disaster Loans ("EID")

In August 2020, the Company executed the standard loan documents required for securing loans offered by the SBA under its EID loan assistance program and received the loan proceeds of \$122. The proceeds from the EID Loan must be used for working capital. The EID Loan has a thirty-year term and bears interest at a rate of 3.75% per annum with monthly principal and interest payments being deferred for 12 months after the date of disbursement. On March 11, 2021, the American Rescue Plan Act of 2021 was enacted, which extended the first due date for repayment of EID Loans made in 2020 from 12 months to 24 months from the date of the note. The EID Loan may be prepaid at any time prior to maturity with no prepayment penalties. The Loan Authorization and Agreement and the note executed by the Company in connection with the EID Loan contain events of default and other provisions customary for a loan of this type and the EID Loan is secured by a security interest on all of the Company's assets.

Issuance of Promissory Notes

In February 2024, the Company entered into a long-term promissory note in the amount of \$4,200. The note bears a fixed interest rate of 7.25%, with a maturity date of five years from the note date. In March 2024, the Company entered into two long-term promissory notes in the amount of \$6,964 each. Each note bears a fixed interest rate of 9.45%, with a maturity date of ten years from the note date.

In April 2024, the Company entered into an amendment of a short-term promissory note, which as of March 2024, had a maturity date of June 2024, to extend the maturity date to April 2029. The note bears a principal amount of \$7,822 and a fixed interest rate of 7.75%. In May 2024, the Company entered into a long-term promissory note in the amount of \$12,600. The note bears a fixed interest rate of 8.81%, with a maturity date of five years from the note date.

In December 2025, the Company entered into a long-term promissory note in the amount of \$1,460. The note bears a fixed interest rate of 7.5%, with a maturity date 5 years from the note date.

In March 2026, the Company entered into a long-term promissory note in the amount of \$8,285. The note bears a fixed interest rate of 15.7% with a maturity date 5 years from the note date.

15. Leases

The Company's lease arrangements generally pertain to real estate leases and aircraft. The Company leases real estate including hangars and office space under operating leases, ranging from two to thirty years. As of June 30, 2026 and December 31, 2025, the Company operated 28 and 32 aircraft, respectively, under non-cancellable operating leases ranging from two to seven years for charter flight services. For the Company's aircraft leases, in addition to the fixed lease payments for the use of the aircraft, the Company is also obligated to pay into aircraft engine reserve programs and additional variable costs which are expensed as incurred and are not included in the measurement of our leases. These payments amounted to \$7,606 and \$15,124 for the three and six months ended June 30, 2026, respectively, and \$6,335 and \$10,771 for the three and six months ended June 30, 2025, respectively. As of June 30, 2026 and December 31, 2025, the Company operated 5 and 3 aircraft under non-cancellable finance leases, respectively.

Vehicle leases typically have month-to-month lease terms and are classified as short-term leases.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

The following table sets forth information about the Company's lease costs for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease cost	\$ 4,923	\$ 5,670	\$ 9,915	\$ 11,244
Short-term lease cost	228	410	568	905
Finance lease cost:				
Amortization of right-of-use assets	436	378	824	695
Interest on lease liabilities	987	461	1,807	819
Total lease costs	<u>\$ 6,574</u>	<u>\$ 6,919</u>	<u>\$ 13,114</u>	<u>\$ 13,663</u>

The following table sets forth supplemental cash flow information about the leases for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,	
	2026	2025
ROU assets obtained in exchange for lease liabilities		
Operating lease liabilities	\$ 3,970	\$ 8,023
Finance lease liabilities	\$ 8,370	\$ 14,023

Supplemental balance sheet information related to the leases is as follows:

	June 30, 2026	December 31, 2025
Weighted-average remaining lease term – operating leases	9.37 years	9.22 years
Weighted-average discount rate – operating leases	8.81 %	7.48 %
Weighted-average remaining lease term – finance leases	3.42 years	4.31 years
Weighted-average discount rate – finance leases	12.58 %	11.71 %

The Company's future lease payments under operating leases as of June 30, 2026 are as follows:

Fiscal Year	Amount
Remainder of 2026	\$ 9,319
2027	15,928
2028	10,100
2029	7,593
2030	5,656
Thereafter	38,185
Total undiscounted cash flows	86,781
Less: Imputed interest	(30,870)
Present value of lease liabilities	<u>\$ 55,911</u>

The Company's future lease payments under finance leases as of June 30, 2026 are as follows:

Fiscal Year	Amount
Remainder of 2026	\$ 5,537
2027	10,409
2028	11,002
2029	5,494
2030	3,778
Thereafter	—
Total undiscounted cash flows	36,220
Less: Imputed interest	(7,145)
Present value of lease liabilities	<u>\$ 29,075</u>

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

16. Warrant Liabilities

In connection with the Merger, the Company assumed the 7,066,668 Public Warrants issued by EGA and the 4,333,333 Private Placement Warrants issued by EGA which were outstanding at December 27, 2023.

Each such Warrant is exercisable at an exercise price of \$11.50 for one share of flyExclusive Class A Common Stock, subject to adjustments. The Warrants may be exercised for a whole number of shares of the Company. No fractional shares will be issued upon exercise of the Warrants. The Warrants will expire on December 27, 2028, or earlier upon redemption or liquidation.

The Private Placement Warrants are identical to the Public Warrants except that the Private Placement Warrants are exercisable on a cashless basis and are non-redeemable so long as they are held by the EGA Sponsor or their permitted transferees. If the private warrants are held by someone other than the initial purchasers or their permitted transferees, the private warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

Once the warrants become exercisable, the Company may redeem the outstanding warrants for cash (except as described herein with respect to the Private Placement Warrants):

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the reported last sale price of the Class A Common Stock equals or exceeds \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to the warrant holders.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement that governs the Public Warrants. The exercise price and number of shares of the common stock issuable upon exercise of the Public Warrants may be adjusted in certain circumstances including in the event of a stock dividend, consolidation, combination, reverse stock split, or reclassification.

In connection with the securities purchase agreement, on March 4, 2024, the Company issued to EnTrust Emerald (Cayman) LP the Series A Penny Warrants. The Series A Penny Warrants grant the holder the right to purchase shares of Class A Common Stock in an aggregate amount equal to one and one-half (1.5%) percent of the outstanding Class A Common Stock on a fully diluted basis (the "Share Count Cap"), calculated in accordance with the terms of the warrant agreement, at an exercise price of \$0.01 per share. The Series A Penny Warrants are exercisable beginning on the second anniversary of the Effective Date (as defined in the warrant agreement that governs the Series A Penny Warrants) as to 50% of the Share Count Cap and, beginning on the third anniversary, as to 100% of the Share Count Cap, in each case, in accordance with the terms of the Series A Penny Warrants. The Series A Penny Warrants expire on the fifth anniversary of the Effective Date and may not be exercised for a number of shares of Class A Common Stock having an aggregate value in excess of \$11,250, calculated in accordance with the terms of the Series A Penny Warrants.

The Series A Penny Warrants are classified as derivative liabilities because they do not meet the criteria in ASC 815-40 to be considered indexed to the entity's own stock as the warrants could be settled for an amount that is not equal to the difference between the fair value of a fixed number of the entity's shares and a fixed monetary amount. The Series A Penny Warrants are measured at fair value both on the date of issuance and on subsequent accounting period ending dates, with all changes in fair value after the issuance date recorded in the condensed consolidated statements of operations and comprehensive loss (unaudited) as a gain or loss. (see Note 5 "Fair Value Measurements" for additional information regarding fair value).

During the three and six months ended June 30, 2026 and 2025, holders of Public Warrants did not exercise any warrants on a cashless basis. As of June 30, 2026, there were 4,333,333 Private Placement Warrants and 2,519,869 Public Warrants outstanding in addition to the Penny Warrants.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

For the three and six months ended June 30, 2026, the Company remeasured the fair value of the Warrants and recorded a gain on the change in the fair value of \$226 and \$1,449, respectively. For the three and six months ended June 30, 2025, the Company remeasured the fair value of the Warrants and recorded a gain on the change in the fair value of \$212 and \$781, respectively.

The gain or loss was recorded to other income (expense) on the condensed consolidated statements of operations and comprehensive loss (unaudited) for the three and six months ended June 30, 2026 and 2025. As of June 30, 2026, and December 31, 2025, the condensed consolidated balance sheets (unaudited) contained warrant liabilities of \$2,995 and \$4,444, respectively.

17. Employee Benefits

Defined Contribution Plan

The Company established the flyExclusive 401(k) Plan (the “401(k) Plan”) under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, employees (or “Participants”) with greater than two months of service may contribute up to the lesser of Internal Revenue Service guidelines or 100% of their compensation per year subject to the elective limits as defined by IRS guidelines. The Company may make discretionary matching contributions in amounts equal to a uniform percentage or dollar amount of employees’ elective deferrals each plan year. The Company matches 50% of the first 8% of base compensation that participants contribute to the 401(k) Plan. Vesting in the Company’s contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after two years of credited service.

Investment selections consist of mutual funds. The Company’s contributions to the 401(k) Plan amounted to \$481 and \$949 for the three and six months ended June 30, 2026, respectively, and \$454 and \$905 for the three and six months ended June 30, 2025.

Health and Welfare Benefits

The Company provides health and welfare benefits to its employees, including health, life, dental, and disability insurance, among others.

18. Stock-based Compensation

2023 Equity Incentive Plan

The aggregate number of shares of Class A Common Stock initially reserved for future issuance under the 2023 Equity Incentive Plan was 6,000,000 shares. In September 2025, the Board of Directors of the Company approved an amendment to increase the authorized number of shares to 15,000,000. The increase was approved by the Company’s stockholders in December 2025. The number of shares available for issuance under the 2023 Equity Incentive Plan will be proportionately adjusted for (i) any increase or decrease in the number of issued and outstanding shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the shares, or similar transaction affecting the shares, (ii) any other increase or decrease in the number of issued and outstanding shares effected without receipt of consideration by the Company, or (iii) any other transaction with respect to the Company’s Class A Common Stock including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete), or any similar transaction; provided, however that conversion of any convertible securities of the Company will not be deemed to have been effected without receipt of consideration. The 2023 Equity Incentive Plan will continue in effect for a period of 10 years from the Incentive Plan Effective Date unless sooner terminated. No awards were granted under the 2023 Equity Incentive Plan during the three and six months ended June 30, 2026 and 2025. As of June 30, 2026 and 2025, 7,800,000 and 1,200,000 shares of the Company’s Class A Common Stock were available for future issuance under the 2023 Equity Incentive Plan, respectively. The unrecognized compensation expense associated with the outstanding stock options at June 30, 2026 and 2025 was \$11,299 and \$7,938, respectively. The following table provides additional information about the shares outstanding under the 2023 Equity Incentive Plan:

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

			June 30, 2026	
	Number of Shares	Average Exercise Price	Average Remaining Contractual Period in Years	Aggregate Intrinsic Value
Balance at December 31, 2025	7,200,000	\$ 3.52		
Granted	—	—		
Exercised	—	—		
Forfeited and expired	—	—		
Balance at June 30, 2026	<u>7,200,000</u>	<u>\$ 3.52</u>	<u>8.58</u>	<u>\$ (10,944)</u>

			June 30, 2025	
	Number of Shares	Average Exercise Price	Average Remaining Contractual Period in Years	Aggregate Intrinsic Value
Balance at December 31, 2024	4,800,000	\$ 2.78		
Granted	—	—		
Exercised	—	—		
Forfeited and expired	—	—		
Balance at June 30, 2025	<u>4,800,000</u>	<u>\$ 2.78</u>	<u>9.25</u>	<u>\$ (3,984)</u>

Employee Stock Purchase Plan

In connection with the Merger, the Board approved the flyExclusive, Inc. Employee Stock Purchase Plan (the "ESPP"), on November 10, 2023 (the "ESPP Effective Date"), at which time the ESPP became effective, subject to stockholder approval. The ESPP was subsequently approved by the stockholders on December 18, 2023. The ESPP provides eligible employees with a means of acquiring an equity interest in the Company through payroll deductions. The aggregate number of shares of Class A Common Stock reserved for future employee purchases under the ESPP is 1,500,000 shares. In September 2025, the Board of Directors of the Company approved an amendment to increase the authorized number of shares to 2,500,000. The increase was approved by the Company's stockholders in December 2025. The ESPP will expire on October 31, 2033, unless sooner terminated by the Board, or when all available shares have been purchased. As of June 30, 2026, no shares had been purchased by employees under the ESPP.

19. Income Taxes

The Company is subject to U.S. federal, state, and local income taxes with respect to its allocable share of any taxable income or loss as well as any standalone income or loss that flyExclusive, Inc. generates.

LGM was historically and remains a partnership for U.S. Federal income tax purposes with each partner being separately taxed on its share of taxable income or loss.

The Company's effective tax rate was (0.29)% for the three and six months ended June 30, 2026. The effective income tax rate differed significantly from the statutory rate of 21%, primarily due to the losses allocated to noncontrolling interests.

The Company has assessed the realizability of its net deferred tax assets and in that analysis has considered the relevant positive and negative evidence available to determine whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The Company had recorded a full valuation allowance against its deferred tax assets as of June 30, 2026, which will be maintained until there is sufficient evidence to support the reversal of all or some portion of these allowances.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions in which it operates. Therefore, the Company is subject to tax examination by various taxing authorities. The Company is not currently under examination, and is not aware of any issues that could result in significant payments, accruals, or material deviation from its tax positions. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the Internal Revenue Service and state and local tax authorities to the extent utilized in a future period. As of June 30,

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

2026, the tax years from 2022 to present generally remain open to examination by relevant taxing jurisdictions to which the Company is subject.

20.Related Party Transactions

The Company regularly enters into related party transactions with entities associated with, and under control of, the majority owner of the Company. Management believes some transactions were conducted on terms equivalent to those prevailing in an arm's-length transaction. However, some amounts earned or that were charged under these arrangements were not negotiated at arm's length and may not represent the terms that the Company might have obtained from an unrelated third party. See below for a description of transactions with related parties.

Purchases from Related Parties

LGM Ventures, LLC ("LGMV") is an entity owned by Thomas James Segrave, Jr. Carolina Air Center, LLC, Crystal Coast Aviation, LLC, and Kinston Jet Center, LLC are subsidiaries of LGMV and sellers of fuel.

During the three and six months ended June 30, 2026, the Company purchased a total of \$759 and \$1,234, respectively, in fuel from subsidiaries of LGMV, respectively. This represented approximately 2.77% and 2.61% of the Company's total fuel purchases during the three and six months ended June 30, 2026, respectively. During the three and six months ended June 30, 2025, the Company purchased a total of \$340 and \$706, respectively, in fuel from subsidiaries of LGMV, respectively. This represented approximately 2% of the Company's total fuel purchases during both the three and six months ended June 30, 2025.

Leases from Related Parties

Kinston Jet Center, LLC, Kinston Jet House, LLC, JS Longitude, and LGM Auto, LLC are subsidiaries of LGMV and lessors of real property and equipment (such as trucks, trailers, and vans). During the three and six months ended June 30, 2026, the Company incurred rent expense to subsidiaries of LGMV totaling \$1,080 and \$2,159, respectively and during the three and six months ended June 30, 2025 incurred rent expense of \$1,034 and \$2,067, respectively. See Note 15 "Leases" for further details.

Due to Related Parties

Outstanding accounts payable to related parties for fuel and lease purchases from LGMV as of June 30, 2026 and December 31, 2025 were \$1,310 and \$887, respectively.

Sales to Related Parties

The Company allows owners of subsidiaries and Lessor SAEs without Equity ("Lessor VIEs") to charter flights at a reduced rate. During the three and six months ended June 30, 2026, the Company recorded \$2,222 and \$5,688 in charter flight revenue from owners of subsidiaries and Lessor VIEs, respectively. During the three and six months ended June 30, 2025, the Company recorded \$3,398 and \$7,294 in charter flight revenue from owners of subsidiaries and Lessor VIEs, respectively.

During the three and six months ended June 30, 2026, the Company recorded \$0 in charter flight revenue from related parties not considered owners of subsidiaries or Lessor VIEs, respectively. During both the three and six months ended June 30, 2025, the Company recorded \$84 and \$110 in charter flight revenue from related parties not considered owners of subsidiaries or Lessor VIEs, respectively.

Receivables from Related Parties

Short term accounts receivable from related parties are comprised of customer flight activity charges and totaled \$1,792 and \$1,325 as of June 30, 2026 and December 31, 2025, respectively. Related party receivables from LGMV are \$351 as of June 30, 2026 and \$371 as of December 31, 2025.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Notes Receivable

In the normal course of its business, the Company finances up front third-party buyers of their SAEs and holds notes receivable from these buyers. Notes receivable consists of two notes, with a total notes receivable balance of \$7,078 and \$7,728 as of June 30, 2026 and December 31, 2025.

Long-term Notes Payable - Related Parties, Current Portion

In December 2023, the Company issued to the Sponsor \$15,871 in principal amount of senior secured notes due December 2024. The notes were issued with a stated rate of 14% and interest is payable monthly in arrears. The notes initially had a maturity date of December 1, 2024, that has been extended to January 1, 2027. The amounts outstanding under the EGA senior secured note were \$19,467 and \$9,041 as of June 30, 2026 and December 31, 2025, respectively.

Unamortized debt issuance costs related to the senior secured notes was \$94 and \$157 as of June 30, 2026 and December 31, 2025, respectively. Total interest expense related to the senior secured note was \$479 and \$994 for the three and six months ended June 30, 2026, respectively. Total interest expense was \$635 and \$1,458 for the three and six months ended June 30, 2025, respectively.

On December 27, 2023, the Company entered into an additional promissory note with the EGA Sponsor with a principal amount of \$3,947. The promissory note bears an annual interest rate of 8% with a maturity date of December 31, 2024. On March 21, 2025, the EGA Sponsor Note was cancelled in exchange for stock and warrants. For further information, see Note 22 "Stockholders' Equity (Deficit), Temporary Equity and Noncontrolling Interests" for additional disclosures.

Total interest expense related to the EGA Sponsor note was \$0 for the three and six months ended June 30, 2026, and \$0 and \$70 for the three and six months ended June 30, 2025, respectively.

Issuance of Senior Secured Note

On January 26, 2024 (the "Effective Date"), FlyExclusive Jet Share, LLC (the "Borrower"), a wholly-owned subsidiary of LGM, which is the operating company of flyExclusive, together, with flyExclusive and LGM as guarantors (in such capacity, the "Parent Guarantors") entered into a Senior Secured Note (the "Note") with ETG FE LLC (a related party of the Company through its affiliation with the EGA Sponsor), as the initial holder of the Note (the "Noteholder"), Kroll Agency Services, Limited, as administrative agent (the "Administrative Agent"), and Kroll Trustee Services, Limited, (the "Collateral Agent").

The Note covers borrowings of an aggregate principal amount of up to approximately \$25,773, up to \$25,000 of which is to finance the purchase or refinancing of aircraft relating to the Company's fractional ownership program (the "Revolving Loan"). The Note originally matured on January 26, 2026, which was extended to January 26, 2028 (the "Maturity Date") pursuant to the First Amendment to the Note (discussed in more detail below), at which time the aggregate outstanding principal amount and all accrued and unpaid interest (including accrued and unpaid fees and expenses) payable under the Note shall be due and payable. The full amount available for borrowings under the Note has been funded by the placement thereof into a cash escrow account, which will be released to the Borrower upon the satisfaction of certain conditions precedent contained in the Note. The Borrower may re-borrow repaid funds up until the Maturity Date unless it chooses to permanently reduce the borrowing availability under the Note and pays a prepayment premium equal to (i) if prior to January 26, 2025, the make-whole fee as detailed in the Note, or (ii) thereafter, the outstanding principal amount being prepaid multiplied by 3.00%.

Following the occurrence of any Prepayment Event (as defined in the Note), at the option of the then majority Noteholders, the Borrower shall prepay the outstanding principal amount, all accrued and unpaid interest, and all other amounts in cash necessary to pay the Note in full. A Prepayment Event is the occurrence of any of the following: (i) a Change in Control (as defined in the Note); (ii) the Borrower or any of its subsidiaries incurring debt to refinance the Note; or (iii) the Borrower or any of its subsidiaries incurring debt in violation of the Note. A Change in Control is the occurrence of any of the following: (i) Thomas James Segrave, Jr. (the "Personal Guarantor") ceasing to directly or indirectly own, free and clear of all liens or other encumbrances, at least 51% of the outstanding voting equity interests of the Company on a fully diluted basis; (ii) the Company ceasing to own, directly or indirectly, less than 100% of the outstanding equity interests of LGM; (iii) LGM ceasing to own, directly or indirectly, less than 100% of the outstanding equity interests

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

of the Borrower; (iv) the occurrence of any “change of control” or similar provision under any agreement governing debt of the Parent Guarantors, the Borrower, or any of their respective subsidiaries; or (v) a sale, lease or other disposition (including by casualty or condemnation) of all, substantially all, or more than 50% of the consolidated assets of the Parent Guarantors, the Borrower, and their respective subsidiaries.

The Note carries an interest rate of 3.00% per annum for the outstanding principal amount on deposit in the cash escrow account and 13.00% per annum for the outstanding principal amount that is withdrawn and released to the Borrower. All accrued and unpaid interest is due and payable in arrears on the last day of each calendar month (a “Payment Date”), commencing with the last day of the first calendar month following the first borrowing date and continuing until payment in full. On each Payment Date, the Borrower shall make a payment of the outstanding principal amount equal to 1.00% of each advance amount withdrawn from the cash escrow account and released to the Borrower and that has been outstanding for more than 30 days.

The obligations of the Borrower under the Note are secured on a first lien basis by the Collateral (as defined in the Security Agreement (as defined in the Note), and consisting generally of all sale proceeds from the disposition of fractional interests in aircraft or whole aircraft, certain rights in aircraft and all deposit accounts of the Borrower), and on a second lien basis by the pledged membership interests of the Borrower held by LGM. The Note includes customary affirmative and negative covenants, including certain limitations on the incurrence of additional indebtedness and liens, as well as usual and customary events of default for notes of this nature.

On February 16, 2026, the parties to the Senior Secured Note executed the First Amendment to the Senior Secured Note, effective as of January 26, 2026 (the “Note Amendment”). In addition to extending the Maturity Date to January 26, 2028, the Note Amendment revised the Applicable Rate of interest to mean either (i) a 15.00% annual rate for any period during which the Outstanding Principal Amount equals or exceeds \$12,500, or (ii) a 13.00% annual rate for any period during which the Outstanding Principal Amount is less than \$12,500.

Further, the Note Amendment eliminated the revolving Advance feature of the Senior Secured Note, provided for \$26,542 of certain reimbursable expenses of the Initial Noteholders to be added to the Outstanding Principal amount of the Loans, and revised the amortization to require principal repayments in the amount of \$2,400 in consecutive quarterly installments on the last day of each of March, June, September, and December, commencing on June 30, 2026.

The Note Amendment also added a \$387 non-refundable fee payable by the Borrower to the Administrative Agent (the “Back End Fee”). The Back End Fee is payable on the earliest to occur of (i) Payment in Full, or (ii) the entirety of the Outstanding Principal Amount becoming due and payable, whether on the Maturity Date, by acceleration, or otherwise.

The obligations of the Borrower under the Note are guaranteed by the Parent Guarantors and by the Personal Guarantor. After the extension, the Company's balance under the Note was \$24,535 as of June 30, 2026. As of June 30, 2026 and December 31, 2025, unamortized debt issuance cost related to the Senior Secured Note was \$343 and \$38, respectively.

Total interest expense related to the Senior Secured Note was \$1,031 and \$2,017 for the three and six months ended June 30, 2026, and \$906 and \$2,104, for the three and six months ended June 30, 2025, respectively.

Redemption of LGM Units

On February 18, 2026, Thomas James Segrave, Jr., redeemed 10 million LGM units in exchange for 10 million shares of the Company's Class A common stock in accordance with the Amended and Restated Operating Agreement of LGM Enterprises, LLC (the “Redemption”). In connection with the Redemption, Mr. Segrave contemporaneously and automatically surrendered to the Company 10 million shares of the Company's Class B common stock, for no additional consideration, pursuant to the Company's Second Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”). The Company is obligated under the Certificate of Incorporation to retire the surrendered shares of Class B common stock and cannot reissue such shares.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

21. Commitments and Contingencies
Wheels Up Partners LLC v. Exclusive Jets, LLC

On June 30, 2023, Exclusive Jets, LLC (“Exclusive”) served Wheels Up Partners, LLC (“WUP”) a Notice of Termination of the parties’ Fleet Guaranteed Revenue Program Agreement, dated November 1, 2021 (the “GRP Agreement”) following material breaches of the GRP Agreement by WUP, including WUP’s failure to pay outstanding amounts owed to Exclusive under the GRP Agreement. Subsequently, on July 5, 2023, WUP filed a lawsuit against Exclusive in the United States District Court for the Southern District of New York (the “Initial Lawsuit”), alleging that Exclusive breached the GRP Agreement and the implied duty of good faith and fair dealing therein by wrongfully terminating the GRP Agreement. WUP contends that Exclusive did not have a right to terminate the GRP Agreement, that the termination was thus ineffective, and instead constituted a material breach of the GRP Agreement. WUP alleges this gave WUP the right to terminate the GRP Agreement, which WUP alleges it has done. WUP seeks compensatory damages in an unspecified amount and attorney’s fees and costs.

On August 23, 2023, prior to Exclusive filing a responsive pleading in the Initial Lawsuit, WUP voluntarily dismissed the Initial Lawsuit. That same day, WUP re-filed the same lawsuit against Exclusive in the Supreme Court of the State of New York, County of New York (the “State Lawsuit”). On September 12, 2023, Exclusive removed the State Lawsuit to the Southern District of New York (the “Court”), as case number 1:23-cv-08077-VSB. On September 19, 2023, Exclusive filed a motion to dismiss for lack of personal jurisdiction or, in the alternative, motion to transfer the lawsuit to the U.S District Court for the Eastern District of North Carolina (“Motion to Dismiss”). On October 9, 2023, WUP filed a motion to remand the State Lawsuit back to state court (“Motion to Remand”) contending that the Court lacks subject matter jurisdiction because there is not complete diversity of citizenship between the parties.

On October 31, 2024, Exclusive filed an answer denying that WUP is entitled to any of the relief sought by WUP, and also filed a counterclaim for breach of contract against WUP seeking damages in excess of \$75,000. On March 28, 2025, WUP’s Motion to Remand was granted and Exclusive’s Motion to Dismiss was denied as moot. The action accordingly was remanded to and reinstated in the New York Supreme Court (Commercial Division) as Index No. 654094/2023 (“NY State Lawsuit”). Exclusive re-filed its counterclaim for damages against WUP and re-filed its motion to dismiss WUP’s complaint for lack of personal jurisdiction over Exclusive. On July 23, 2025, WUP filed an Amended Complaint in the NY State Lawsuit.

WUP asserted six new claims in the Amended Complaint: (1) breach of contract based on Exclusive’s alleged failure to comply with WUP’s purported audit rights under Section 18 of the GRP Agreement; (2) Unfair and Deceptive Trade Practices under N.C.G.S. § 75-1.1 based on Exclusive’s alleged wrongful termination of the GRP Agreement and retention of deposits paid by WUP; (3) fraudulent misrepresentation that Exclusive would return a significant portion of WUP’s deposits arising from Thomas J. Segrave, Jr.’s (“Mr. Segrave”) allegedly false statement that Exclusive would apply a certain portion of WUP’s deposits towards future invoices per month; (4) conversion of WUP’s deposits; (5) money had and received based on Exclusive’s alleged wrongful retention of WUP’s deposits; and (6) piercing the corporate veil of Exclusive to hold Mr. Segrave liable for Exclusive’s alleged liabilities. On September 9, 2025, Exclusive and Mr. Segrave filed their Answer to WUP’s Amended Complaint, re-filed Exclusive’s counterclaim, and filed a motion to dismiss the Amended Complaint for lack of personal jurisdiction over Exclusive and Mr. Segrave. On December 2, 2025, Exclusive’s and Mr. Segrave’s motion to dismiss for lack of personal jurisdiction was granted. On December 23, 2025, Exclusive and WUP stipulated to a dismissal of all claims in the NY State Lawsuit without prejudice.

On December 30, 2025, WUP filed a complaint (“NC Complaint”) against Exclusive and Mr. Segrave in the Superior Court Division of the General Courts of Justice of Wake County, North Carolina (“NC State Lawsuit”). The NC Complaint alleges the same claims as the Amended Complaint in the NY State Lawsuit. The NC State Lawsuit is currently pending as case number 25CV047093-910.

Other Litigation

The Company is subject to certain claims and contingent liabilities that arise in the normal course of business. While we do not expect that the ultimate resolution of any of these pending actions will have a material effect on our consolidated results of operations,

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

financial position, or cash flows, litigation is subject to inherent uncertainties. As such, there can be no assurance that any pending legal action, which we currently believe to be immaterial, does not become material in the future.

Tax Receivable Agreement

The Company is party to a Tax Receivable Agreement (“TRA”) with Thomas James Segrave Jr. (“Segrave”), Thomas James Segrave, Jr., as custodian for Laura Grace Segrave (“LG Trust”); Thomas James Segrave, Jr., as custodian for Madison Lee Segrave, (“ML Trust”); Thomas James Segrave, Jr., as custodian for Lillian May Segrave, (“LM Trust”); Thomas James Segrave, Jr., as custodian for Thomas James Segrave, III, (“TJ Trust” and, together with Segrave, LG Trust, ML Trust and LM Trust, the “Existing Equityholders”). At the closing of the Merger, the Company, LGM, the Existing Equityholders, and Thomas James Segrave Jr. entered into the TRA, dated as of December 27, 2023. Pursuant to the TRA, the Company is to pay the Existing Equityholders 85% of the Realized Tax Benefit as determined using a “with and without” methodology. The Realized Tax Benefit represents the Company’s tax savings from certain tax basis adjustments, as defined in the TRA, which is equal to the excess Company’s Hypothetical Tax Liability exclusive of the tax basis adjustments (the “without” calculation) and Actual Tax Liability inclusive of the tax basis adjustments (the “with” calculation) for a taxable year.

Upon certain Early Termination Events (as defined in the TRA), the Company is required to make a lump sum cash payment to the Existing Equityholders equal to the present value of all forecasted future payments that would have otherwise been made pursuant to the TRA. The lump sum cash payment would be based on certain assumptions, including those relating to the Company’s forecasted tax savings as determined using the aforementioned “with and without” methodologies.

As of June 30, 2026, it is not probable that an Early Termination Event will occur. In a scenario where an Early Termination Event occurred, the maximum amount payable to existing Equityholders would be approximately \$15.0 million. This estimate is based on a blended federal and state tax rate of 25.0% and financial information as of June 30, 2026. If an Early Termination Effect becomes probable, the Company would accrue a liability along with a charge to income in accordance with the guidance outlined in ASC Topic 450-20-25-2.

On February 18, 2026, Thomas James Segrave, Jr., redeemed 10 million LGM units in exchange for 10 million shares of the Company’s Class A common stock. As of June 30, 2026, it is not probable that the Company will utilize the related tax benefits created by the exchange. Thus, no TRA liability has been recorded on the condensed consolidated balance sheet as of June 30, 2026.

Repurchase Contingencies

The Company has entered into sale and leaseback transactions in the ordinary course of business (see Note 6, “Variable Interest Entities”), and the Company has certain repurchase contingencies at the option of the lessors. These transactions typically require the aircraft lessor to provide the Company with formal notice of the exercise of the put option associated with the lease no later than 60 or 90 days in advance of the end of the lease term, with the aircraft repurchase to occur at the end of the lease term. Each lease with an associated put option has a lease term of typically 5 to 10 years from the date the aircraft is added by the FAA to the Company’s Charter Certificate Operation Specifications, and occasionally has a lease term beginning on the effective date of the lease agreement or the date the aircraft is delivered to the Company. Additionally, the put option purchase price is typically reduced dollar for dollar by the amount of each monthly payment or flight credit over the course of the lease term, but not reduced below a certain threshold.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

The following is a schedule by years of future repurchase contingencies under the leases as of June 30, 2026:

Fiscal Year	Amount
Remainder of 2026	\$ 14,934
2027	19,730
2028	4,388
2029	4,964
2030	2,556
Thereafter	4,661
	<u>\$ 51,233</u>

On August 26, 2021, the Company was issued formal notice from a lessor that it had exercised the end of term put option in connection with a leased aircraft. The Company is obligated to repurchase the aircraft in 2026 at the end of the lease term at the price of \$3,450 less the dollar-for-dollar amount of each monthly payment made over the course of the lease term, but not reduced below \$2,070 by application of such reduction.

22. Stockholders' Equity (Deficit), Temporary Equity and Noncontrolling Interests

On December 27, 2023, in connection with the closing of the Merger, the Company entered into the Second Amended and Restated Certificate of Incorporation (the "Charter"). The total number of shares of all classes of stock the Company is authorized to issue pursuant to the Charter is 325,000,000 shares, consisting of the following:

Preferred Stock

The Company is authorized to issue 25,000,000 shares of preferred stock at a par value of \$0.0001 per share. As of June 30, 2026 there were 25,000 shares Series A preferred issued and outstanding. The Series A Certificate of Designation and the Series B Certificate of Designation, as amended, authorize 25,000 shares and 29,737 shares to be issued, respectively. There were no shares of Series B preferred issued and outstanding as of June 30, 2026 as all outstanding shares converted to shares of the Company's Class A Common Stock on December 31, 2025.

Issuance of Series A Preferred Temporary Equity and Warrants

On March 4, 2024, the Company entered into a securities purchase agreement with EnTrust Emerald (Cayman) LP (a related party of the Company through its affiliation with EGA Sponsor) pursuant to which the Company agreed to issue and sell to EnTrust Emerald (Cayman) LP 25,000 shares of Series A non-convertible redeemable preferred stock ("Series A Preferred Stock"), par value \$0.0001 per share, with an initial stated value of \$1 (one-thousand dollars) per share.

The Series A Preferred Stock does not entitle the holder to vote on any matters submitted to the Company's stockholders for approval except as otherwise required by the General Corporation Law of the State of Delaware (the "DGCL"), other applicable law, the Company's Certificate of Incorporation, or the Series A Certificate of Designation. In any case in which the holders shall be entitled to vote pursuant to the DGCL, other applicable law, the Company's Certificate of Incorporation, or the Series A Certificate of Designation, each holder will be entitled to one vote with respect to such matter per share of Series A Preferred Stock.

Each share of Series A Preferred Stock shall accrue dividends on a daily basis in arrears beginning on the date of issuance of the Series A Preferred Stock at the applicable dividend rate then in effect (the "Dividend Rate"). From and after the issuance date until the first-year anniversary of the issuance date, the Dividend Rate for the Series A Preferred Stock is 10.00% per annum. From and after the first-year anniversary of the issuance date until the second-year anniversary of the issuance date, the Dividend Rate for the Series A Preferred Stock is 12.00% per annum. From the second-year anniversary of the issuance date until the third-year anniversary of the issuance date, the Dividend Rate is 14.00% per annum. After the third-year anniversary of the issuance date, the Dividend Rate is 16.00% per annum.

Dividends are due and payable annually in arrears on March 4 (the "Dividend Payment Date") by either (A) cash payment or (B) to the extent not declared and paid in cash on the Dividend Payment Date, automatically compounded; provided that, the Company may

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

not declare and pay in cash any dividends prior to the third Dividend Payment Date. On the third Dividend Payment Date, the Company must declare and pay at least 43% of the dividends in cash, and with respect to each subsequent Dividend Payment Date, the Company must pay 100% of the dividends in cash.

We have recorded both an accretion of dividends payable of \$2,249 on Series A Preferred Stock for the six months ended June 30, 2026 which equates to \$89.96 per share, as well as amortization of discount of \$197 and \$471 for the three and six months ended June 30, 2026, respectively. These amounts are recorded as an accretion to temporary equity and a reduction in the accumulated deficit within the condensed consolidated statements of shareholders' equity (deficit) and temporary equity (unaudited).

With respect to (a) payment of dividends, (b) distribution of assets, and (c) all other liquidation, winding up, dissolution, dividend, and redemption rights, the Series A Preferred Stock shall rank senior in priority of payment to all Junior Stock (as defined in the Series A Certificate of Designation) in any liquidation, dissolution, winding up, or distribution of the Company, and junior to any existing or future secured or unsecured debt and other liabilities (including trade payables) of the Company and any Senior Stock (as defined in the Series A Certificate of Designation).

After the first-year anniversary of the issuance of the Series A Preferred Stock, to the extent not prohibited by law, the Company may elect to redeem all outstanding shares of Series A Preferred Stock, or any portion thereof, for cash at a redemption price per share as detailed in the Series A Certificate of Designation. After the fifth-year anniversary of the issuance of the Series A Preferred Stock, each holder of the Series A Preferred Stock may elect to require the Company to redeem all of its outstanding shares of Series A Preferred Stock, or any portion thereof, for cash at a redemption price per share as detailed in the Series A Certificate of Designation. The Series A Certificate of Designation also describes events triggering mandatory redemption of the Series A Preferred Stock, including a Bankruptcy Event or a Change of Control Event, each as defined in the Series A Certificate of Designation.

The prior written consent of the holders of a majority of the then outstanding shares of Series A Preferred Stock is required for the Company to effect certain enumerated actions in the Series A Certificate of Designation for so long as any shares of Series A Preferred Stock are outstanding.

The Series A Preferred Stock features certain redemption rights that are considered to be outside of our control and subject to the occurrence of uncertain future events. Accordingly, all 25,000 shares of Series A Preferred Stock subject to possible redemption are presented within temporary equity on the condensed consolidated statements of shareholders' equity (deficit) and temporary equity (unaudited).

In connection with the securities purchase agreement, on March 4, 2024, EnTrust Emerald (Cayman) LP was issued a Series A Penny Warrant to purchase shares of the Company's Class A Common Stock. This warrant granted the holder the right to purchase shares of Class A Common Stock in an aggregate amount equal to 1.5% of the outstanding Class A Common Stock on a fully diluted basis (the "Share Count Cap"), calculated in accordance with the terms of the warrant agreement, at an exercise price of \$0.01 per share. See Note 16 "Warrant Liabilities" for additional information regarding these warrants.

Issuance of Series B Preferred Temporary Equity and Warrants

On August 8, 2024, the Company entered into a Securities Purchase Agreement (the "Agreement") with EnTrust Emerald (Cayman) LP, a Cayman Islands limited partnership ("EnTrust"), and the EGA Sponsor (collectively with EnTrust, the "Purchasers") (related parties of the Company through its affiliation with EGA Sponsor), pursuant to which the Company agreed to issue and sell to the Purchasers an aggregate of 25,510 shares of Series B Convertible Preferred Stock, par value \$0.0001 per share (the "Series B Preferred Stock"), and Series B Penny Warrants to purchase, in the aggregate, up to 5,000,000 shares of the Company's Class A Common Stock. The Company issued 20,408 shares of Series B Preferred Stock and a Series B Penny Warrant to purchase up to 4,000,000 shares of Common Stock to EnTrust on the Initial Closing Date and received gross proceeds of approximately \$20.4 million. Pursuant to and subject to the terms and conditions of the Agreement, on August 14, 2024 (the "Subsequent Closing Date"), the Company (i) issued the

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Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

remaining 5,102 shares of Series B Preferred Stock and a Series B Penny Warrant to purchase up to 1,000,000 shares of Class A Common Stock to EG Sponsor and (ii) received additional gross proceeds of approximately \$5.1 million on the Subsequent Closing Date.

On March 21, 2025, the Company and EGA Sponsor entered into a Securities Purchase Agreement whereby they cancelled the EGA Sponsor Note in exchange for 4,227 shares of the Company's Series B Preferred Stock and warrants to purchase up to 1,268,100 shares of the Company's Class A Common Stock. The number of shares of Series B Preferred Stock was determined by dividing the principal and accrued interest outstanding under the December 2023 Promissory Note by \$1,000. There was approximately \$4,227 in principal and accrued interest outstanding under the EGA Sponsor Note, which resulted in the issuance of 4,227 shares of Series B Preferred Stock. The warrants have an exercise price of \$0.01 per share and are exercisable until the fifth anniversary of their issuance. The cancellation of the EGA Sponsor Note resulted in a loss on extinguishment of debt of \$4,161 for the three months ended March 31, 2025.

Except as otherwise required by the General Corporation Law of the State of Delaware (the "DGCL"), other applicable law, the Company's Certificate of Incorporation, or the Series B Certificate of Designation, holders of Series B Preferred Stock were not entitled to any vote on matters submitted to the Company's stockholders for approval. In any case in which the holders of Series B Preferred Stock would have been entitled to vote pursuant to the DGCL, other applicable law, the Company's Certificate of Incorporation, or the Series B Certificate of Designation, each holder was entitled to one vote with respect to such matter per share of Series B Preferred Stock.

Each share of Series B Preferred Stock accrued dividends on a daily basis in arrears beginning on the Initial Issue Date at the applicable dividend rate then in effect (the "Dividend Rate"). From and after the Initial Issue Date, the Dividend Rate for Series B Preferred Stock was 12.00% per annum. From and after February 1, 2025 until July 31, 2025, the Dividend Rate for Series B Preferred Stock was 16.00% per annum. From and after August 1, 2025, the Dividend Rate for Series B Preferred Stock was 20.00% per annum.

Dividends will be due and payable quarterly in arrears on the first Trading Day of each fiscal quarter of the Issuer (the "Dividend Payment Date") by either (A) cash payment or (B) to the extent not declared and paid in cash on the Dividend Payment Date, automatically compounded; provided that, the Company may not declare and pay in cash any dividends prior to the first quarter of the Fiscal Year 2025 Dividend Payment Date. On the Dividend Payment Date with respect to the first fiscal quarter of the Fiscal Year 2025, the Company complied with the request to declare and pay 50% of the dividends with respect to the period commencing February 1, 2025 and ending March 31, 2025 in cash. On the Dividend Payment Date with respect to the second fiscal quarter of the Fiscal Year 2025, the Company must declare and pay 50% of the dividends with respect to the full Dividend Period (as defined in the Series B Certificate of Designation) with respect to such quarter in cash. On the Dividend Payment Date with respect to the third fiscal quarter of the Fiscal Year 2025, the Company must declare and pay 50% of the dividends with respect to the period commencing July 1, 2025 and ending July 31, 2025 in cash, and the Company must declare and pay 100% of the dividends with respect to the period commencing August 1, 2025 and ending September 30, 2025 in cash. Thereafter, on each subsequent Dividend Payment Date, the Company must declare and pay 100% of the dividends in cash.

Each share of Series B Preferred Stock automatically converted into 10,394,088 shares of the Company's Class A Common Stock on December 31, 2025 (the "Automatic Conversion Date") at a conversion price of \$5.00 ("Conversion Price"). As the VWAP on the Trading Day (each as defined in the Series B Certificate of Designation) immediately preceding the Automatic Conversion Date was less than the Conversion Price, the Conversion Rate (as defined in the Series B Certificate of Designation) with respect to each share of Series B Preferred Stock was increased by the requisite number of shares of Class A Common Stock such that the value of the shares of Class A Common Stock issuable in respect of the initial stated value of each share of Series B Preferred Stock equals \$1,000.00.

The Series B Penny Warrant is exercisable beginning on the issue date and until the fifth anniversary of the issue date with an exercise price of \$0.01 per share. The Series B Penny Warrants were deemed to be equity-classified instruments and were recorded within additional paid-in capital as of the issuance dates of the Series B Preferred Stock.

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Class A Common Stock

The Company is authorized to issue 200,000,000 shares of Class A Common Stock at a par value of \$0.0001 per share. As of June 30, 2026, there were 46,474,856 shares of Class A Common Stock issued and outstanding.

Class B Common Stock

The Company is authorized to issue 100,000,000 shares of Class B Common Stock at a par value of \$0.0001 per share. As of December 31, 2025, there were 59,930,000 shares of Class B Common Stock issued and outstanding. On February 18, 2026, 10,000,000 shares of Class B Common Stock were repurchased and retired by the Company pursuant to the conversion of 10,000,000 LGM Common Units. As of June 30, 2026, there were 49,930,000 shares of Class B Common Stock issued and outstanding. The holders of the Class B Common Stock hold an equal number of LGM Common Units. Beginning on the first anniversary of the Closing Date, the LGM Common Units may be redeemed for either one share of Class A Common Stock or cash, at the election of the Board. For each LGM Common Unit that is redeemed, one Class B Common Stock will be automatically cancelled.

Redeemable Noncontrolling Interest

The redeemable noncontrolling interest relates to the 49,930,000 LGM Common Units held by the Class B Common Stockholders. On the Closing Date of the Merger, the redeemable noncontrolling interest of the initially outstanding 59,930,000 LGM Common Units was established and calculated as the product of its ownership percentage in the Company on the Closing Date, and the carrying value of the LGM net liabilities immediately prior to the Closing Date. This resulted in a negative initial carrying value of \$35,525 at December 31, 2023, presented within temporary equity on the condensed consolidated statements of shareholders' equity (deficit) and temporary equity (unaudited).

The redeemable noncontrolling interest was not redeemable until the one year anniversary date of the Closing Date, or December 27, 2024; however, as of its establishment on the Closing Date, the Company determined that the likelihood of it becoming redeemable was "probable" because the future redemption only depended on the passage of time. Therefore, the subsequent measurement of the redeemable noncontrolling interest at each reporting date is determined as the higher of (1) the initial carrying value, increased or decreased for the redeemable noncontrolling interest's share of net income or loss, or (2) the redemption value. If the exchange of Class B Common Stock were to be settled in cash, the redemption value would be based on the volume-weighted average price (VWAP) of the Company's Class A Common Stock over the ten most recent trading days preceding the redemption date. In determining the measurement method of redemption value in periods in which the noncontrolling interest is not currently redeemable, the Company elected to accrete changes in the redemption value over the period from the date of issuance (the Closing Date) to the earliest redemption date (December 27, 2024) of the instrument using the interest method. Changes in the redemption value are considered to be changes in accounting estimates.

As of June 30, 2026 and December 31, 2025, the Company held a 48% and 34% common interest, respectively, in LGM Common Units, the increase being due to the redemption of 10,000,000 LGM Units as part of their conversion to Class A Common Stock shares in February 2026. The Company is considered the primary beneficiary of the Operating Partnership as it has the power to direct the activities of the Operating Partnership and the rights to absorb 48% of the net income of the Operating Partnership. As the primary beneficiary, the Company consolidates the financial position and results of operations of the Operating Partnership.

The net loss attributable to the redeemable noncontrolling interest for the three and six months ended June 30, 2026 was \$5,501 and \$13,400 and the net loss attributable to the redeemable noncontrolling interest for the three and six months ended June 30, 2025 was \$12,063 and \$29,621, respectively.

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Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

The change in the carrying value of the redeemable noncontrolling interest for the six months ended June 30, 2026 was as follows:

Balance as of December 31, 2025	\$ 213,411
Net loss attributable to redeemable noncontrolling interest	(13,400)
Effect of Class B Common Stock Redemption	(34,595)
Change in redemption value of redeemable noncontrolling interest	(63,358)
Balance as of June 30, 2026	<u>\$ 102,058</u>

Common Stock Voting Rights

The holders of Class A Common Stock and Class B Common Stock vote together as a single class on all matters submitted to the stockholders for their vote or approval except as required by law or as provided in the Charter.

Common Stock Dividends

The holders of Class A Common Stock will be entitled to receive dividends, if declared by the Board, out of the assets of the Company that are available at the time and in the amounts as the Board in its discretion may determine. With respect to stock dividends, holders of Class A Common Stock must receive shares of Class A Common Stock. The holders of Class B Common Stock will not have any right to receive dividends other than stock dividends consisting of shares of Class B Common Stock, in each case paid proportionally with respect to each outstanding share of Class B Common Stock.

Common Stock Liquidation

Upon the Company's voluntary or involuntary liquidation or dissolution, the holders of all classes of Class A Common Stock are entitled to their respective par value, and the holders of Class A Common Stock will then be entitled to share ratably in those assets that are legally available for distribution to stockholders after payment of liabilities and subject to the prior rights of any holders of preferred stock then outstanding. Other than their par value, the holders of Class B Common Stock will not have any right to receive a distribution upon a liquidation or dissolution of the Company.

Treasury Stock

On December 26, 2023, the underwriter of our initial public offering (the "IPO") purchased 75,000 shares of EGA Class A common stock on behalf of the Company. The shares were purchased by the underwriter from a public stockholder that elected to reverse its redemption of 75,000 shares of EGA Class A common stock. The shares were purchased for a total purchase price of \$818 (\$10.90 per share) and the underwriter received reimbursement of \$800 from EGA's Trust Account on December 27, 2023, as well as reimbursement for the remaining \$18 from the Company on January 2, 2024. Simultaneously with the closing of the Merger, the 75,000 shares of EGA Class A common stock were automatically exchanged for shares of Class A Common Stock and 73,600 shares (out of the above-mentioned 75,000 shares) were granted to employees of the Company as compensation for services provided (the grant date for the 73,600 shares was determined to be December 27, 2023). The shares of flyExclusive Class A Common Stock were fully vested upon grant. As of December 31, 2023, all 75,000 shares were still legally considered to be owned by the underwriter. On January 2, 2024, the 75,000 shares were transferred from the underwriter to the Company, at which time the Company became the owner of record. On January 9, 2024, 73,600 shares were transferred from flyExclusive, Inc.'s ownership to the employee grantees and these 73,600 shares all had flyExclusive employees listed as the owners of record. The 1,400 shares of Class A Common Stock not issued to employees were still held by the Company and classified as treasury stock as of June 30, 2026.

Events Related to the Amended Underwriting Agreement

On May 10, 2024, the Company filed a registration statement on amended Form S-1, subsequently amended, that was declared effective on September 20, 2024, to register (a) the issuance of up to an aggregate of 2,521,569 shares of Class A Common Stock issuable upon the exercise of our Public Warrants and (b) the resale from time to time of (i) up to an aggregate of 15,545,274 outstanding shares of Class A Common Stock, (ii) 4,333,333 Private Placement Warrants, (iii) up to an aggregate of 4,333,333 shares of Class A Common

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Stock issuable upon the exercise of the Private Placement Warrants, and (iv) up to an aggregate of 59,930,000 shares of Class A Common Stock issuable upon the redemption of LGM Common Units. The registration statement was refiled on a Form S-3 that was declared effective on September 23, 2025.

Sales Agreement

On January 9, 2026, the Company entered into an underwriting agreement (the “Underwriting Agreement”) with Lucid Capital Markets, LLC, as representative of the several underwriters named therein (“Lucid”). Pursuant to the Underwriting Agreement, the Company agreed to sell 2,255,639 shares of the Company’s Class A Common Stock to Lucid at a public offering price of \$6.65 per share, less underwriting discounts and commissions.

On February 10, 2026, the Company entered into an At The Market Offering Agreement (the “ATM Agreement”) with Lucid pursuant to which the Company may offer and sell shares of the Company’s Class A Common Stock from time to time, to or through Lucid, acting as sales agent or principal. In connection with the entry into the ATM Agreement, the Company and Lucid amended the Underwriting Agreement to terminate Lucid’s 45-day over-allotment option to purchase up to an additional 222,833 shares of the Company’s Class A Common Stock.

The offer and sale of shares of Common Stock through the Agent will be made pursuant to the Company’s shelf registration statement on Form S-3 (File No. 333-287720), which was declared effective by the Securities and Exchange Commission (the “SEC”) on June 30, 2025, and a related prospectus supplement filed with the SEC on March 13, 2026 pursuant to Rule 424(b) under the Securities Act of 1933, as amended. Pursuant to the prospectus supplement, the Company may offer and sell up to a maximum of \$100 million of shares of Common Stock under the ATM Agreement.

Noncontrolling Interest

The Company held a controlling interest in several entities that are not wholly-owned as described above (see Note 6, “Variable Interest Entities”) and net income or net loss of such entities is allocated on a straight percentage basis based on the given terms of each entity’s operating agreement (see percentage below). The net income attributable to noncontrolling interests for the three and six months ended June 30, 2026 was \$1,413 and \$2,443, respectively, and the net income attributable to noncontrolling interests for the three and six months ended June 30, 2025 was and \$698 and \$658, respectively.

As of June 30, 2026, the noncontrolling interests in the Company’s consolidated entities are comprised of the following (11 entities):

Entities - Major Owner	Noncontrolling Interest	Company Ownership	Total
Entities 1-4	99%	1 %	100 %
Entity 5	95%	5%	100 %
Entity 6	92%	8%	100 %
Entity 7	77%	23%	100 %
Entity 8	75%	25%	100 %
Entity 9	70%	30%	100 %
Entity 10	68%	32%	100 %
Entity 11	67%	33%	100 %

flyExclusive, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

As of December 31, 2025, the noncontrolling interests in the Company's consolidated entities were comprised of the following (11 entities):

Entities - Major Owner	Noncontrolling Interest	Company Ownership	Total
Entities 1-3	99%	1%	100%
Entity 4	95%	5%	100%
Entity 5	92%	8%	100%
Entity 6	88%	12%	100%
Entity 7	77%	23%	100%
Entity 8	75%	25%	100%
Entity 9	70%	30%	100%
Entity 10	68%	32%	100%
Entity 11	67%	33%	100%

23.Subsequent Events

On July 13, 2026, flyExclusive and the other parties to the Amended and Restated Agreement and Plan of Merger, dated May 6, 2025 (the "A&R Merger Agreement"), executed Amendment No. 5 to the A&R Merger Agreement to, among other things, modify the post-closing net cash adjustment mechanism in the Jet.AI Merger. Also, on July 13, 2026, the Company closed the transactions under the A&R Merger Agreement. Pursuant to the A&R Merger Agreement, FlyX Merger Sub, Inc., a subsidiary of the Company, merged with and into Jet.AI SpinCo, Inc. ("SpinCo"), a subsidiary of Jet.AI, Inc., with SpinCo surviving as a wholly owned subsidiary of the Company. In connection with the Jet.AI Merger, 5,676,893 shares of Company Class A Common Stock were issued and 1,419,224 shares of Company Class A Common Stock (the "Reserve Shares"), representing 20% of the Merger Consideration Shares (as defined in the A&R Merger Agreement), were reserved but not issued to the SpinCo stockholders. The number of Reserve Shares to be issued to the SpinCo stockholders post-closing, if any, will be based upon the final determination of the net cash of SpinCo as of closing and the resulting final purchase price. Because the Jet.AI transaction closed after June 30, 2026, the transaction has not been recognized in the Company's condensed consolidated financial statements as of and for the three and six months ended June 30, 2026. The Company is evaluating the appropriate accounting treatment for the transaction, including whether the acquired assets meet the definition of a business under ASC 805, Business Combinations, or should be accounted for as an asset acquisition. Due to the close proximity of the closing date to the issuance of these condensed consolidated financial statements, the Company has not completed its evaluation of the accounting treatment, the final consideration including the impact of the reserved share mechanism and post-closing net cash adjustment, or the related financial statement impact. Accordingly, the Company is unable to reasonably estimate the financial statement impact of the transaction at this time. The Company expects to complete its accounting evaluation and reflect the applicable accounting in its financial statements for periods subsequent to June 30, 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and related notes included elsewhere in this Report. Management's discussion and analysis contains forward-looking statements, such as statements of our plans, objectives, expectations, and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect" and the like, and/or future tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify these forward-looking statements. These forward-looking statements are subject to risks and uncertainties including those under "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements in this Report. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances occurring after the filing date of this Report.

Overview of Our Business

As one of the nation's largest Citation operators, flyExclusive has curated a versatile fleet of Citation CJ3 / CJ3+, Citation Excel / XLS / XLS+, Citation Sovereign, Citation X, and Challenger 300 / 350 aircraft. We have a long track record of success and growth across a full range of industry services. Our core competitive advantage is the purpose-built, in-house control of decisions and processes needed to operate a successful private aviation company through a range of market environments.

We have a diversified and evolving business model generating charter revenue through our jet club membership program, fractional program, and maintenance, repair, and overhaul ("MRO") program. Our chief executive officer and chief financial officer review the financial information presented on a consolidated basis, and accordingly, we operate under one reportable segment, which is private aviation services.

Jet club revenue is generated from flight operations as well as membership fees. Jet club members are guaranteed access to our fleet of light, midsize, and super-midsize aircraft. New members pay a minimum deposit of \$0.1 million up to a maximum of \$0.5 million depending on their level of membership. Membership levels determine the daily rate a member is charged for future flights. Membership and incidental fees are also applied against a member's account. The initial and all subsequent deposits to replenish the member's account are non-refundable.

Fractional ownership members purchase a fractional ownership interest in an aircraft for a contractual term of up to five years, which grants the member access to our light, midsize, and super mid-size fleets. Fractional members pay daily and hourly rates for each flight. The first stage of the fractional revenue stream is the pre-owner stage where the member signs a letter of intent and interim use agreement, which may be before the aircraft is available. At this time, the member pays two deposits: one deposit is towards the purchase of the fractional interest, and the second deposit is to have the ability to use the fleet in the interim period prior to owning the fractional interest. Upon completion of enrollment in the program, fractional members who purchase new aircraft obtain ownership when the aircraft is delivered, expected to be approximately one year from when the aircraft is ordered from the manufacturer. Fractional members have the ability to advance ownership if they purchase an interest in one of our pre-owned fractional aircraft. Once the transfer of interest in the aircraft is complete, the member becomes a fractional owner in the aircraft. With the transfer of interest, flyExclusive is still able to utilize these aircraft to service other channels, providing us with a capital-light way to grow our fleet.

Our MRO program services include 24/7 maintenance, interior, and exterior refurbishment services to third parties in addition to maintaining our own fleet. MRO revenue is recognized over time based on the cost of parts and supplies inventory consumed and labor hours worked for each service provided. Any billing for MRO services that exceeds revenue earned to date is included in deferred revenue on the consolidated balance sheet.

On September 2, 2024, the Company entered into an Aircraft Management Services Agreement (the "Volato Agreement") with Volato Group, Inc. ("Volato"). Pursuant to the Volato Agreement, Volato engaged the Company as an independent contractor to provide

certain aircraft management services and agreed that the Company will be the exclusive provider of such services to Volato. As consideration payable to the Company for providing the services, the Company will be entitled to retain the excess of revenue collected over expenses in connection with its delivery of services under the Volato Agreement.

The Volato Agreement has a term of twelve months and may be terminated by the Company immediately upon a material breach of the Agreement by Volato or upon 30 days' written notice to Volato. Volato may terminate the Agreement immediately upon a material breach of the Agreement by the Company. During the term of the Agreement, certain Volato employees will provide consulting services to the Company, including consulting services related to software development, sales, and other professional services. The cost to the Company of these consulting services will be the current salaries and benefit costs of the Volato employees engaged to provide the services, plus reasonable out-of-pocket expenses. Volato also granted the Company a non-exclusive license to Volato's proprietary software pursuant to the terms and conditions of a software license, with a license fee equal to the documented, out-of-pocket expenses incurred by Volato with third-party vendors and only to the extent related solely and directly to the software. Under the terms of the Volato Agreement, the Company will manage flight operations, sales, and expenses of Volato's fleet. The aircraft will remain on Volato's Federal Aviation Administration ("FAA") certificate until they are potentially moved to the Company's FAA certificate.

As part of the Volato Agreement, Volato granted the Company the right to cause Volato to merge with and into a wholly owned subsidiary of the Company (the "Option"). The term of the Option will expire twelve months from the date of the Agreement, provided, however, that the term of the Option will continue until the closing or abandonment of the merger by either or both parties. Any merger is subject to a fully executed, mutually agreed upon definitive merger agreement and any required regulatory, board of directors, and shareholder approvals for both the Company and Volato. Consideration for the merger may be in the form of the Company's Class A Common Stock or cash, in the Company's discretion. The purchase price for the merger would be based on the volume-weighted average price of Volato's common stock for the 30 trading-day period prior to the earlier of the public announcement of (1) the exercise by the Company of its exercise of the Option, or (2) the signing of a definitive merger agreement.

On October 1, 2025, the Company and Volato entered into the Amendment to the Volato Agreement. Pursuant to the Amendment, Volato granted the Company the right to purchase from Volato certain aviation-related assets and assume certain obligations related to aviation-related assets (the "flyExclusive Option"), and the Company granted Volato the right to sell to the Company certain aviation-related assets and assign certain obligations of Volato (the "Volato Option," and collectively with the flyExclusive Option, the "Asset Options"). In consideration for the Amendment, including the transfer of assets envisioned by the flyExclusive Option and the settlement of certain outstanding accounts between Volato and the Company, and the grant by Volato to the Company of certain additional rights, the Company will pay Volato \$4.1 million, \$2.1 million of which was paid in the form of 432,099 shares of the Company's Class A Common Stock in October 2025. The Volato Option is exercisable by Volato beginning on the effective date of the Amendment and ends on the earlier of (i) the end of the Term (defined below), (ii) the day immediately prior to the beginning of the exercise period of the flyExclusive Option, and (iii) the completion of the Merger Option. The flyExclusive Option is exercisable by the Company beginning six months following the completion of any change of control of Volato and will expire simultaneously with the end of the Term (as defined below). The Volato Merger (as defined below), if consummated, would constitute a change of control under the Amendment, triggering the beginning of the exercise date of the flyExclusive Option as of March 31, 2026. In addition, the term of the Volato Agreement (the "Term") was extended to the sooner of (i) September 1, 2026, (ii) the consummation of the asset purchase agreement applicable to the Asset Options, subject to an exercise of either of the Asset Options or (iii) the consummation of the merger (or any substantially similar transaction) of Volato and M2i Global, Inc. (the "Volato Merger") pursuant to an Agreement and Plan of Merger among them, dated as of July 28, 2025, subject to the exercise of the Merger Option. Given the lack of a complete consummation of the asset purchase agreement applicable to the Asset Options or the consummation of the Volato Merger, the Term currently is effective until September 1, 2026.

On March 6, 2026, the Company and Volato entered into a Fifth Amendment to the Aircraft Management Services Agreement (the "Fifth Amendment"). Among other things, the Fifth Amendment (i) amended and restated Section 4(f) of the Volato Agreement to establish reciprocal asset options permitting either party, subject to stated conditions, to cause the purchase and sale of designated "Vaunt" or "Non-Vaunt" assets pursuant to an asset purchase agreement in the form attached as Exhibit A thereto; (ii) provides that the

Volato Option may be exercised by Volato Group up to two times in the aggregate, provided that the aggregate purchase price payable for all exercises of the Volato Option will equal and not exceed \$2,000,000 (the “Total Purchase Price”), payable in cash, in shares of the Company’s Class A Common Stock valued at volume-weighted average price as of the effective date of the applicable asset purchase agreement, or a combination thereof, at the Company’s discretion; and (iii) includes registration rights requiring the Company, if it issues shares of its Class A Common Stock as consideration, to file within 30 days and use commercially reasonable efforts to cause to become effective a registration statement covering the resale of any such shares and to maintain effectiveness until the shares are freely resalable, together with related listing undertakings.

On March 6, 2026, Volato exercised a portion of the Volato Option, and the Company entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Volato and its wholly owned subsidiaries Volato, Inc. and Fly Vaunt, LLC. Pursuant to the Purchase Agreement, the Company agreed to purchase from Volato, and Volato agreed to sell to the Company, certain assets designated as the “Non-Vaunt Assets” (the “Acquired Assets”). The Acquired Assets include, among other things, the Mission Control private aviation operation software and other specified tangible and intangible property listed on Schedule 1.1(a) of the Purchase Agreement, certain books and records, intellectual property and related rights listed on Schedule 1.1(d) of the Purchase Agreement (including specified copyrights, trademarks, patent applications and related goodwill), certain permits and other rights, and associated goodwill. Assets excluded from the Purchase Agreement include cash and cash equivalents, bank accounts and other excluded assets described in Section 1.3 of the Purchase Agreement.

The aggregate purchase price was \$1,333,333, which the Company paid in 451,901 shares of its Class A Common Stock based on a volume-weighted average price of \$2.9505 per share as of the Closing Date, as calculated pursuant to the terms of the Purchase Agreement. Pursuant to the Amendment, each of the Company and Volato retains the right to exercise the Asset Options again to purchase any assets not covered by Volato exercise of the Volato Option for an aggregate purchase price of up to \$666,667, which is the balance of the Total Purchase Price less the \$1,333,333 purchase price per the Purchase Agreement.

On July 13, 2026, flyExclusive and the other parties to the Amended and Restated Agreement and Plan of Merger, dated May 6, 2025 (the “A&R Merger Agreement”), executed Amendment No. 5 to the A&R Merger Agreement to, among other things, modify the post-closing net cash adjustment mechanism in the Jet.AI Merger. Also, on July 13, 2026, the Company closed the transactions under the A&R Merger Agreement. Pursuant to the A&R Merger Agreement, FlyX Merger Sub, Inc., a subsidiary of the Company, merged with and into Jet.AI SpinCo, Inc. (“SpinCo”), a subsidiary of Jet.AI, Inc., with SpinCo surviving as a wholly owned subsidiary of the Company. In the Jet.AI Merger, 5,676,893 shares of Company Class A Common Stock were issued and 1,419,224 shares of Company Class A Common Stock (the “Reserve Shares”), representing 20% of the Merger Consideration Shares (as defined in the A&R Merger Agreement), were reserved but not issued to the SpinCo stockholders. The number of Reserve Shares to be issued to the SpinCo stockholders post-closing, if any, will be based upon the final determination of the net cash of SpinCo as of closing and the resulting final purchase price.

Key Factors Affecting Results of Operations

We believe that the following factors have affected our financial condition and results of operations and are expected to continue to have a significant effect:

Economic Conditions

If demand for private aviation services were to decrease, it could result in slower jet club growth, members declining to renew their memberships, and reduced interest in the fractional and partnership programs, all of which could have a material adverse effect on our business, financial condition, and results of operations. In addition, our customers may consider private air travel through our products and services to be a luxury item, especially when compared to commercial air travel or not traveling by air at all. As a result, any general downturn in economic, business, and financial conditions which has an adverse effect on our customers’ spending habits could cause them to travel less frequently and, to the extent they travel, to travel using commercial air carriers or other means considered to be more economical than our products and services. In addition, in cases where significant hours of private flight are needed, many of the companies and high-net-worth individuals to whom we provide products and services have the financial ability to purchase their own aircraft or operate their own corporate flight department should they elect to do so.

Competition

Many of the markets in which we operate are competitive as a result of the expansion of existing private aircraft operators, expanding private aircraft ownership, and alternatives such as luxury commercial airline service. We compete against a number of private aviation operators with different business models, and local and regional private charter operators. Factors that affect competition in our industry include price, reliability, safety, regulations, professional reputation, aircraft availability, equipment, the quality, consistency and ease of service, willingness and ability to serve specific airports or regions, and investment requirements. Our competitors might capture a share of our present or potential customer base, which could adversely affect our business, financial condition, and results of operations.

Pilot Availability and Attrition

In recent years, we have experienced significant volatility in our attrition, including volatility resulting from training delays, pilot wage and bonus increases with other industry participants, and the growth of cargo, low-cost, and ultra-low-cost airlines. In prior periods, these factors, at times, caused our pilot attrition rates to be higher than our ability to hire and retain replacement pilots. If our attrition rates are higher than our ability to hire and retain replacement pilots, our operations and financial results could be materially and adversely affected.

Wheels Up (“WUP”) Termination

On June 30, 2023, we served WUP a Notice of Termination of the parties’ Fleet Guaranteed Revenue Program Agreement, dated November 1, 2021 (the “GRP Agreement”). As a result of the termination, the GRP program did not generate revenue following the date of the GRP Agreement’s termination, which had a material impact on the financial statements for the year ended December 31, 2023. For some time prior to the termination of the GRP Agreement we were planning, for the strategic reasons of avoiding excessive reliance on a single customer and shifting towards focusing on wholesale and contractual retail customers, to scale down business with WUP, and we had already reflected scaled down revenue accordingly in our publicly disclosed projections. However, the termination of the GRP Agreement will have a material impact on the financial statements beyond 2023 until we are able to successfully effectuate this planned strategic shift and replace the revenue lost from the termination of the GRP Agreement. Additionally, as of June 27, 2023, WUP accounted for \$15.7 million in receivables, which was a significant majority of total receivables at that time. When the agreement with WUP was terminated on June 30, 2023 the receivable balances were eliminated, as allowable under relevant accounting standards, by being applied against existing deposits held under the GRP Agreement. The GRP Agreement provided for an orderly draw down period of the designated aircraft at a maximum of two aircraft per month. The Company submitted a bill for monies due under the GRP Agreement during the draw down period through July 31, 2024. Billed but unrecorded amounts through June 30, 2026 totaled \$59.0 million.

See the section entitled “*Risk Factors — Risks Relating to Our Business and Industry*” - “*On June 30, 2023, we terminated our agreement with Wheels Up that accounted for a significant portion of our total revenues for the years ended December 31, 2022 and 2023. Such termination could have an adverse effect on our business, results of operations, and financial condition if we fail to materially replace the revenue derived from Wheels Up moving forward as expected*” in our Annual Report on Form 10-K for the year ended December 31, 2025 and Note 21 “Commitments and Contingencies” of the notes to the condensed consolidated financial statements (unaudited) included elsewhere in this Report, for more information on the WUP termination.

Fleet Modernization

During the fourth quarter of 2023, we began the process of modernizing our fleet. Our plan is to sell a portion of our fleet that is older and replace those aircraft with newer models, which will grant our customers access to newer aircraft. In connection with this effort, we have, in previous periods, and may in the future, record a portion of the fleet as being held for sale. We expect the fleet modernization to continue through fiscal 2026 and do not anticipate a material decline to revenue as we will replace sold models with the newer aircraft which offer increased availability and operating efficiency.

CARES Act

On March 27, 2020, the CARES Act was signed into law. The CARES Act provided the airline industry with up to (i) \$25.0 billion in grants with assurances the support is to be used exclusively for employee salaries, wages, and benefits, and (ii) \$25.0 billion in secured loans.

We applied to the Treasury for assistance under the Payroll Support Program and the Paycheck Protection Program as established by the CARES Act. We were awarded \$23.6 million to support ongoing operations, all of which has been received.

The CARES Act support payments were conditioned, including certain restrictions on executive and other employee compensation and severance through April 1, 2023, and certain ongoing reporting obligations through April 1, 2023. While we believe that we are fully compliant with all requirements of the CARES Act and the Payroll Support Program Agreements, including the requirement to use the awards only for payment of certain employment costs (i.e. wages, salaries, and benefits), if we were found to be not in compliance with such requirements, the Treasury has sole discretion to impose any remedy it deems appropriate, including requiring full repayment of the awards with appropriate interest. The imposition of any such remedy could have a material and adverse effect on our financial condition.

The CARES Act also provides an Employee Retention Credit (“ERC”) program. The goal of the ERC program is to encourage employers to retain and continue paying employees during periods of pandemic-related reduction in business volume even if those employees are not actually working, and therefore, are not providing a service to the employer. Under the Act, eligible employers could take credits up to 70% of qualified wages with a limit of \$7 thousand per employee per quarter for the first three quarters of calendar year 2021. In order to qualify for the ERC in 2021, organizations generally had to experience a more than 20% decrease in gross receipts in the quarter compared to the same quarter in calendar year 2019 or its operations are fully or partially suspended during a calendar quarter due to “orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes)” due to COVID-19. The credit is taken against our share of Social Security Tax when our payroll provider files, or subsequently amends the applicable quarterly employer tax filings.

As of June 30, 2026, we had applied for \$9.5 million and received \$9.0 million of ERC. Our legal counsel has issued a legal opinion that we, more likely than not, qualified for the ERC. However, it remains uncertain whether we meet the qualifications required to receive the ERC. Therefore, the balance was included in accrued expenses and other current liabilities in the consolidated balance sheet should we be required to potentially repay the ERC.

Non-GAAP Financial Measures

In addition to our results of operations below, we report certain key financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States of America (“U.S. GAAP”).

These non-GAAP financial measures are an addition, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP and should not be considered as an alternative to any performance measures derived in accordance with U.S. GAAP. We believe that these non-GAAP financial measures of financial results provide useful supplemental information about us to investors. However, there are a number of limitations related to the use of these non-GAAP financial measures and their nearest U.S. GAAP equivalents, including that they exclude significant expenses that are required by U.S. GAAP to be recorded in our financial measures. In addition, other companies may calculate non-GAAP financial measures differently or may use other measures to calculate their financial performance, and therefore, our non-GAAP financial measures might not be directly comparable to similarly titled measures of other companies.

Adjusted EBITDA and Adjusted EBITDAR

We calculate Adjusted EBITDA as net income (loss) adjusted for (i) interest (income) expense, (ii) income tax expense, (iii) depreciation and amortization, (iv) litigation costs, (v) acquisition costs, (vi) equity-based compensation, (vii) non-cash loss on assets held for sale, which represents the impairment charges recognized on assets designated for sale prior to their disposal, (viii) realized losses on aircraft sold as part of fleet modernization efforts, (ix) loss on extinguishment of debt, (x), loss on abandoned projects, (xi) change in fair value of warrant liabilities, and (xii) SOX control remediation. We calculate Adjusted EBITDAR as Adjusted EBITDA, as further adjusted for aircraft lease costs.

We include Adjusted EBITDA as a supplemental measure for assessing operating performance in conjunction with related U.S. GAAP amounts and for the following:

- Strategic internal planning, annual budgeting, allocating resources, and making operating decisions.
- Historical period-to-period comparisons of our business, as it removes the effect of certain non-cash expenses and expenses and revenue unrelated to our core ongoing business.

Adjusted EBITDAR is included as a supplemental measure because we believe it provides an alternate presentation to adjust for the effects of financing in general and the accounting effects of capital spending and acquisitions of aircraft, which may be acquired outright, acquired subject to acquisition debt, by finance lease or by operating lease, each of which may vary significantly between periods and results in a different accounting presentation.

The following table reconciles Adjusted EBITDA and Adjusted EBITDAR to net loss, the most directly comparable U.S. GAAP measure (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net loss	\$ (24,836)	\$ (39,176)
Add (deduct):		
Interest income	(213)	(939)
Interest expense	10,956	9,817
Income tax expense	60	—
Depreciation and amortization	10,634	12,021
Litigation costs ⁽¹⁾	346	240
Acquisition costs ⁽²⁾	665	757
Equity-based compensation	4,121	2,013
Non-cash loss on assets held for sale ⁽³⁾	—	197
Realized (gains) losses due to fleet modernization ⁽⁴⁾	3,508	(57)
Loss on extinguishment of debt	—	4,161
Loss on abandoned projects ⁽⁵⁾	405	—
Change in fair value of warrant liabilities	(1,449)	(781)
SOX control remediation	31	149
Adjusted EBITDA	4,228	(11,598)
Aircraft lease costs	8,038	10,290
Adjusted EBITDAR	<u>\$ 12,266</u>	<u>\$ (1,308)</u>

(1) Relates to settlement costs associated with non-recurring litigation.

(2) Represents legal and professional fees associated with non-routine acquisition activities.

(3) Represents impairment losses incurred due to the decline in fair value of aircraft held for sale during the period.

(4) Represents gains or losses incurred on sales of aircraft that the Company previously identified as part of our fleet modernization efforts that are outside of the normal course of business.

(5) Represents losses on construction-in-process activities for which the Company is no longer pursuing completion.

Key Operating Metrics

In addition to financial measures, we regularly review certain key operating metrics to evaluate our business, determine the allocation of resources, and make decisions regarding business strategies. We believe that these metrics can be useful for understanding the underlying trends in our business. The Company also provided services to Volato legacy members and fractional owners. As a result, we have included the aircraft on Volato's certificate, hours flown on those aircraft, and the members and fractional owners in the operating metrics below for completeness.

The following table summarizes our key operating metrics:

	Six Months Ended June 30,	
	2026	2025
Members contributing to revenues	1,148	1,077
Active members	835	984
Average aircraft on certificate	81	96
Aircraft contributing to revenues	82	86
Total flight hours	38,577	35,947
Total hours per aircraft	486	375
Members per aircraft	14.0	12.5
Ending aircraft on certificate	79	93

Members contributing to revenues

We define members contributing to revenues as the number of club, fractional, and partnership members that contributed to revenues during the reporting period. We believe that membership growth is strategically correlated to aircraft additions, and the evolution of our business from non-contractual wholesale customers prior to 2020 to contractually committed members, which provides greater revenue visibility. Due to the nature of our business, we have periods of time in which not every member utilizes our services.

Active Members

We define active members as members that have taken at least one flight during the reporting period.

Average aircraft on certificate

We define average aircraft on certificate as the average number of airworthy aircraft in our fleet as certified by the Federal Aviation Administration ("FAA") deeming the aircraft operational. We believe that our growth has been fueled by a disciplined, strategic approach to adding aircraft, either via fractional or whole ownership or via lease from a third party. The time between the purchase or lease of an aircraft and the aircraft's certification is critical because revenue cannot be earned on the aircraft until it is certified by the FAA. Thus, we use average aircraft on certificate as a key operating metric within a given reporting period.

Ending aircraft on certificate

We define ending aircraft on certificate as the number of airworthy aircraft in our fleet as certified by the FAA at the end of a given reporting period. We use ending aircraft on certificate to measure fleet growth in comparison to historical periods.

Aircraft contributing to revenues

We define aircraft contributing to revenues as the number of aircraft on certificate that completed a customer flight leg during the reporting period. Aircraft contributing to revenues during a given reporting period is lower than the number of aircraft on certificate due to unavailable aircraft resulting from maintenance and/or refurbishment.

Total flight hours

We define total flight hours as the actual flight time from the moment of aircraft lift-off at the departure airport until it touches ground at the end of a flight. We believe total flight hours is a useful metric to measure the usage of our programs and the scale of our fleet and revenue growth.

Total hours per aircraft

We define total hours per aircraft as the total flight hours divided by the average number of aircraft on our operating certificates during the reporting period. We use total hours per aircraft to assess operational efficiency as it pertains to aircraft utilization and mitigation of downtime, which can result from maintenance and/or crew availability.

Members per aircraft

We define members per aircraft as members contributing to revenues divided by aircraft contributing to revenues. We use members per aircraft to control the customer experience through the management of our customer to aircraft ratio. For the six months ended June 30, 2026, 97.9% of our customers were fulfilled on our fleet without the potential high-cost of reliance of third parties to meet demand. An optimal customer to aircraft ratio allows us to gain a competitive advantage by having sufficient aircraft available to meet member demand and be flexible to backfill unused aircraft for wholesale use.

Components of Results of Our Operations

The key components of our results of operations include:

Revenue

We derive revenue from charter flights, which include our jet club, fractional programs, wholesale, and retail. We also derive revenue from our MRO services.

Customers prepay us for member flights based on contractual rates depending on the type of flight. We then recognize revenue from these prepayments upon completion of a flight.

Jet club members pay an initial non-refundable flight deposit where the amount of the flight deposit impacts the contractual rates paid. We recognize this kind of revenue and membership fees monthly as the Company stands ready to provide flight services as requested by the customer, thereby satisfying our related performance obligation.

Revenue for flights and related services is recognized when such services are provided to the customers. Fluctuations in revenue during any given period in the flights and related services portion of our jet club program are directly correlated to customer demand.

We recognize fractional revenue from the sales of fractional ownership interests in aircraft over the term of the agreement. In certain contracts the customer can require us to repurchase the interest after a fixed period of time but prior to the contractual termination date of the contract. This is accounted for as a right of return. The consideration from the fractional ownership interest, as adjusted for any customer right of return, is recognized over the term of the contract on a straight-line basis. Variable consideration generated from flight services is recognized in the period of performance.

MRO services are comprised of a single performance obligation for aircraft maintenance services such as modifications, repairs, and inspections. MRO revenue is recognized over time based on the cost of parts and supplies consumed and labor hours worked for each service provided. Any billing for MRO services that exceeds revenue earned to date is included in deferred revenue on the consolidated balance sheets.

Costs and expenses

Cost of revenue

Cost of revenue primarily consists of direct expenses incurred to provide flight services and facilitate operations, including aircraft lease costs, fuel, payroll expenses including wages and employee benefits for employees directly providing and facilitating flight services, crew travel, insurance, maintenance, subscriptions, and third-party flight costs.

Selling, general and administrative

Selling, general and administrative expense primarily consists of non-flight related employee compensation wages and benefits in our finance, executive, human resources, legal, and other administrative functions, employee training, third-party professional fees, corporate travel, advertising, and corporate related lease expenses.

Depreciation and amortization

Depreciation and amortization expense primarily consists of depreciation of capitalized aircraft. Depreciation and amortization also includes amortization of capitalized software development costs.

(Gain) loss on aircraft sales and aircraft held for sale

Consists of aircraft sales in excess (gain) or below (loss) their net book value, in addition to the recognized (loss) on aircraft classified as held for sale where the fair value less costs to sell are below (loss) their net book value.

Other income (expense)

Interest income

Interest income consists of interest earned on municipal bond funds, certificates of deposit and U.S. Treasury bills.

Interest expense

Interest expense primarily consists of interest paid or payable and the amortization of debt discounts and deferred financing costs on our loans.

Gain (Loss) on lease termination

This consists of (losses) gains that arise from the difference between the carrying amount of right-of-use assets and lease liability recorded on the consolidated balance sheets.

Change in fair value of warrant liabilities

Change in fair value of warrant liabilities reflects the non-cash change in fair value of our warrant liabilities attributed to our warrants.

Loss on extinguishment of debt

Loss on extinguishment of debt consists of loss on the exchange of the EG sponsor note in exchange for additional Series B preferred shares.

Other income (expense)

Other expense consists of realized gain/loss on sales of investment securities, income/loss on abandoned projects, commission income and state tax payments.

Results of Operations

Results of Our Operations for the Six Months Ended June 30, 2026 Compared to the Six Months Ended June 30, 2025

The following table sets forth our results of operations for the six months ended June 30, 2026 and 2025 (in thousands, except percentages):

	Six Months Ended June 30,		Change in	
	2026	2025	\$	%
Revenue	\$ 207,474	\$ 179,457	\$ 28,017	15.6%
Costs and expenses				
Cost of revenue	165,695	154,434	11,261	7.3%
Selling, general and administrative	44,994	41,288	3,706	9.0%
Depreciation and amortization	10,634	12,021	(1,387)	(11.5)%
(Gain) loss on aircraft sales and aircraft held for sale	1,528	(1,190)	2,718	(228.4)%
Total costs and expenses	222,851	206,553	16,298	7.9%
Loss from operations	(15,377)	(27,096)	11,719	(43.2)%
Other income (expense)				
Interest income	213	939	(726)	(77.3)%
Interest expense	(10,956)	(9,817)	(1,139)	11.6%
Gain (loss) on lease termination	(324)	19	(343)	(1805.3)%
Change in fair value of warrant liabilities	1,449	781	668	85.5%
Loss on extinguishment of debt	—	(4,161)	4,161	(100.0)%
Other income	219	159	60	37.7%
Total other expense, net	(9,399)	(12,080)	2,681	(22.2)%
Loss before income taxes	(24,776)	(39,176)	14,400	(36.8)%
Income tax expense	60	—	60	100.0%
Net loss	(24,836)	(39,176)	14,340	(36.6)%
Less: Net loss attributable to redeemable noncontrolling interests	(13,400)	(29,621)	16,221	(54.8)%
Less: Net income attributable to noncontrolling interests	2,443	658	1,785	271.5%
Net loss attributable to flyExclusive, Inc.	\$ (13,879)	\$ (10,213)	\$ (3,666)	35.9%

Revenue

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
Jet club and charter	\$ 178,610	\$ 156,452	\$ 22,158	14.2%
Fractional ownership	21,896	17,055	4,841	28.4%
Maintenance, repair, and overhaul	6,374	4,633	1,741	37.6%
Aircraft management services	594	1,317	(723)	(54.9)%
Total revenue	\$ 207,474	\$ 179,457	\$ 28,017	15.6%

Jet club and charter revenue increased by \$22.2 million, or 14.2%, to \$178.6 million for the six months ended June 30, 2026 as compared to the six months ended June 30, 2025. Jet club and charter flight hours increased by 6.8% and effective hourly rates increased by 6.9% during the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Fractional ownership revenue increased by \$4.8 million for the six months ended June 30, 2026 as compared to the six months ended June 30, 2025 primarily due to an increase in fractional membership.

Maintenance, repair, and overhaul revenue increased by \$1.7 million for the six months ended June 30, 2026 as compared to the six months ended June 30, 2025 primarily due to an increase in external services for outside customers.

Aircraft management services revenue decreased by \$0.7 million for the six months ended June 30, 2026 as compared to the six months ended June 30, 2025, as a result of the Company providing certain aircraft management services to a lower number of aircraft owners under the Volato Agreement.

We expect our revenue to increase over time as a result of adding aircraft to our fleet and forecasted membership growth.

*Costs and expense**Cost of revenue*

Cost of revenue increased by \$11.3 million, or 7.3%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to:

- An increase of \$10.7 million in fuel expense, primarily as a result of increased costs driven by the war in Iran;
- An increase of \$2.6 million in overhaul program expense;
- An increase of \$2.2 million for aircraft IT, Wi-Fi and ground expenses;
- An increase of \$1.8 million for salaries and wage related expense;
- A decrease of \$2.6 million in repairs and maintenance expense;
- A decrease of \$2.5 million in lease expense; and
- A decrease of \$0.9 million in insurance expense.

While expenses increased, the gross margin improved from 13.9% for the six months ended June 30, 2025 to 20.1% for the six months ended June 30, 2026, primarily as a result of the realization of benefits associated with the Company's fleet modernization efforts.

Selling, general and administrative

Selling, general and administrative expenses increased by \$3.7 million, or 9.0%, for the six months ended June 30, 2026, compared to the six months ended June 30, 2025. The increase in selling, general and administrative expenses in absolute terms was primarily attributable to:

- An increase of \$3.3 million in personnel related expenses;
- An increase of \$0.4 million in bad debt expense;
- An increase of \$0.9 million in other miscellaneous administrative expenses; and
- A decrease of \$0.9 million in software and training costs.

Primarily because of the growth in revenue, selling, general and administrative expenses dropped to 21.7% of revenue for the six months ended June 30, 2026, compared with 23.0% for the same period in 2025.

Depreciation and amortization

Depreciation and amortization expenses decreased by \$1.4 million, or 11.5%, for the six months ended June 30, 2026, compared to the six months ended June 30, 2025. The decrease was primarily due to a decrease in depreciation expense resulting from a decrease in owned aircraft.

(Gain) loss on aircraft sales and aircraft held for sale

(Gain) loss on aircraft sales and aircraft held for sale changed by \$2.7 million for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, as a result of the favorable environment for selling aircraft for the six months ended June 30, 2025 as compared to the six months ended June 30, 2026.

Other income (expense)

Interest income

Interest income decreased by \$0.7 million for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, primarily as a result of the liquidation of the investments in securities portfolio period over period.

Interest expense

Interest expense increased by \$1.1 million for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, primarily as a result of increases in interest rates on outstanding debt.

Gain (Loss) on lease termination

The (loss) on lease termination increased by \$0.3 million for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, primarily due to impairment on leasehold improvements associated with disposed aircraft in the current period.

Change in fair value of warrant liabilities

Change in fair value of warrant liabilities changed by \$0.7 million for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, due to changes in the observable inputs by which the Public Warrants and Private Placement Warrants are valued.

Loss on extinguishment of debt

The loss on extinguishment of debt decreased by \$4.2 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 as a result of the exchange of the EGA Sponsor Note for additional shares of Series B Preferred Stock in the first quarter of 2025.

Results of Our Operations for the Three Months Ended June 30, 2026 Compared to the Three Months Ended June 30, 2025

The following table sets forth our results of operations for the three months ended June 30, 2026 and 2025 (in thousands, except percentages):

	Three Months Ended June 30,		Change in	
	2026	2025	\$	%
Revenue	\$ 111,124	\$ 91,332	\$ 19,792	21.7%
Costs and expenses				
Cost of revenue	88,436	77,609	10,827	14.0%
Selling, general and administrative	22,281	20,298	1,983	9.8%
Depreciation and amortization	5,450	5,770	(320)	(5.5)%
Loss on aircraft sales and aircraft held for sale	708	15	693	4620.0%
Total costs and expenses	116,875	103,692	13,183	12.7%
Loss from operations	(5,751)	(12,360)	6,609	(53.5)%
Other income (expense)				
Interest income	37	236	(199)	(84.3)%
Interest expense	(5,667)	(4,429)	(1,238)	28.0%
Loss on lease termination	(38)	(19)	(19)	100.0%
Change in fair value of warrant liabilities	226	212	14	6.6%
Other income (expense)	(214)	231	(445)	(192.6)%
Total other expense, net	(5,656)	(3,769)	(1,887)	50.1%
Loss before income taxes	(11,407)	(16,129)	4,722	(29.3)%
Income tax expense	57	—	57	100.0%
Net loss	(11,464)	(16,129)	4,665	(28.9)%
Less: Net loss attributable to redeemable noncontrolling interests	(5,501)	(12,063)	6,562	(54.4)%
Less: Net income attributable to noncontrolling interests	1,413	698	715	102.4%
Net loss attributable to flyExclusive, Inc.	\$ (7,376)	\$ (4,764)	\$ (2,612)	54.8%

Revenue

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
Jet club and charter	\$ 95,499	\$ 79,454	\$ 16,045	20.2 %
Fractional ownership	11,000	8,454	2,546	30.1 %
Maintenance, repair, and overhaul	4,366	2,872	1,494	52.0 %
Aircraft management services	259	552	(293)	(53.1)%
Total revenue	\$ 111,124	\$ 91,332	\$ 19,792	21.7 %

Jet club and charter revenue increased by \$16.0 million, or 20.2%, to \$95,499, for the three months ended June 30, 2026 as compared to the three months ended June 30, 2025. Jet club and charter flight hours increased by 9.0% and effective hourly rates increased by 10.3% during the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Fractional ownership revenue increased by \$2.5 million for the three months ended June 30, 2026 as compared to the three months ended June 30, 2025 due to an increase in fractional membership.

Maintenance, repair, and overhaul revenue increased by \$1.5 million for the three months ended June 30, 2026 as compared to the three months ended June 30, 2025 due to an increase in external services for outside customers.

Aircraft management services revenue decreased by \$0.3 million for the three months ended June 30, 2026 as compared to the three months ended June 30, 2025 as a result of the Company providing certain aircraft management services to a lower number of aircraft owners under the Volato Agreement.

We expect our revenue to increase over time as a result of adding aircraft to our fleet and forecasted membership growth.

Costs and expenses

Cost of revenue

Cost of revenue increased by \$10.8 million, or 14.0%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025, primarily due to:

- An increase of \$8.3 million in fuel expense, primarily as a result of increased costs driven by the war in Iran;
- An increase of \$2.2 million in overhaul programs;
- An increase of \$1.4 million for salaries and wage related expense;
- An increase of \$1.4 million in aircraft IT, Wi-Fi and ground expenses;
- A decrease of \$1.2 million for affiliate lift expense;
- A decrease of \$0.8 million in lease expenses; and
- A decrease of \$0.6 million in repairs and maintenance expense.

While expenses increased, the gross margin improved to 20.4% for the three months ended June 30, 2026 from 15.0% for the three months ended June 30, 2025, primarily as a result of the realization of benefits associated with the Company's fleet modernization efforts.

Selling, general and administrative

Selling, general and administrative expenses increased by \$2.0 million, or 9.8%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase in selling, general and administrative expenses in absolute terms was primarily attributable to:

- An increase of \$2.1 million in personnel related expenses;
- An increase of \$0.6 million in miscellaneous administrative expenses; and
- A decrease of \$0.7 million in professional fees, advertising, marketing costs, and training expenses.

Primarily because of the growth in revenue, selling, general and administrative expenses dropped to 20.1% of revenue for the three months ended June 30, 2026, compared with 22.2% for the same period in 2025.

Depreciation and amortization

Depreciation and amortization expenses decreased by \$0.3 million or 5.5% for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The decrease was primarily due to an decrease in depreciation expense resulting from a decrease in owned aircraft.

Other income (expense)

Interest income

Interest income decreased by \$0.2 million for the three months ended June 30, 2026, compared to the three months ended June 30, 2025, primarily as a result of the liquidation of the investments in securities portfolio period over period.

Interest expense

Interest expense increased by \$1.2 million for the three months ended June 30, 2026, compared to the three months ended June 30, 2025, primarily as a result of increases in interest rates on outstanding debt.

Liquidity and Capital Resources

Sources and Uses of Liquidity

Our principal sources of liquidity have historically consisted of financing activities, including proceeds from equity investments by our chief executive officer, Thomas James Segrave Jr., as well as sales of Class A Common Stock, notes payable, and operating activities, primarily from the increase in deferred revenue associated with prepaid flights. As of June 30, 2026, we had \$14.2 million of cash and cash equivalents. In addition, as described below, in January 2024 we entered into a senior secured note to borrow up to \$25.8 million and as described below, in March 2024, we issued non-convertible redeemable Series A preferred stock that provided the Company with approximately \$25.0 million of capital, and in August 2024, we issued convertible Series B preferred stock that provided the Company with approximately \$25.5 million of capital. Our cash equivalents primarily consist of liquid money market funds, and our investments primarily consist of fixed-income securities including municipal issues.

We have consistently maintained a working capital deficit, in which our current liabilities exceed our current assets. We believe that the working capital deficit is common within the private aviation industry and is primarily, but not wholly, due to the nature of our deferred revenue, primarily related to prepaid flights, which are performance obligations generally for future flights. Our primary needs for liquidity are to fund working capital, debt service requirements, lease and purchase obligations, capital expenditures, and for general corporate purposes. Our cash needs vary from period to period, primarily based on the timing of aircraft purchases and the costs of aircraft engine overhauls, repairs, and maintenance.

We believe factors that could affect our liquidity include our rate of revenue growth, changes in demand for our services, competitive pricing pressures, other growth initiatives, our ability to keep increases in operating expenses in line with growth in revenues, and overall economic conditions. To the extent that our current liquidity is insufficient to fund future activities, we would need to raise additional funds. In the future, we may attempt to raise additional capital through the sale of equity securities or through debt financing arrangements. If we raise additional funds by issuing equity securities, the ownership of existing shareholders will be diluted. The incurrence of additional debt financing would result in debt service obligations, and any such debt could include operating and financing covenants that could restrict our operations. In the event that additional funds are required from outside sources, we might not be able to raise funds on terms acceptable to us or at all.

We believe that our existing cash on hand, cash generated from operations and available borrowings under our debt arrangement will enable us to secure refinancing as needed to meet our obligations as they become due within the next 12 months. If we are not able to obtain financing on favorable terms, or at all, our liquidity and business would be materially adversely impacted.

Cash Requirements

Our material cash requirements include the following contractual and other obligations:

Debt

See Note 14 "Debt" to our financial statements included elsewhere in this Report for further information on the debt arrangements discussed below.

Short Term Notes Payable

We have entered into multiple short-term loan agreements with various lenders for the purpose of financing the purchase of aircraft. The loan agreements have varying interest rates, maturity dates and lender-imposed restrictions.

Credit Facility (Term Loan)

In August 2018, we entered into a term loan agreement with a maximum borrowing capacity of \$12.3 million. We have since entered into amended term loan agreements, which raised the maximum borrowing capacity to \$15.3 million. As of June 30, 2026 we had \$0 outstanding under the Credit Facility (Term Loan), and we are not exploring renewal of the term loan agreement.

Senior Secured Notes

In December 2023, we issued \$15.7 million in principal amount of senior secured notes in a private offering. These notes were originally due on December 1, 2024, but the maturity date of the notes has been extended to January 1, 2027. The notes were issued with a stated rate of 14% and interest is payable monthly in arrears. At maturity, the full principal amount will be due, along with any accrued unpaid interest. The Company used the \$15.7 million to fund aircraft purchases.

Long-Term Loan Agreement

In connection with the acquisition of a new aircraft in February 2024, the Company entered into a long-term promissory note agreement with a principal amount of \$4.2 million. The note bears a fixed interest rate of 7.25% and has a maturity date five years from the note agreement date.

In March 2024, the Company entered into a long-term promissory note agreement with a principal amount of \$13.9 million. The note bears a fixed interest rate of 9.45% and has a maturity date ten years from the note agreement date.

In April 2024, the Company entered into an amendment of a short-term promissory note agreement, to extend the maturity date to a long-term promissory note maturing in April 2025 with a principal amount of \$7.8 million. The note bears a fixed interest rate of 7.75% and has a maturity date five years from the note amendment.

In May 2024, the Company entered into a long-term promissory note agreement with a principal amount of \$12.6 million. The note bears a fixed interest rate of 8.81% and has a maturity date five years from the note agreement date.

January 2024 Senior Secured Note

On January 26, 2024 (the "Effective Date"), FlyExclusive Jet Share, LLC (the "Borrower"), a wholly-owned indirect subsidiary of the Company, entered into a Senior Secured Note (the "Senior Secured Note") with ETG FE LLC (the "Noteholder"), Kroll Agency Services, Limited, as administrative agent (the "Administrative Agent"), and Kroll Trustee Services, Limited, (the "Collateral Agent").

The Senior Secured Note covers borrowings of an aggregate principal amount of up to approximately \$25.8 million, up to \$25.0 million of which is to finance the purchase or refinancing of aircraft relating to the Company's fractional ownership program (the "Revolving Loan"). The Senior Secured Note originally matured on January 26, 2026, which was extended to January 26, 2028 (the "Maturity Date") pursuant to the First Amendment to the Note (discussed in more detail below), at which time the aggregate outstanding principal amount and all accrued and unpaid interest (including accrued and unpaid fees and expenses) shall be due and payable.

Following the occurrence of any Prepayment Event (as defined in the Senior Secured Note), at the option of the then majority Noteholders, the Borrower shall prepay the outstanding principal amount, all accrued and unpaid interest, and all other amounts in cash necessary to pay the Senior Secured Note in full.

The Senior Secured Note carries an interest rate of 3.00% per annum for the outstanding principal amount on deposit in the cash escrow account and 13.00% per annum for the outstanding principal amount that is withdrawn and released to the Borrower. All accrued

and unpaid interest is due and payable in arrears on the last day of each calendar month (a “Payment Date”), commencing with the last day of the first calendar month following the first borrowing date and continuing until payment in full. On each Payment Date, the Borrower shall make a payment of the outstanding principal amount equal to 1.00% of each advance amount withdrawn from the cash escrow account and released to the Borrower and that has been outstanding for more than thirty days.

On February 16, 2026, the parties to the Senior Secured Note executed the First Amendment to the Senior Secured Note, effective as of January 26, 2026 (the “Amendment”).

The Amendment revised the Applicable Rate of interest to mean either (i) a 15.00% annual rate for any period during which the Outstanding Principal Amount equals or exceeds \$12,500,000, or (ii) a 13.00% annual rate for any period during which the Outstanding Principal Amount is less than \$12,500,000.

Further, the Amendment eliminated the revolving Advance feature of the Senior Secured Note, provided for \$26,542 of certain reimbursable expenses of the Initial Noteholders to be added to the Outstanding Principal amount of the Loans, and revised the amortization to require principal repayments in the amount of \$2,400,000 in consecutive quarterly installments on the last day of each of March, June, September, and December, commencing on June 30, 2026.

March 2024 Non-Convertible Redeemable Preferred Stock

On March 4, 2024 (the “Effective Date” or the “Initial Issue Date”), the Company entered into a Securities Purchase Agreement (the “Agreement”) with EnTrust Emerald (Cayman) LP, a Cayman Islands limited partnership (the “Purchaser”), pursuant to which the Company agreed to issue and sell to the Purchaser 25,000 shares of Series A Non-Convertible Redeemable Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”), at a purchase price of \$1,000 per share and a warrant (the “Warrant”) to purchase shares of the Company’s Class A Common Stock. The transaction closed on the Effective Date and provided the Company approximately \$25 million of capital.

Dividends will be due and payable annually in arrears on March 4 (the “Dividend Payment Date”) by either (A) cash payment or (B) to the extent not declared and paid in cash on the Dividend Payment Date, automatically compounded; provided that, the Company may not declare and pay in cash any dividends prior to the third Dividend Payment Date. On the third Dividend Payment Date, the Company must declare and pay at least 43% of the dividends in cash, and with respect to each subsequent Dividend Payment Date, the Company must pay 100% of the dividends in cash.

After the first-year anniversary of the Initial Issue Date, to the extent not prohibited by law, the Company may elect to redeem all outstanding shares of Series A Preferred Stock, or any portion thereof, for cash at a redemption price per share as detailed in the Series A Certificate of Designation. After the fifth-year anniversary of the Initial Issue Date, each holder of the Series A Preferred Stock may elect to require the Company to redeem all of its outstanding shares of Series A Preferred Stock, or any portion thereof, for cash at a redemption price per share as detailed in the Series A Certificate of Designation. The Series A Certificate of Designation also describes events triggering mandatory redemption of the Series A Preferred Stock, including a Bankruptcy Event or a Change of Control Event, each as defined in the Series A Certificate of Designation.

August 2024 Convertible Preferred Stock

On August 8, 2024 the Company entered into a Securities Purchase Agreement (the “Agreement”) with EnTrust Emerald (Cayman) LP, a Cayman Islands limited partnership (“EnTrust”), and the EGA Sponsor (collectively with EnTrust, the “Purchasers”) (related parties of the Company through its affiliation with the EGA Sponsor), pursuant to which the Company agreed to issue and sell to the Purchasers an aggregate of 25,510 shares of Series B Convertible Preferred Stock, par value \$0.0001 per share (the “Series B Preferred Stock”), and Series B Penny Warrants to purchase, in the aggregate, up to 5,000,000 shares of the Company’s Class A Common Stock. The Company issued 20,408 shares of Series B Preferred Stock and a Series B Penny Warrant to purchase up to 4,000,000 shares of Common Stock to EnTrust on the Initial Closing Date and received gross proceeds of approximately \$20.4 million. Pursuant to and subject to the terms and conditions of the Agreement, on August 14, 2024 (the “Subsequent Closing Date”), the Company (i) issued the remaining 5,102 shares of Series B Preferred Stock and a Warrant to purchase up to 1,000,000 shares of Common Stock to EG Sponsor and received additional gross proceeds of approximately \$5.1 million. All of the shares of Series B Preferred Stock, including those

issued in March 2025 (see below) converted pursuant to its terms into 10,394,088 shares of the Company's Class A Common Stock on December 31, 2025.

March 2025 Series B Preferred Stock and December 2025 Automatic Conversion

On March 21, 2025, the Company and EGA Sponsor entered into a Securities Purchase Agreement whereby they cancelled the EGA Sponsor Note in exchange for 4,227 shares of the Company's Series B Preferred Stock and warrants to purchase up to 1,268,100 shares of the Company's Class A Common Stock. The number of shares of Series B Preferred Stock was determined by dividing the principal and accrued interest outstanding under the December 2023 Promissory Note by \$1,000. There was approximately \$4,227 in principal and accrued interest outstanding under the EGA Sponsor Note, which resulted in the issuance of 4,227 shares of Series B Preferred Stock. The warrants have an exercise price of \$0.01 per share and are exercisable until the fifth anniversary of their issuance.

All outstanding shares of Series B Preferred Stock, including those issued in August 2024 and March 2025, automatically converted into 10,394,088 shares of the Company's Class A Common Stock on December 31, 2025 (the "Automatic Conversion Date") at a conversion price of \$5.00 ("Conversion Price"). As the VWAP on the Trading Day (each as defined in the Series B Certificate of Designation) immediately preceding the Automatic Conversion Date was less than the Conversion Price, the Conversion Rate (as defined in the Series B Certificate of Designation) with respect to each share of Series B Preferred Stock was increased by the requisite number of shares of Class A Common Stock such that the value of the shares of Class A Common Stock issuable in respect of the initial stated value of each share of Series B Preferred Stock equals \$1,000.00.

Leases

We have entered into various lease arrangements for vehicles, hangars, office space, and aircraft. In addition to leases of aircraft, we are obligated to pay into aircraft reserve programs.

The duration of our leases varies from two to thirty years. Our vehicle leases are typically month-to-month and are classified as short-term leases.

See Note 15 "Leases" to our financial statements included elsewhere in this Report for further detail of our lease arrangements.

Short-Term Expenditures

We currently anticipate that cash required for expenditures for the 12 months after the date of this Report is approximately \$146.6 million, which includes accounts payable of \$40.4 million, other current liabilities of \$33.9 million, short-term notes payable of \$6.9 million, long-term notes payable - related party, current portion of \$19.5 million, long-term notes payable, current portion of \$24.4 million, and non-cancellable lease payments of \$21.5 million. We plan to refinance contractual principal payments that comprise the short-term debt liability as they become due. As stated above, we have maintained a positive relationship with our debtholders and have not historically had any difficulty refinancing our debt obligations. Based on our historical experience and the fact that we have not suffered any decline in creditworthiness, we expect that our cash on hand and cash earnings will enable us to secure the necessary refinancing. The accounts payable, accrued expenses, and lease liabilities will be settled using a combination of cash generated by operations and incremental borrowing activity, if necessary.

Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in Item 1A, "Risk Factors — Risks Related to Our Business and Industry," as described in our Annual Report on Form 10-K for the year ended December 31, 2025.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash (used in) provided by:		
Operating activities	\$ 2,129	\$ (10,101)
Investing activities	(17,800)	81,949
Financing activities	567	(87,723)
Net increase (decrease) in cash and cash equivalents	\$ (15,104)	\$ (15,875)

Net cash flows from operating activities

Net cash provided by operating activities for the six months ended June 30, 2026 was \$2.1 million, resulting from our net loss of \$24.8 million, adjusted for \$11.4 million of depreciation and amortization, \$0.9 million in non-cash interest expense, \$9.9 million in non-cash rent expense, \$1.5 million loss on aircraft sales and aircraft held for sale, \$3.3 million of stock based compensation, and a \$0.7 million increase from net changes in operating assets and liabilities, partially offset by \$1.4 million change in the fair value of warrant liabilities. The \$0.7 million inflow from operating assets and liabilities is primarily due to a \$9.8 million increase in accounts payable, a \$8.6 million increase in other non-current liabilities, and a \$3.3 million decrease in notes receivable - related parties, partially offset by a \$9.8 million decrease in operating lease liabilities, \$2.9 decrease in deferred revenue, a \$2.6 million decrease in other current liabilities, \$2.1 million increase in accounts receivable, and \$1.4 million increase in parts and supplies inventory.

Net cash used in operating activities for the six months ended June 30, 2025 was \$10.1 million, resulting from our net loss of \$39.2 million, \$12.0 million of depreciation and amortization, \$1.7 million in non-cash interest expense, \$11.2 million in non-cash rent expense, \$4.2 million loss on extinguishment of debt, \$2.0 million of stock based compensation and \$0.6 million decrease from net changes in operating assets and liabilities, partially offset by \$1.2 million gain on assets held for sale, \$0.3 million change in the fair value of private placement warrant liability, \$0.2 million change in the fair value of public warrant liability and \$0.3 million change in the fair value of penny warrant liability. The \$0.6 million outflow from operating assets and liabilities is primarily due to a \$0.7 million decrease from accounts receivable, \$0.8 million decrease from other receivables, \$0.7 million decrease in parts and supplies inventory, \$2.5 million decrease from prepaid and other current assets, a \$11.0 million decrease from operating lease liabilities, and \$5.2 million decrease from deferred revenue, partially offset by a \$1.4 million increase in amounts due from related parties, \$12.0 million increase from accounts payable and \$6.4 million increase in other non-current liabilities.

Net cash flows from investing activities

Net cash used in investing activities for the six months ended June 30, 2026 was \$17.8 million, primarily due to purchases of property and equipment of \$19.1 million, purchases of engine overhauls of \$14.1 million, and purchases of investments of \$4.9 million, partially offset by proceeds from the sale of property and equipment of \$15.8 million, and proceeds from the sale of investments of \$4.9 million.

Net cash provided by investing activities for the six months ended June 30, 2025 was \$81.9 million, primarily due to proceeds from the sale of property and equipment of \$31.5 million, and proceeds from the sale of investments of \$80.0 million. Partially offsetting the increase in net cash provided by investing activities were purchases of property and equipment of \$4.1 million, purchases of engine overhauls of \$9.6 million, and purchases of investments of \$15.5 million.

Net cash flows from financing activities

Net cash provided by financing activities for the six months ended June 30, 2026 was \$0.6 million, resulting primarily from proceeds from the issuance of common stock of \$20.7 million, proceeds from the issuance of debt of \$13.7 million, and proceeds from the failed sale-leaseback of aircraft of \$4.7 million. Partially offsetting the increase in net cash used in financing activities was repayment of debt of \$29.7 million, net cash distributions to noncontrolling interests of \$4.1 million, principal payments of finance leases of \$2.9 million and payment of debt issuance costs of \$1.9 million.

Net cash used in financing activities for the six months ended June 30, 2025 was \$87.7 million, resulting primarily from repayment of debt of \$79.4 million and net cash distributions to noncontrolling interests of \$16.6 million. Partially offsetting the decrease in net cash used in financing activities was proceeds from the issuance of preferred equity of \$5.8 million and proceeds from the issuance of debt of \$3.5 million.

Contractual Obligations, Commitments and Contingencies

Our principal commitments consist of contractual cash obligations under our borrowings with banks, and operating leases for certain controlled aircraft, corporate headquarters, and operational facilities, including aircraft hangars. Our obligations under our borrowing arrangements are described in Note 14 "Debt" and for further information on our leases, see Note 15 "Leases" of the accompanying condensed consolidated financial statements (unaudited) included elsewhere in this Report.

From time to time, we are involved in various litigation matters arising in the ordinary course of business. We believe that we have meritorious arguments in our current litigation matters and that any outcome, either individually or in the aggregate, will not be material to our financial position or results of operations.

Critical Accounting Policies and Estimates

There were no significant changes to the Company's critical accounting policies during the six months ended June 30, 2026 as compared with those disclosed within Part II, Item 7 — "Management's Discussion and Analysis of Financial Conditions and Results of Operations - Critical Accounting Policies and Estimates" included in our Annual Report on Form 10-K for the year ended December 31, 2025, aside from those included below:

Public Warrants, Private Warrants and Penny Warrants

As of June 30, 2026, the Company has the following warrants issued, (i) the Public Warrants initially included in the EGA units issued in EGA's initial public offering, (ii) the warrants of EGA held by EG Sponsor LLC (the "EGA Sponsor") that were issued to the EGA Sponsor at the closing of EGA's initial public offering (the "Private Placement Warrants,"), (iii) warrants issued on March 4, 2024 in connection with the Series A Preferred Stock offering as described within Note 22 "Stockholders' Equity (Deficit), Temporary Equity and Noncontrolling Interests" (the "Series A Penny Warrants"), and (iv) warrants issued on August 8, 2024, August 14, 2024, and March 21, 2025 in connection with the August 2024 and March 2025 Series B Preferred Stock offerings and the March 2025 note conversion as described within Note 22 "Stockholders' Equity (Deficit), Temporary Equity and Noncontrolling Interests" (the "Series B Penny Warrants," together with the Series A Penny Warrants, the "Penny Warrants," and together with the Public Warrants, the Private Placement Warrants and the Series A Penny Warrants, the "Warrants").

The Company determines the accounting classification of the Warrants as either liability or equity by first assessing whether the Warrants meet liability classification in accordance with ASC 480, Distinguishing Liabilities from Equity ("ASC 480"). Under ASC 480, a financial instrument that embodies an unconditional obligation, or a financial instrument other than an outstanding share that embodies a conditional obligation, that the issuer must or may settle by issuing a variable number of its equity shares must be classified as a liability (or an asset in some circumstances) if, at inception, the monetary value of the obligation is based solely or predominantly on any one of the following: (a) a fixed monetary amount known at inception; (b) variations in something other than the fair value of the issuer's equity shares; or (c) variations inversely related to changes in the fair value of the issuer's equity shares. The Company determined that the Warrants should not be classified as liabilities under ASC 480.

If financial instruments, such as the Warrants, are not required to be classified as liabilities under ASC 480, the Company assesses whether such instruments are indexed to the Company's own stock under ASC 815-40. For an instrument to be considered indexed to an entity's own stock, its settlement amount must always equal the difference between the following: (a) the fair value of a fixed number of the Company's equity shares, and (b) a fixed monetary amount or a fixed amount of a debt instrument issued by the Company. As there are scenarios where the settlement amount would not equal the difference between the fair value of a fixed number of shares and a fixed monetary amount (or a fixed amount of a debt instrument), the Company determined that the Series A Penny Warrants, the Public Warrants, and the Private Placement Warrants were not indexed to the Company's own stock and therefore they must be classified as liabilities. The Company also determined that the Series A Penny Warrants, the Public Warrants, and the Private Placement Warrants met all criteria to meet the definition of a derivative under ASC 815-10-15-83. For the Series B Penny Warrants, the Company determined that they were indexed to the Company's own stock and would be settled in shares of the Company's Class A Common Stock at an explicit share limit. As such, the Company concluded that the Series B Penny Warrants must be classified as permanent equity, and that the Series B Penny Warrants are not subject to remeasurement at each reporting date.

The Company recorded the Series A Penny Warrants, the Public Warrants, and the Private Placement Warrants as liabilities on the condensed consolidated balance sheets (unaudited) at fair value, with subsequent changes in the fair value recognized in the condensed consolidated statements of operations and comprehensive loss (unaudited) at each reporting date.

Temporary Equity

The Company accounts for its common and preferred stock subject to possible redemption in accordance with the guidance in ASC 480. Common and preferred stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable common and preferred stock (including common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. Our Series A Preferred Stock and Series B Preferred Stock (as defined within Note 22 "Stockholders' Equity (Deficit), Temporary Equity and Noncontrolling Interests") feature certain redemption rights that are considered to be outside of our control and subject to the occurrence of uncertain future events. All shares of our Series B Preferred Stock converted into shares of our Class A Common Stock on December 31, 2025. Accordingly, 25,000 shares of Series A Preferred Stock and 0 shares of Series B Preferred Stock subject to possible redemption are presented at redemption value as temporary equity, outside of the stockholders' equity section of our balance sheet at June 30, 2026.

(Gain) Loss on Aircraft Sales and Aircraft Held for Sale

The Company occasionally sells aircraft held for use from its fleet. The (gain) or loss from each transaction is recognized upon completion of the sale as a (gain) or loss on aircraft sales which is presented within the (gain) loss on aircraft sales and aircraft held for sale on the condensed consolidated statements of operations and comprehensive loss (unaudited).

The (gain) or loss on aircraft previously held for use as property and equipment and subsequently elected to actively market for sale is presented within the (gain) loss on aircraft sales and aircraft held for sale on the condensed consolidated statements of operations and comprehensive loss (unaudited). When a decision is made to actively market for sale, depreciation is discontinued, and aircraft held for sale is recorded at the lower of carrying value and fair value less costs to sell. We presented aircraft assets held for sale at the lower of their current carrying value or their fair market value less costs to sell. The fair values are based upon observable and unobservable inputs, including market trends and conditions. The assumptions used to determine the fair value of the assets held for sale are subject to inherent uncertainty and could produce a wide range of outcomes which the Company will continue to monitor in future periods as new information becomes available. Prior to the ultimate sale of the assets, subsequent changes in the estimate of the fair value of the assets held for sale will be recorded as a (gain) or loss with a corresponding adjustment to the assets' carrying value. Impairment is included within gain (loss) on aircraft sales and aircraft held for sale within the loss from operations on the Company's condensed consolidated statements of operations and comprehensive loss.

Recently Issued/Adopted Accounting Standards

Refer to the sections titled "Recently Adopted Accounting Pronouncements" and "Recently Issued Accounting Standards Not Yet Adopted" in Note 2 "Summary of Significant Accounting Policies" of the notes to condensed consolidated financial statements (unaudited) included in this Report.

JOBS Act Accounting Election

In April 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an "emerging growth company." We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our audited financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

We have chosen to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company" we are not required to, among other things, (i) provide an auditor's attestation report on our system of internal control over financial reporting pursuant to Section 404 of SOX, (ii) provide all of

the compensation disclosure that may be required of non-emerging growth public companies, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (United States) regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the consolidated financial statements (auditor discussion and analysis), and (iv) disclose certain executive compensation-related items, such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation. We may remain an "emerging growth company" until the last day of the fiscal year following the fifth anniversary of the completion of our IPO, which will be December 31, 2026. However, if certain events occur prior to the end of such five-year period, including if we become a "large accelerated filer," our annual gross revenue equals or exceeds \$1.235 billion, or we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an "emerging growth company" prior to the end of such five-year period.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the ordinary course of operating our business, we are exposed to market risks. Market risk represents the risk of loss that may impact our financial position or results of operations due to adverse changes in financial market prices and rates. Our principal market risks are related to interest rates and aircraft fuel costs. There have not been any material changes to the market risks described in Part II, Item 7A — “Quantitative and Qualitative Disclosures About Market Risk” included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company’s management, with the participation of its principal executive officer and principal financial officer, evaluated the effectiveness of its disclosure controls and procedures as of June 30, 2026. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the rules and forms promulgated by the Securities and Exchange Commission (the “SEC”). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on their evaluation, we concluded that, at the end of the period covered by this Report, our disclosure controls and procedures were not effective due to material weaknesses in the Company’s internal control over financial reporting as described in our Annual Report on Form 10-K for the year ended December 31, 2025.

Changes in Internal Control Over Financial Reporting

Except for the continuing remediation efforts previously reported in Part II, Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2025, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f)) that occurred during the quarter ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Please see Note 21 "Commitments and Contingencies" to our condensed consolidated financial statements included elsewhere in this Report for a description of legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the Company's risk factors as disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Issuer Purchases of Equity Securities

We did not make any purchases of our common stock during the three months ended June 30, 2026, which is the second quarter of our fiscal year.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Insider Trading Arrangements - During the quarter ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

EXHIBIT NO.	DESCRIPTION	FILED HEREWITH	FORM	EXHIBIT	FILING DATE
10.1	<u>Amendment No. 5 dated July 13, 2026, to Amended and Restated Agreement and Plan of Merger and Reorganization, dated May 6, 2025, by and among flyExclusive, Inc., FlyX MergerSub, Jet.AI Inc. and Jet.AI SpinCo, Inc.</u>		8-K	10.1	7/14/2026
31.1	<u>Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X			
31.2	<u>Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X			
32.1	<u>Certification of the Chief Executive Officer and the President and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	X			
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, were formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Loss, (iii) Condensed Consolidated Statements of Stockholders' Equity (Deficit) and Temporary Equity , (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X			
104	Cover page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL.	X			

* Certain information, schedules and exhibits to this Exhibit have been omitted pursuant to Item 601(a)(5) or Item 601(b)(10)(iv), as applicable, of Regulation S-K. The Registrant agrees to furnish supplemental copies of all omitted exhibits and schedules to the Securities and Exchange Commission upon its request

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FLYEXCLUSIVE, INC.

Dated: August 12, 2026

By: /s/ Thomas James Segrave, Jr.
Name: Thomas James Segrave, Jr.
Title: Chief Executive Officer and Chairman

Dated: August 12, 2026

By: /s/ Brad G. Garner
Name: Brad G. Garner
Title: Chief Financial Officer

Dated: August 12, 2026

By: /s/ Zachary M. Nichols
Name: Zachary M. Nichols
Title: Chief Accounting Officer

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Thomas James Segrave, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of flyExclusive, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 12, 2026

By: /s/ Thomas James Segrave, Jr.

Thomas James Segrave, Jr.
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Brad G. Garner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of flyExclusive, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 12, 2026

By: /s/ Brad G. Garner
Brad G. Garner
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER AND THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of flyExclusive, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Thomas James Segrave, Jr., Chief Executive Officer of the Company, and Brad G. Garner, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2026

By: /s/ Thomas James Segrave, Jr.
Thomas James Segrave, Jr.

Chief Executive Officer

(Principal Executive Officer)

By: /s/ Brad G. Garner
Brad G. Garner
Chief Financial Officer
(Principal Financial Officer)
