UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[Mark One]

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

For the quarterly period ended September 30, 2024

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: 001-41759

Surf Air Mobility Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	4522	36-5025592
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

12111 S. Crenshaw Blvd.
Hawthorne, CA 90250
(424) 332-5480

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.0001 par value per share	SRFM	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 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.

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 Exchange Act). Yes ☐ No ☒

As of November 8, 2024, 15,508,391 shares of common stock, $0.0001 par value per share, were outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements, including statements regarding the Company's future results of operations and financial position, business strategy and plans and objectives of management for future operations are forward-looking statements. Forward-looking statements may be identified by the use of words such as "estimate", "plan", "project", "forecast", "intend", "will", "expect", "anticipate", "believe", "seek", "target", "designed to" or other similar expressions that predict or indicate future events or trends, although the absence of these words does not mean that a statement is not forward-looking. The Company cautions readers of this Quarterly Report on Form 10-Q that these forward-looking statements are subject to risks and uncertainties, most of which are difficult to predict and many of which are beyond the Company's control, that could cause the actual results and outcomes, and the timing of actual results and outcomes, to differ materially from the expected results. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of financial and performance metrics, projections of market opportunity and market share, potential benefits and the commercial attractiveness to its customers of the Company's products and services, the Company's dependence on third-party partnerships in the development of fully-electric and hybrid-electric powertrains, and the potential success of the Company's marketing and expansion strategies. These statements are based on various assumptions, whether or not identified in this Quarterly Report on Form 10-Q, and on the current expectations of the Company's management, and are not predictions of actual results and outcomes. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied upon, by any investor as a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. These forward-looking statements are subject to a number of risks and uncertainties, including:

- the Company's future ability to pay contractual obligations and liquidity, which will depend on operating performance, cash flow and ability to secure adequate financing;
- the Company's ability to meet the requirements of its term loan credit facility or other debt obligations;
- the Company's limited operating history and that the Company has not yet manufactured any fully-electric or hybrid-electric aircraft;
- the powertrain technology the Company plans to develop does not yet exist and remains subject to approval by regulators;
- the Company's ability to maintain and strengthen the Company's brand and its reputation as a regional airline;
- any accidents or incidents involving aircraft including those involving fully-electric or hybrid-electric aircraft;
- the Company's ability to accurately forecast demand for products and manage product inventory in an effective and efficient manner;
- the dependence on third-party partners and suppliers for the components and collaboration in the Company's development of fully-electric and hybrid-electric powertrains, software technology platforms, and other products and services, and any interruptions, disagreements or delays with those partners and suppliers;
- the Company's ability to execute business objectives and growth strategies successfully or sustain the Company's growth;
- risks from the integration of business acquisitions that could adversely affect the Company's business, divert the attention of management, and dilute shareholder value;
- increased costs as a result of operating as a public company, and the requirement that management devote substantial time to comply with the Company's public company responsibilities and corporate governance practices;
- the ability of the Company's customers and potential customers to pay for the Company's services;
- the Company's ability to obtain additional financing or access the capital markets to fund its ongoing operations on acceptable terms and conditions;
- the outcome of any legal proceedings that might be instituted against the Company; and
- risks associated with the Company's ability to comply with applicable laws, government regulations and rules and standards of the New York Stock Exchange as well as with changes in applicable laws or regulations, and the impact of the regulatory environment.

All forward-looking statements included herein attributable to the Company or any person acting on any party's behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, the Company undertakes no obligations to update these forward-looking statements for any reason, including to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect the occurrence of unanticipated events.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Surf Air Mobility Inc.
Unaudited Condensed Consolidated Balance Sheets
September 30, 2024 and December 31, 2023
(in thousands, except share and per share data)
(Unaudited)

	September 30, 2024	December 31, 2023
Assets:		
Current assets:		
Cash	$ 506	$ 1,720
Accounts receivable, net	4,360	4,965
Prepaid expenses and other current assets	9,310	11,051
Total current assets	14,176	17,736
Restricted cash	616	711
Property and equipment, net	44,005	45,991
Intangible assets, net	24,004	26,663
Operating lease right-of-use assets	8,767	12,818
Finance lease right-of-use assets	1,194	1,343
Other assets	5,117	5,727
Total assets	$ 97,879	$ 110,989
Liabilities and Shareholders' Deficit:		
Current liabilities:		
Accounts payable	$ 26,791	$ 18,854
Accrued expenses and other current liabilities	72,863	59,582
Deferred revenue	14,685	19,011
Current maturities of long-term debt	4,822	5,177
Operating lease liabilities, current	3,707	4,104
Finance lease liabilities, current	259	215
SAFE notes at fair value, current	22	25
Convertible notes at fair value, current	—	7,715
Due to related parties, current	9,953	25,431
Total current liabilities	133,102	140,114
Long-term debt, net of current maturities	17,707	20,617
Convertible notes at fair value, non-current	8,036	—
Operating lease liabilities, long term	3,215	5,507
Finance lease liabilities, long term	1,013	1,137
Due to related parties, long term	48,997	1,673
Other long-term liabilities	21,419	19,426
Total liabilities	$ 233,489	$ 188,474
Commitments and contingencies (Note 12)		
Shareholders' deficit:		
Common stock, $0.0001 par value; 800,000,000 shares authorized as of both September 30, 2024 and December 31, 2023; 13,489,712 shares issued and outstanding as of September 30, 2024 and 10,878,633 shares issued and outstanding as of December 31, 2023	$ 1	$ 1
Additional paid-in capital	543,097	525,049
Accumulated deficit	(678,708)	(602,535)
Total shareholders' deficit	$ (135,610)	$ (77,485)
Total liabilities and shareholders' deficit	$ 97,879	$ 110,989

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

Surf Air Mobility Inc.
Unaudited Condensed Consolidated Statements of Operations
Three and Nine Months Ended September 30, 2024 and 2023
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Revenue	$ 28,386	$ 21,967	$ 91,376	$ 33,669
Operating expenses:				
Cost of revenue, exclusive of depreciation and amortization	27,496	20,610	83,714	34,309
Technology and development	5,710	2,877	18,377	4,506
Sales and marketing	1,282	4,529	6,869	7,850
General and administrative	415	55,618	44,620	73,354
Depreciation and amortization	2,121	1,356	6,161	1,875
Total operating expenses	37,024	84,990	159,741	121,894
Operating loss	$ (8,638)	$ (63,023)	$ (68,365)	$ (88,225)
Other income (expense):				
Changes in fair value of financial instruments carried at fair value, net	$ (1,249)	$ (10,926)	$ (1,918)	$ (49,426)
Interest expense	(2,087)	(935)	(5,669)	(1,632)
Gain (loss) on extinguishment of debt	—	63	—	(326)
Other expense	(265)	(3,359)	(316)	(3,664)
Total other income (expense), net	$ (3,601)	$ (15,157)	$ (7,903)	$ (55,048)
Loss before income taxes	(12,239)	(78,180)	(76,268)	(143,273)
Income tax benefit	14	3,571	95	3,571
Net loss	$ (12,225)	$ (74,609)	$ (76,173)	$ (139,702)
Net loss per share applicable to common shareholders, basic and diluted	$ (0.94)	$ (9.55)	$ (6.40)	$ (35.21)
Weighted-average number of common shares used in net loss per share applicable to common shareholders, basic and diluted	12,970,898	7,813,573	11,908,406	3,967,882

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

Surf Air Mobility Inc.
Unaudited Condensed Consolidated Statement of Changes in Redeemable Convertible Preferred Shares and Shareholders' Deficit
Three and Nine Months Ended September 30, 2024 and 2023
(in thousands, except share data)
(Unaudited)

	Redeemable Convertible Preferred Shares		Stockholders' Equity (Deficit)						
			Class B-6s Convertible Preferred Shares		Common Stock				
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Deficit
Balance at June 30, 2024	—	$ —	—	$ —	12,432,775	$ 1	$ 538,392	$ (666,483)	$ (128,090)
Issuance of common stock related to restricted shares	—	—	—	—	154,452	—	—	—	—
Issuance of common shares under Share Purchase Agreement	—	—	—	—	1,353,721	—	2,870	—	2,870
Shares received as consideration for Mandatory Convertible Security	—	—	—	—	(900,000)	—	(1,796)	—	(1,796)
Conversion of Mandatory Convertible Security to common shares	—	—	—	—	448,764	—	910	—	910
Stock-based compensation expense	—	—	—	—	—	—	2,721	—	2,721
Net loss	—	—	—	—	—	—	—	(12,225)	(12,225)
Balance at September 30, 2024	—	$ —	—	$ —	13,489,712	$ 1	$ 543,097	$ (678,708)	$ (135,610)

	Redeemable Convertible Preferred Shares		Stockholders' Equity (Deficit)						
			Class B-6s Convertible Preferred Shares		Common Stock				
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance at June 30, 2023	234,856,003	$ 133,667	83,819,163	$ 8,889	1,916,832	$ —	$ 128,708	$ (416,932)	$ (279,335)
Exercise of warrants	—	—	—	—	543,211	—	128	—	128
Exercise of stock options	—	—	—	—	19,242	—	161	—	161
Conversion of convertible notes to Class B-5 redeemable convertible preferred shares	8,282,432	3,253	—	—	—	—	—	—	—
Conversion of convertible notes to Class B-6a redeemable convertible preferred shares	1,385,905	543	—	—	—	—	—	—	—
Conversion of convertible notes to Class B-6s redeemable convertible preferred shares	—	—	23,560,301	10,494	—	—	—	—	10,494
Conversion of redeemable convertible preferred shares to common shares	(244,524,340)	(137,463)	—	—	1,559,456	—	137,463	—	137,463
Conversion of class B-6s convertible preferred shares to common shares	—	—	(107,379,464)	(19,383)	684,814	—	19,383	—	—
Issuance of common stock related to restricted shares	—	—	—	—	37,203	—	—	—	—
Issuance of common shares to settle SAFEs	—	—	—	—	2,480,765	1	86,826	—	86,827
Issuance of common stock for business acquisition	—	—	—	—	2,321,423	—	81,250	—	81,250
Issuance of common stock related to contract termination	—	—	—	—	90,714	—	3,175	—	3,175
Issuance of common stock in settlement of advisor accrual	—	—	—	—	2,142	—	75	—	75
Issuance of common shares under GEM Purchase	—	—	—	—	142,857	—	25,000	—	25,000
Issuance of common shares under Share Purchase Agreement	—	—	—	—	757,142	—	13,020	—	13,020
Shares repurchased for employee tax withholding	—	—	—	—	(57,666)	—	(1,273)	—	(1,273)
Share-based compensation expense	—	—	—	—	—	—	25,922	—	25,922
Net loss	—	—	—	—	—	—	—	(74,609)	(74,609)
Balance at September 30, 2023	—	$ —	—	$ —	10,498,135	$ 1	$ 519,838	$ (491,541)	$ 28,298

	Redeemable Convertible Preferred Shares		Stockholders' Equity (Deficit)						
			Class B-6s Convertible Preferred Shares		Common Stock				
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' (Deficit)/Equity
Balance at December 31, 2023	—	$ —	—	$ —	10,878,633	$ 1	$ 525,049	$ (602,535)	$ (77,485)
Issuance of common stock related to restricted shares					215,436	—	—	—	—
Issuance of common stock related to stock option exercises	—	—	—	—	278	—	1	—	1
Issuance of common stock under software license agreement	—	—	—	—	1,272,687	—	6,000	—	6,000
Issuance of common stock under marketing agreement	—	—	—	—	26,144	—	187	—	187
Issuance of common shares under Share Purchase Agreement	—	—	—	—	1,547,770	—	4,326	—	4,326
Shares received as consideration for Mandatory Convertible Security	—	—	—	—	(900,000)	—	(1,796)	—	(1,796)
Conversion of Mandatory Convertible Security to common shares	—	—	—	—	448,764	—	910	—	910
Stock-based compensation expense	—	—	—	—	—	—	8,420	—	8,420
Net loss	—	—	—	—	—	—	—	(76,173)	(76,173)
Balance at September 30, 2024	—	$ —	—	$ —	13,489,712	$ 1	$ 543,097	$ (678,708)	$ (135,610)

	Redeemable Convertible Preferred Shares		Stockholders' Equity (Deficit)						
			Class B-6s Convertible Preferred Shares		Common Stock				
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Deficit
Balance at December 31, 2022	229,144,283	$ 130,667	71,478,742	$ 3,414	1,783,919	$ —	$ 126,336	$ (351,839)	$ (222,089)
Issuance of Class B-6a redeemable convertible preferred shares	5,711,720	3,000	—	—	—	—	—	—	—
Conversion of debt to Class B-6s convertible preferred shares	—	—	486,402	202	—	—	—	—	202
Conversion of related party promissory note to Class B-6s convertible preferred shares	—	—	9,932,241	4,418	—	—	842	—	5,260
Exercise of warrants	—	—	—	—	672,509	—	128	—	128
Issuance of related party SAFEs	—	—	—	—	—	—	(444)	—	(444)
Exercise of stock options	—	—	—	—	22,857	—	191	—	191
Issuance of Class B-6s to service providers	—	—	1,921,778	855	—	—	—	—	855
Conversion of convertible notes to Class B-5 redeemable convertible preferred shares	8,282,432	3,253	—	—	—	—	—	—	—
Conversion of convertible notes to Class B-6a redeemable convertible preferred shares	1,385,905	543	—	—	—	—	—	—	—
Conversion of convertible notes to Class B-6s redeemable convertible preferred shares	—	—	23,560,301	10,494	—	—	—	—	10,494
Conversion of redeemable convertible preferred shares to common shares	(244,524,340)	(137,463)	—	—	1,559,456	—	137,463	—	137,463
Conversion of class B-6s convertible preferred shares to common shares	—	—	(107,379,464)	(19,383)	684,814	—	19,383	—	—
Issuance of common stock related to restricted shares	—	—	—	—	37,203	—	—	—	—
Issuance of common shares to settle SAFEs	—	—	—	—	2,480,765	1	86,826	—	86,827
Issuance of common stock for business acquisition	—	—	—	—	2,321,423	—	81,250	—	81,250
Issuance of common stock related to contract termination	—	—	—	—	90,714	—	3,175	—	3,175
Issuance of common stock in settlement of advisor accrual	—	—	—	—	2,142	—	75	—	75
Issuance of common shares under GEM Purchase	—	—	—	—	142,857	—	25,000	—	25,000
Issuance of common shares under Share Purchase Agreement	—	—	—	—	757,142	—	13,020	—	13,020
Shares repurchased for employee tax withholding	—	—	—	—	(57,666)	—	(1,273)	—	(1,273)
Share-based compensation expense	—	—	—	—	—	—	27,866	—	27,866
Net loss	—	—	—	—	—	—	—	(139,702)	(139,702)
Balance at September 30, 2023	—	$ —	—	$ —	10,498,135	$ 1	$ 519,838	$ (491,541)	$ 28,298

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

Surf Air Mobility Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2024 and 2023
(in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Cash flows from operating activities:		
Net loss	$ (76,173)	$ (139,702)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,161	1,875
Loss on extinguishment of debt	—	326
Gain on sale of property and equipment	(187)	—
Non-cash operating lease expense	4,184	757
Stock-based compensation expense	14,643	35,388
Changes in fair value of financial instruments carried at fair value, net	1,918	49,426
Amortization of debt discounts and debt issuance costs	137	48
Deferred income taxes	(95)	(3,571)
Changes in operating assets and liabilities:		
Accounts receivable, net	605	399
Prepaid expenses and other current assets	1,308	(6,315)
Other assets	610	(671)
Accounts payable	13,575	1,488
Due to a related party	2,548	(525)
Accrued expenses and other current liabilities	8,442	14,972
Deferred revenue	(4,311)	1,634
Operating lease liabilities	(4,086)	(571)
Other liabilities	(21)	(33)
Cash flows used in operating activities	$ (30,742)	$ (45,075)
Cash flows from investing activities:		
Purchase of property and equipment	(2,673)	(11,653)
Net cash received from Southern Acquisition	—	678
Internal-use software development costs	(1,792)	(148)
Net cash used in investing activities	$ (4,465)	$ (11,123)
Cash flows from financing activities:		
Payments of borrowings on convertible notes	—	(40)
Principal payments on long-term debt	(2,331)	(586)
Proceeds from borrowings of SAFE notes	—	3,716
Proceeds from advances under Share Purchase Agreement	3,894	4,500
Proceeds from collateralized borrowings, net of repayment	2,847	(33)
Proceeds from borrowings on convertible notes	—	8,000
Proceeds from borrowings from related parties	29,662	16,477
Payments of borrowings from related parties	—	(114)
Proceeds from the issuance of Class B-6a redeemable convertible preferred shares	—	3,000
Proceeds from sale of common stock	—	25,000
Common stock repurchases for employee tax withholding	—	(1,273)
Common stock issued for contract termination	—	3,175
Proceeds from the exercise of ordinary warrants	—	128
Proceeds from exercise of stock options	1	191
Payment of finance lease obligations	(175)	(30)
Net cash provided by financing activities	$ 33,898	$ 62,111
Increase (decrease) in cash, cash equivalents and restricted cash	(1,309)	5,913
Cash, cash equivalents and restricted cash at beginning of period	2,431	912
Cash, cash equivalents and restricted cash at end of period	$ 1,122	$ 6,825

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

Surf Air Mobility Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Description of Business

Organization

Surf Air Mobility Inc. (the "Company"), a Delaware corporation, is building a regional air mobility ecosystem that will aim to sustainably connect the world's communities. The Company intends to accelerate the adoption of green flying by developing, together with its commercial partners, fully-electric and hybrid-electric powertrain technology to upgrade existing fleets, and by creating a financing and services infrastructure to enable this transition on an industry-wide level.

Surf Air Global Limited ("Surf Air") is a British Virgin Islands holding company and was formed on August 15, 2016. Surf Air is a technology-enabled regional air travel network, offering daily scheduled flights and on-demand charter flights. Its customers consist of regional business and leisure travelers. Headquartered in Hawthorne, California, Surf Air commenced flight operations in June 2013.

Internal Reorganization

On July 21, 2023, SAGL Merger Sub Inc., a wholly-owned subsidiary of the Company, was merged with and into Surf Air, after which Surf Air became a wholly-owned subsidiary of the Company (the "Internal Reorganization").

Pursuant to the Internal Reorganization, all ordinary shares of Surf Air outstanding as of immediately prior to the closing, were canceled in exchange for the right to receive shares of the Company's common stock and all rights to receive ordinary shares of Surf Air (after giving effect to the conversions) were exchanged for shares of the Company's common stock (or warrants, options or RSUs to acquire the Company's common stock, as applicable) at a ratio of 22.4 Surf Air shares to 1 share of the Company's common stock. Such conversions, as they relate to the ordinary shares of Surf Air, and all rights to receive ordinary shares, have been reflected as of all periods presented herein.

On July 27, 2023, the Company's common stock was listed for trading on the New York Stock Exchange ("NYSE").

As the Internal Reorganization took place on July 21, 2023, the consolidated financial statements reflect the financial position, results of operations and cash flows of Surf Air, the predecessor to the Company, for all periods prior to July 21, 2023. Following the Internal Reorganization, the financial position, results of operations and cash flows are those of the Company.

Reverse Stock Split

On August 16, 2024, the Company effected a seven-for-one reverse stock split for all shares of the Company's common stock issued and outstanding. As a result of the reverse stock split, every seven shares of the Company's old common stock were converted into one share of the Company's new common stock. Fractional shares resulting from the reverse stock split were settled by cash payment.

Options, and other like awards, to purchase the Company's common stock were also adjusted in accordance with their terms to reflect the reverse stock split.

Adjustments resulting from the reverse stock split have been retroactively reflected as of all periods presented herein.

Southern Acquisition

On July 27, 2023 (the "Acquisition Date"), immediately prior to the Company's listing on the NYSE and after the consummation of the Internal Reorganization, the Company effected the acquisition of all equity interests of Southern Airways Corporation ("Southern"), whereby a wholly-owned subsidiary of the Company merged with and into Southern, after which Southern became a wholly-owned subsidiary of the Company (the "Southern Acquisition"). Pursuant to the Southern Acquisition, Southern stockholders were to receive 2,321,429 shares of the Company's common stock, which was based on the aggregate merger consideration of $81.25 million at the $35.00 per share opening price on the first day of listing of the Company's common stock. In total, 2,321,423 shares of Company common stock were issued to former Southern shareholders while the remaining amount was paid out in cash in lieu of fractional shares to those shareholders on a pro rata basis.

Southern Airways Corporation is a Delaware corporation that was founded on April 5, 2013, and together with its wholly-owned subsidiaries Southern Airways Express, LLC, Southern Airways Pacific, LLC, Southern Airways Autos, LLC, and Multi-Aero Inc. is referred to hereafter collectively as "Southern." Southern is a scheduled service commuter airline serving cities across the United States that is headquartered in Palm Beach, Florida and commenced flight operations in June 2013. It is a certified Part 135 operator which operates a fleet of over 50 aircraft, including the Cessna Caravan, the Cessna Grand Caravan, the Saab 340, the Pilatus PC-12, and the Tecnam Traveller. Southern provides both seasonal and full-year scheduled passenger air transportation service in the Mid-Atlantic and Gulf regions, Rockies and West Coast, and Hawaii, with select routes subsidized by the United States Department of Transportation ("U.S. DOT") under the Essential Air Service ("EAS") program.

Following the Southern Acquisition, the Company operates a combined regional airline network servicing U.S. cities across the Mid-Atlantic, Gulf South, Midwest, Rocky Mountains, West Coast, New England and Hawaii.

Liquidity and Going Concern

The Company has incurred losses from operations, negative cash flows from operating activities and has a working capital deficit. In addition, the Company is currently in default of certain excise and property taxes as well as certain debt obligations. These tax and debt obligations are classified as current liabilities on the Company's Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023. As discussed in Note 12, *Commitments and Contingencies*, on May 15, 2018, the Company received a notice of a tax lien filing from the Internal Revenue Service ("IRS") for unpaid federal excise taxes for the quarterly periods beginning October 2016 through September 2017 in the amount of $1.9 million, including penalties and interest as of the date of the notice. The Company agreed to a payment plan (the "Installment Plan") whereby the IRS would take no further action and remove such liens at the time such amounts have been paid. In 2019, the Company defaulted on the Installment Plan. Defaulting on the Installment Plan can result in the IRS nullifying such plan, placing the Company in default and taking collection action against the Company for any unpaid balance. The Company's total outstanding federal excise tax liability including accrued penalties and interest of $7.7 million is included in accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheet as of September 30, 2024. In June 2024, the Company submitted a formal offer-in-compromise ("OIC") to the IRS, seeking to resolve all excise tax liabilities. Under the terms of the OIC, all collection actions against the Company, in relation to these matters, will be abated and the Company has made monthly payments of $34 thousand on historical excise tax liabilities while the IRS is considering the OIC. The Company has also defaulted on its property tax obligations in various California counties in relation to fixed assets, plane usage and aircraft leases. The Company's total outstanding property tax liability including penalties and interest is approximately $1.8 million as of September 30, 2024. Additionally, Los Angeles County has imposed a tax lien on four of the Company's leased aircraft due to the late filing of the Company's 2022 property tax return. As of September 30, 2024, the amount of property tax, interest and penalties accrued related to the Los Angeles County tax lien for all unpaid tax years was approximately $1.2 million. The Company is in the process of remediating the late filing and payment of the property taxes due to Los Angeles County. As of September 30, 2024, the Company was also in default of the Simple Agreements for Future Equity with Token allocation ("SAFE-T") note, where the note matured in July 2019. The SAFE-T note is subordinate to the Company's Convertible Note Purchase Agreement (as defined below); therefore, the Company cannot pay the outstanding balance prior to paying amounts due under the Convertible Note Purchase Agreement with PFG. The SAFE-T note had an outstanding principal amount of $0.5 million as of September 30, 2024. Additionally, the Company was in arrears of $818 thousand in contractual interest payments due under the Convertible Note Purchase Agreement. This has resulted in PFG applying a default rate of interest of 15.75% on outstanding amounts. (see Note 8, *Financing Arrangements*).

In connection with past due rental and maintenance payments under certain aircraft leases totaling in aggregate approximately $5.0 million, which is accrued for at September 30, 2024 and December 31, 2023, the Company entered into a payment plan pursuant to which all payments of the past due amounts are deferred until such time as the Company receives at least $30.0 million in aggregate funds in connection with any capital contribution, at which time it is required to repay $1.0 million of such past due payments, with the eventual full repayment of the remaining amounts being required upon the receipt of at least $50.0 million in capital contributions. As of September 30, 2024, the Company has classified $1.0 million as a current liability as potentially triggered by capital contributions received as follows: the funds received by the Company in July 2023 of $8.0 million under a convertible note purchase agreement with Partners for Growth V, L.P. ("PFG"), $25.0 million through the share purchase agreement ("SPA") with GEM Global Yield LLC SCS ("GEM"), and an entity affiliated with GEM that provides incremental financing (the "GEM Purchase"), and $14.0 million in cumulative funding through advances and share draws under the Share Purchase Agreement with GEM. As of September 30, 2024 the Company has not made any payments under this payment plan.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The airline industry and the Company's operations are cyclical and highly competitive. The Company's success is largely dependent on the ability to raise debt and equity capital, achieve a high level of aircraft and crew utilization, increase flight services and the number of passengers flown, and continue to expand into regions profitably throughout the United States.

The Company's prospects and ongoing business activities are subject to the risks and uncertainties frequently encountered by companies in new and rapidly evolving markets. Risks and uncertainties that could materially and adversely affect the Company's business, results of operations or financial condition include, but are not limited to, the ability to: (i) raise additional capital (or financing) to fund operating losses, (ii) refinance its current outstanding debt, (iii) maintain efficient aircraft utilization, primarily through the proper utilization of pilots and managing market shortages of maintenance personnel and critical aircraft components, (iv) sustain ongoing operations, (v) attract and maintain customers, (vi) integrate, manage and grow recent acquisitions and new business initiatives, (vii) obtain and maintain relevant regulatory approvals, and (viii) measure and manage risks inherent to the business model.

Prior to the year ended December 31, 2023, the Company has funded its operations and capital needs primarily through the net proceeds received from the issuance of various debt instruments, convertible securities, related party funding, and preferred and common share financing arrangements. During the year ended December 31, 2023, the Company received $8 million under a convertible note purchase agreement with PFG, $25.0 million through the GEM Purchase Agreement and $10.2 million in advances and draws under the second amended and restated Share Purchase Agreement with GEM (see Note 9, *Share Purchase Agreement, GEM Purchase, and Mandatory Convertible Security*). During the nine months ended September 30, 2024, the Company received an additional $2.5 million in advances under the second amended and restated Share Purchase Agreement with GEM. The Company had previously filed a Form S-1 registration statement (File No. 333-274573) with the U.S. Securities and Exchange Commission (the "SEC"), registering up to 3.6 million shares of the Company's common stock, which represents 142,857 shares of the Company's common stock issued to GEM under the GEM Purchase Agreement, 185,714 shares of the Company's common stock issued to GEM in connection with the initial issuance to GEM under the Share Purchase Agreement, 571,429 shares of the Company's common stock issued to GEM in satisfaction of the commitment fee under the Share Purchase Agreement, and up to 2,671,429 shares of the Company's common stock to be issued to GEM in connection with the Share Purchase Agreement. Additionally, the Company had previously filed a Form S-1 registration statement (File No. 333-275434) with the SEC, registering up to 42,857,143 million shares of the Company's common stock, which represents the balance of the full amount of shares of common stock that the Company estimated could be issued and sold to GEM for advances under the Share Purchase Agreement, plus the amount of shares the Company estimated could be sold to GEM for $50 million under the Share Purchase Agreement, (collectively, the "Prior Registration Statements"). In connection with the GEM Mandatory Convertible Security (see Note 9, *Share Purchase Agreement, GEM Purchase, and Mandatory Convertible Security*), the Company deregistered all of the shares registered but unsold under the Prior Registration Statements on June 4, 2024. The combined 46,428,571 shares contemplated under the Prior Registration Statements have been included in a Form S-1 Registration Statement (File No. 333-279929), which was declared effective by the SEC on August 7, 2024. As of September 30, 2024, the contractual terms allow the Company to make further advances of up to $97.5 million under the Share Purchase Agreement. Additionally, the Company has the ability to draw an additional $298.6 million under the Share Purchase Agreement, subject to daily volume limitations and GEM's requirement to hold less than 10% of the fully-diluted shares of the Company. As of September 30, 2024, GEM held 9.4% of the then fully-diluted shares of the Company. At September 30, 2024, the daily volume limitations under the Share Purchase Agreement restricted our ability to take additional draws under the Share Purchase Agreement to approximately 686 thousand shares per draw. Additionally, the Company's ability to draw upon the Share Purchase Agreement is contingent on the Company's common stock being listed on a national exchange. The Company is currently attempting to resolve one listing requirement violations with the New York Stock Exchange. While not currently subject to de-listing, the Company's inability to cure this listing requirement violation would impact its ability to raise capital through the Share Purchase Agreement.

The Company is currently implementing operational improvements and stringent operating expenses management to improve the profitability of its airline operations. In parallel, the Company is advancing its technology initiatives, including its software technology platform and Caravan electrification programs. In addition, the Company continues to evaluate strategies to obtain additional funding for future operations. These strategies may include, but are not limited to, obtaining additional equity financing, issuing additional debt or entering into other financing arrangements, forming joint venture and other partnerships, and restructuring of operations to grow revenues and decrease expenses. There can be no assurance that the Company will be successful in achieving its strategic plans, that new financing will be available to the Company in a timely manner or on acceptable terms, if at all. If the Company is unable to raise sufficient financing when needed or events or circumstances occur such that the Company does not meet its strategic plans or, the Company will be required to take additional measures to conserve liquidity, which could include, but not necessarily limited to, reducing certain spending, altering or scaling back development plans, including plans to equip regional airline operations with fully-electric or hybrid-electric aircraft, or reducing funding of capital expenditures, which could have a material adverse effect on the Company's financial position, results of operations, cash flows, and ability to achieve its intended business objectives. These factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Note 2. Summary of Significant Accounting Policies

Interim Financial Information

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the SEC for interim financial information. Accordingly, the interim financial statements do not include all of the information and footnotes required by U.S. GAAP for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023 and the related notes, as included in the Company's Form 10-K filed on March 29, 2024. The information herein reflects all material adjustments, including normal recurring adjustments, which are, in the opinion of management, necessary for a fair statement of the results for the period presented. The results for the nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024.

Except to the extent discussed below, there have been no material changes to the Company's significant accounting policies during the nine months ended September 30, 2024 from those disclosed in the notes to the Company's consolidated financial statements for the year ended December 31, 2023.

Basis of Presentation and Principles of Consolidation

The condensed consolidated financial statements include the assets, liabilities, and operating results of the Company. All intercompany balances and transactions have been eliminated in consolidation.

Business Combination

The Company is required to use the acquisition method of accounting for business combinations. The acquisition method of accounting requires the Company to allocate the purchase consideration to the assets acquired and liabilities assumed from the acquiree based on their respective fair values as of the Acquisition Date. The excess of the fair value of purchase consideration over the fair value of these assets acquired and liabilities assumed is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing intangible assets include, but are not limited to, expected future cash flows, which includes consideration of future revenue growth and margins, and discount rates. Fair value estimates are based on the assumptions that management believes a market participant would use in pricing the asset or liability. These estimates are inherently uncertain and, therefore, actual results may differ from the estimates made. As a result, during the measurement period of up to one year from the Acquisition Date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of the purchase price of an acquisition, whichever comes first, any subsequent adjustments are recorded in the Consolidated Statements of Operations.

Accounts Receivable, Net

Accounts receivable primarily consist of amounts due from the U.S. DOT in relation to certain air routes served by the Company under the EAS program, amounts due from airline and non-airline business partners, and pending transactions with credit card processors. Receivables from the U.S. DOT and our business partners are typically settled within 30 days. All accounts receivable are reported net of an allowance for credit losses, which was not material as of September 30, 2024, and December 31, 2023. The Company has considered past and future financial and qualitative factors, including aging, payment history and other credit monitoring indicators, when establishing the allowance for credit losses.

Mandatory Convertible Security

The Company's Mandatory Convertible Security with GEM, entered into as of August 7, 2024, is a financial instrument whereby GEM is able to convert portions of the par amount, either before or at maturity, into shares of common stock of the Company. Due to certain provisions included in the Mandatory Convertible Security, including potential settlement of the outstanding par amount in a variable number of shares of the Company's common stock, it has been classified as a liability as of September 30, 2024 (see Note 9, *Share Purchase Agreement, GEM Purchase, and Mandatory Convertible Security*).

The Company has accounted for the Mandatory Convertible Security as an equity-linked debt instrument, which requires it to be remeasured to fair value at each reporting period with changes in fair value recorded in Changes in fair value of financial instruments carried at fair value, net on the Consolidated Statements of Operations.

The fair value of the Mandatory Convertible Security is estimated using a model based on multiple stock price paths developed through the use of a Monte Carlo simulation that incorporates into the valuation the possibility that the Company will not be able to satisfy the liability through the issuance of shares of common stock. A Monte Carlo simulation model requires the use of various assumptions, including the underlying stock price, volatility, contractual term, and the risk-free interest rate as of the valuation date. The

estimated fair value of the instrument is considered a Level 3 fair value measurement as there are significant inputs not observable in the market. The resulting liability is included as part of Other long-term liabilities on the Condensed Consolidated Balance Sheets.

Collateralized Borrowings

On August 9, 2024, the Company entered into a new revolving accounts receivable financing arrangement that will allow the Company to borrow a designated percentage of eligible accounts receivable, as defined, up to a maximum unsettled amount of $5.0 million. The agreement is secured by a first security interest in all assets of Southern Airways Express, a subsidiary of Southern. The financing arrangement is uncommitted, and upon funding does not qualify for sale accounting as the Company does not relinquish control of the receivables based on, among other things, the nature and extent of the Company's continuing involvement.

Accordingly, the accounts receivable remain on the Company's Condensed Consolidated Balance Sheets until paid by the customer and cash proceeds from the financing arrangement are recorded as collateralized borrowing in Accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheets, with attributable interest expense recognized over the life of the related transactions. Interest expense and contractual fees associated with the collateralized borrowings are included in interest expense and other expense, net, respectively, in the accompanying Condensed Consolidated Statements of Operations.

Restricted Stock Unit Awards

The grant date fair value of restricted stock units ("RSUs") is estimated based on the fair value of the Company's common stock on the date of grant. Prior to the Company's direct listing in July 2023, RSUs granted by the Company vested upon the satisfaction of both service-based vesting conditions and liquidity event-related performance vesting conditions. The liquidity event-related performance vesting conditions were achieved upon the consummation of the Company's direct listing. Stock-based compensation related to such awards was recorded in full, as of the date of the Company's direct listing. Since the Company's direct listing in July 2023, the Company has only granted RSUs that vest upon the satisfaction of a service-based vesting condition and the compensation expense for these RSUs is recognized on a straight-line basis over the requisite service period.

The Company has granted founder performance-based restricted stock units ("Founder PRSUs") that contain a market condition in the form of future stock price targets. The grant date fair value of the Founder PRSUs was determined using a Monte Carlo simulation model and the Company estimates the derived service period of the Founder PRSUs. The grant date fair value of Founder PRSUs containing a market condition is recorded as stock-based compensation over the derived service period. If the stock price goals are met sooner than the derived service period, any unrecognized compensation expenses related to the Founder PRSUs will be expensed during the period in which the stock price targets are achieved. Provided that each founder continues to be employed by the Company, stock-based compensation expense is recognized over the derived service period, regardless of whether the stock price goals are achieved.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of income and expense during the reporting period.

On an ongoing basis, the Company evaluates its estimates using historical experience and other factors including the current economic and regulatory environment as well as management's judgment. Items subject to such estimates and assumptions include: revenue recognition and related allowances, valuation allowance on deferred tax assets, certain accrued liabilities, useful lives and recoverability of long-lived assets, fair value of assets acquired and liabilities assumed in acquisitions, legal contingencies, assumptions underlying convertible notes and convertible securities carried at fair value and stock-based compensation. These estimates may change as new events occur and additional information is obtained and such changes are recognized in the condensed consolidated financial statements as soon as they become known. Actual results could differ from those estimates, and any such differences may be material to the Company's condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting*, which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. The updated standard is effective for fiscal periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact that the updated standard will have on our consolidated financial statements and financial statement disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* ASU 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on

income taxes paid. ASU 2023-09 is effective for public business entities for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its financial statements.

In November 2024, the Financial Accounting Standards Board (FASB) issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* which requires more detailed information about specified categories of expenses included in certain expense captions presented on the face of the income statement. This standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently assessing the impact this standard will have on our disclosures.

Note 3. Business Combination

On July 27, 2023, the Company completed the acquisition of all issued and outstanding shares of Southern. The Southern Acquisition expands the Company's regional airline network servicing U.S. cities across the Mid-Atlantic, Gulf South, Midwest, Rocky Mountains, West Coast, New England and Hawaii. Total consideration is comprised of $81.25 million of equity consideration, through the issuance of 2,321,429 shares of the Company's common stock on close of the Southern Acquisition and $699 thousand of payments made by the Company to settle debt obligations of Southern, which were not assumed as part of the acquisition. As the transaction closed prior to the Company's listing on the NYSE on July 27, 2023, the fair value of the common stock issued to Southern stockholders was based on the opening trading price of the Company's common stock on July 27, 2023 of $35.00 per share.

Subsequent to the issuance of shares of the Company's common stock as purchase consideration, the Company repurchased 57,666 shares from employees for $1.3 million in satisfaction of employee tax withholdings related to such issuance.

The Company allocated the purchase price to $27.1 million of identified intangible assets and $5.1 million of net liabilities, with the excess purchase price of $60.0 million recorded as goodwill.

During the fourth quarter of 2023, the Company recorded an impairment of the goodwill initially recorded due to the identification of impairment indicators, such as additional delays of aircraft maintenance due to the unavailability of parts, which resulted in a higher cancellation rate of scheduled flights. These delays have continued into 2024. Additionally, the Company incurred higher cash requirements than expected to fund the operations of the Southern reporting unit during the fourth quarter of 2023, primarily due to higher maintenance costs. Further, unplanned delays in aircraft deliveries under the Textron aircraft supply agreement, including December 2023 cancellations of both firm deliveries and additional purchase options, have delayed re-fleeting efforts. The resulting goodwill impairment charge of $60.0 million was the result of comparing the fair value of the Southern reporting unit to its carrying value.

Note 4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (*in thousands*):

	September 30, 2024	December 31, 2023
Prepaid insurance	$ 271	$ 2,306
Prepaid software	2,302	2,647
Prepaid marketing	2,441	2,406
Engine reserves	1,798	1,150
Vendor operator prepayments	406	634
Prepaid fuel	278	301
Other	1,814	1,607
Total prepaid expenses and other current assets	$ 9,310	$ 11,051

Note 5. Property, Plant and Equipment, Net

Property and equipment, net, consists of the following (*in thousands*):

	September 30, 2024	December 31, 2023
Aircraft, equipment and rotable spares	$ 41,644	$ 39,196
Equipment purchase deposits	2,000	5,000
Leasehold improvements	2,263	2,479
Office, vehicles and ground equipment	1,239	1,179
Internal-use software	2,300	508
Property and equipment, gross	49,446	48,362
Accumulated depreciation	(5,441)	(2,371)
Property and equipment, net	$ 44,005	$ 45,991

The Company recorded depreciation expense of $1.1 million and $616 thousand for the three months ended September 30, 2024 and 2023, respectively. The Company recorded depreciation expense of $3.3 million and $824 thousand for the nine months ended September 30, 2024 and 2023, respectively. Depreciation expense is recognized as a component of Depreciation and Amortization expense in the accompanying Condensed Consolidated Statement of Operations.

For the three and nine months ended September 30, 2024 and the three and nine months ended September 30, 2023, any gain or loss on disposal of property and equipment was not material.

Note 6. Intangible Assets, Net

Intangibles assets, net, consists of the following (*in thousands*):

	September 30, 2024	December 31, 2023
EAS contracts	$ 25,770	$ 25,770
Tradenames and trademarks	8,340	8,340
Software	3,122	3,122
Other intangibles	242	242
Intangible assets, gross	37,474	37,474
Accumulated amortization	(13,470)	(10,811)
Intangible assets, net	$ 24,004	$ 26,663

The Company recorded amortization expense of $1.0 million and $664 thousand for the three months ended September 30, 2024 and 2023, respectively. The Company recorded amortization expense of $2.8 million and $961 thousand for the nine months ended September 30, 2024 and 2023, respectively. Amortization expense is recognized as a component of Depreciation and Amortization expense in the accompanying Condensed Consolidated Statement of Operations.

Expected future amortization as of September 30, 2024 is as follows (*in thousands*):

	Amount
Remainder of 2024	$ 886
2025	3,051
2026	2,915
2027	2,764
2028	2,577
Thereafter	11,811
Total	$ 24,004

Note 7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (*in thousands*):

	September 30, 2024	December 31, 2023
Accrued compensation and benefits	$ 32,974	$ 26,751
Accrued professional services	10,815	11,473
Excise and franchise taxes payable	7,712	7,672
Collateralized borrowings	5,815	2,977
Software license fee payable	8,375	2,000
Aircraft contract termination payable	—	1,454
Accrued Monarch legal settlement	1,314	1,314
Insurance premium liability	—	1,131
Accrued major maintenance	1,245	980
Interest and commitment fee payable	126	190
Statutory penalties	282	520
Other accrued liabilities	4,205	3,120
Total accrued expenses and other current liabilities	$ 72,863	$ 59,582

Collateralized Borrowings

The Company has a revolving accounts receivable financing arrangement that currently allows the Company to borrow a designated percentage of eligible accounts receivable, as defined in the agreement, up to a maximum unsettled amount of $5 million. The agreement is secured by a first security interest in all assets of Southern Airways Express, LLC,a subsidiary of Southern. The related interest rate is the prime rate plus 1% per annum. Additionally, the Company pays certain ancillary fees associated with each borrowing that vary depending on the borrowed amount and duration, which is generally no more than 45 days.

For the three months ended September 30, 2024, the Company borrowed a total of $14.9 million under this financing facility, of which $12.9 million was settled through the transfer of pledged receivables. Interest expense incurred on these borrowings for the three months ended September 30, 2024 amounted to $82 thousand, and is included in interest expense in the accompanying Condensed Consolidated Statements of Operations.

For the nine months ended September 30, 2024, the Company borrowed a total of $38.0 million under this financing facility, of which $35.2 million was settled through the transfer of pledged receivables. Interest expense incurred on these borrowings for the nine months ended September 30, 2024 amounted to $341 thousand, and is included in interest expense in the accompanying Condensed Consolidated Statements of Operations.

As of September 30, 2024, and December 31, 2023, the outstanding amount due under this facility amounted to $2.8 million and $3.0 million, respectively. As of September 30, 2024, and December 31, 2023, the Company was in compliance with all covenants.

In addition, during the three months ended September 30, 2024, the Company received an advance payment of $3.0 million from a financing institution related to an expected future payment under the IRS' Employee Retention Credit Program, As of September 30, 2024, the Company has recorded $3.0 million within Collateralized borrowings. Such amounts are collateralized against the value of the credits to be received, as well as other assets of Southern Airways Express, a subsidiary of Southern.

Note 8. Financing Arrangements

The Company's total debt due to unrelated parties consist of the following *(in thousands)*:

	September 30, 2024	December 31, 2023
Note payable to a financing company, fixed interest rate of 7.60%, due November 2024	$ 42	$ 257
Note payable to bank, fixed interest rate of 4.65%, due November 2025	9	15
Note payable to a financing company, fixed interest rate of 5.49%, due December 2026	140	184
Notes payable to Clarus Capital, fixed interest rate of 8.66%, due April, June and September 2027	14,368	16,476
Notes payable to Skywest, fixed interest rates of 4% and 9%, due April 2028 and November 2024, respectively	4,944	5,656
Note payable to Tecnam, fixed interest rate of 6.75%, due July and August 2032	3,026	3,206
Long-term debt, gross	22,529	25,794
Current maturities of long-term debt	(4,822)	(5,177)
Long-term debt, net of current maturities	$ 17,707	$ 20,617

Future maturities of total debt as of September 30, 2024 are as follows *(in thousands)*:

	Amount
Remainder of 2024	$ 2,925
2025	2,512
2026	2,710
2027	12,032
2028	685
Thereafter	1,665
Total	$ 22,529

The Company is subject to customary affirmative covenants and negative covenants on all of the above notes payable. As of September 30, 2024, the Company was in compliance with all covenants in the loan agreements.

Fair Value of Convertible Instruments

The Company has elected the fair value option for the convertible notes, which requires them to be remeasured to fair value each reporting period with changes in fair value recorded in changes in fair value of financial instruments carried at fair value, net, on the Condensed Consolidated Statements of Operations, except for change in fair value that results from a change in the instrument specific credit risk which is presented separately within other comprehensive income. The fair value estimate includes significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy.

On June 21, 2023, the Company entered into a convertible note purchase agreement (the "Convertible Note Purchase Agreement") with PFG for a senior unsecured convertible promissory note for an aggregate principal amount of $8.0 million (the "PFG Investment"). The note bears interest at a rate of 9.75% and matures on December 31, 2024. All unpaid principal and interest balances may be converted into shares of the Company's common stock, at the option of the holder, at a price equal to 120% of the initial listing price of the Company's common stock.

On July 27, 2023, the Company received $8.0 million in funding, following satisfaction of all conditions precedent outlined under the Convertible Note Purchase Agreement. Based on the $35.00 per share opening price on the first day of listing of the Company's common stock, the principal of the Convertible Note Purchase Agreement would be convertible into 190,476 shares of the Company's common stock.

Fair value of convertible notes *(in thousands)*:

	Fair Value at	
	September 30, 2024	December 31, 2023
Convertible Note Purchase Agreement	8,036	7,715
Total	$ 8,036	$ 7,715

The Company is subject to customary affirmative covenants and negative covenants with respect to the Convertible Note Purchase Agreement. These covenants are in the form of minimum liquidity requirements the Company must maintain. The Company has received a waiver from PFG regarding the maintenance of minimum cash requirement of $10 million. The waiver effectively waives the requirement through the maturity date of December 31, 2024. As of September 30, 2024, the Company was in arrears of $818 thousand in contractual interest payments due under the Convertible Note Purchase Agreement. This has resulted in PFG applying a default rate of interest of 15.75% on outstanding amounts. As of September 30, 2024, PFG has taken no other actions to enforce its rights under the Convertible Note Purchase Agreement. In November 2024, the Convertible Note Purchase Agreement was amended to, among other things, extend the maturity date to December 31, 2028 (see Note 19, Subsequent Events).

Fair Value of SAFE Notes

The Company's SAFE-T note is carried at fair value, with fair value determined using Level 3 inputs. The Company determined that the SAFE-T instruments should be classified as liabilities based on evaluating the characteristics of the instruments, which contained both debt and equity-like features. The SAFE-T instrument matured in July 2019. As of September 30, 2024 and December 31, 2023, the Company was in default of the SAFE-T note, but the holder has elected not to effect an equity conversion of the instrument. The SAFE-T note is subordinate to the Company's Convertible Note Purchase Agreement; therefore, the Company cannot pay the outstanding balance prior to paying amounts due under the Convertible Note Purchase Agreement. The SAFE-T note had an outstanding principal amount of $0.5 million as of September 30, 2024 and December 31, 2023. Subsequent changes in the fair value of the SAFE-T notes are recorded as part of changes in fair value of financial instruments carried at fair value, net, within the Condensed Consolidated Statements of Operations.

Fair value of SAFE-T note *(in thousands)*:

	Fair Value at	
	September 30, 2024	**December 31, 2023**
SAFE-T	22	25
Total	$ 22	$ 25
Less: SAFE notes at fair value, current	(22)	(25)
SAFE notes at fair value, long term	$ —	$ —

Note 9. Share Purchase Agreement, GEM Purchase, and Mandatory Convertible Security

Share Purchase Agreement

During 2020, the Company entered into the SPA with GEM and an entity affiliated with GEM to provide incremental financing in the event the Company completed a business combination transaction with a special purpose acquisition company ("SPAC"), IPO, or direct listing. Pursuant to the SPA, GEM is required to purchase shares of the Company's common stock at a discount to the volume weighted average trading price up to a maximum aggregate purchase price of $200.0 million, and in return the Company agreed to pay a total commitment fee of $4.0 million (the "Commitment Fee") payable in installments at the time of each purchase of shares of the Company's common stock or no later than one year from the anniversary of a public listing transaction and issued a forward contract for GEM to purchase 0.75% of the Company's fully-diluted shares of common stock outstanding upon completion of a public listing transaction at an exercise price of $0.01 per share.

On May 17, 2022, February 8, 2023, and September 18, 2023, the SPA was amended to increase the maximum aggregate shares of the Company's common stock that may be required to be purchased by GEM to $400.0 million (the "Aggregate Limit") and increase the Commitment Fee to GEM to 571,429 shares of the Company's common stock. Pursuant to the amended and restated SPA, and subject to the satisfaction of certain conditions, the Company will have the right from time to time at its option to direct GEM to purchase up to the Aggregate Limit of shares of the Company's common stock over the term of the amended and restated SPA. Upon its public listing, the Company may request GEM to provide advances under the SPA in an aggregate amount of up to $100.0 million, provided that individual advances are not to exceed $25.0 million each, with the first advance not to exceed $7.5 million. Each advance will reduce the amount that the Company can request for future purchases under the SPA. On September 29, 2023, the Company received its first advance under the SPA in the amount of $4.5 million, on a total request of $7.5 million, with the remaining $3.0 million being received on October 3, 2023. Concurrent with the receipt of funds, the Company issued 571,429 shares of its common stock to GEM in full satisfaction of the commitment fee. The Company has deposited 2,571,429 shares of common stock into an escrow account as of September 30, 2024, as required under the SPA, which is intended to be at least two times the number of shares contemplated to settle the advance upon the close of the pricing period for the advance. The number of shares to be transferred to GEM will be based on an average of the volume-weighted average trading price of the Company's common stock over a period of fifteen trading days following the receipt of an advance, subject to a 15 day extension in certain circumstances. This average price will be subject to a contractual

discount of 10%. Additionally, contractual provisions within the SPA provide that in no event may GEM receive a share issuance, from a draw under the SPA, that would raise their share ownership percentage above 10% of the Company. This provision may impact the Company's ability to request additional purchases under the SPA.

On June 15, 2023, July 21, 2023, and July 24, 2023, the SPA was further amended to modify the number of shares of the Company's common stock to be issued to GEM at the time of a public listing transaction of the Company from an amount equal to 0.75% of the Company's fully-diluted shares of common stock outstanding to a fixed 185,714 shares of the Company's common stock. The amendments to the SPA also modified certain registration requirements whereby the Company was obligated to file a re-sale registration statement within 5 business days of the Company's public listing. On July 27, 2023, concurrent with the Company's direct listing, the Company issued 185,714 shares of the Company's common stock to GEM in full satisfaction of this provision. Pursuant to GEM's associated registration rights, the Company filed a re-sale registration statement, covering the 185,714 shares, on August 2, 2023, which was declared effective by the SEC on September 28, 2023.

The Company has accounted for the shares issuance contracts under the SPA, as amended, as derivative financial instruments which are recorded at fair value within Other long-term liabilities on the Condensed Consolidated Balance Sheets. As of September 30, 2024 and December 31, 2023, the fair value of the GEM commitment was $0 and $11.3 million, respectively. Changes in fair value were recorded in Changes in fair value of financial instruments carried at fair value, net, on the Condensed Consolidated Statements of Operations.

During the three month ended September 30, 2024, the Company settled $2.5 million in prior advances received from GEM through the issuance of 1,311,235 shares of the Company's common stock. For these settlements, the Company received total proceeds of $0.1 million and $1.4 million during the three and nine months ended September 30, 2024, respectively, through draws under the SPA. This resulted in the issuance of 42,486 and 194,049 shares of the Company's common stock during the three and nine months ended September 30, 2024, respectively. Additionally, liabilities to advances received under the SPA prior to March 1, 2024 were reclassified as part of the Mandatory Convertible Security.

GEM Purchase

On June 15, 2023, and amended on July 21, 2023, and July 24, 2023, the Company and GEM entered into the SPA whereby GEM would purchase 142,857 shares of the Company's common stock for cash consideration of $25.0 million upon the successful public listing of the Company's shares. Under the terms of the agreement, the Company is obligated to file a re-sale registration statement, covering the 142,857 shares issued, within five business days of the Company's public listing. On July 27, 2023, concurrent with the Company's direct listing, the Company received the $25.0 million cash consideration contemplated in the SPA, in exchange for the issuance of 142,857 shares of the Company's common stock. Pursuant to the associated registration rights, the Company filed a re-sale registration statement, covering the 142,857 shares, on August 2, 2023, which was declared effective by the SEC on September 28, 2023.

GEM Mandatory Convertible Security

On March 1, 2024, Company entered into a mandatory convertible security purchase agreement (the "MCSPA") with GEM. Pursuant to the MCSPA, the Company has agreed to issue and sell to GEM, and GEM has agreed to purchase from the Company, a mandatory convertible security with a par amount of up to $35,200,000 (the "Mandatory Convertible Security"), which shall be convertible into a maximum of 1,142,857 shares of the Company's common stock, par value $0.0001 per share, subject to adjustment as described in the MCSPA.

The Company issued the Mandatory Convertible Security on August 7, 2024 (the "Closing Date"). The Mandatory Convertible Security will mature on August 7, 2029 (the "Maturity Date"), unless earlier converted or redeemed pursuant to the terms set forth in the Mandatory Convertible Security. As partial consideration for GEM's purchase of the Mandatory Convertible Security, GEM delivered to the Company 900,000 shares of the Company's common stock. In addition, the Company's ability to take both regular drawdowns of up to $300 million and advance drawdowns of up to $100 million pursuant to the Company's share subscription facility with GEM, which provides the Company with the option from time to time to direct GEM to purchase a specified number of shares of the Company's common stock for an aggregate purchase price of up to $400 million, was restored to full capacity. The respective formulas that the Company and GEM used to determine the par amount of the Mandatory Convertible Security and the consideration for GEM's purchase of the Mandatory Convertible Security are each set forth in the MCSPA.

On the Maturity Date, the Company will pay to GEM, at the Company's option, cash or shares of the Company's common stock in an amount equal to the then outstanding par amount of the Mandatory Convertible Security divided by the lesser of (a) $4.45 (the "Fixed Conversion Price") and (b) the average of the five lowest volume-weighted average prices per share for the Company's common stock trading on the NYSE during the 30 trading days immediately preceding the Maturity Date (the "Floating Conversion Price").

Prior to the Maturity Date, GEM will have the option to convert any portion of the Mandatory Convertible Security into shares of the Company's common stock at a conversion rate equal to the portion of the par amount to be converted into shares of the Company's

common stock divided by the lesser of (a) the Fixed Conversion Price and (b) the Floating Conversion Price. If, following the conversion by GEM of any portion of the Mandatory Convertible Security into 1,142,857 shares of the Company's common stock at any time prior to the Maturity Date, any par amount of the Mandatory Convertible Security remains outstanding, the Company will have the option to (x) increase the maximum number of shares of the Company's common stock into which the Mandatory Convertible Security may convert, with such increase to be at the Company's sole discretion, (y) pay to GEM an amount in cash equal to 115% of the remaining outstanding par amount or (z) increase the remaining outstanding par amount by 15% of the amount outstanding immediately after issuance of the 1,142,857 shares of the Company's common stock. GEM may not convert any portion of the Mandatory Convertible Security into shares of the Company's common stock to the extent that GEM (together with its affiliates and any other parties whose holdings would be aggregated with those of GEM for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended) would beneficially own more than 4.99% of the shares of the Company's common stock outstanding after such conversion; provided, however, that GEM may increase or decrease such maximum limitation percentage to not more than 9.99% upon 61 days' notice to the Company.

The Company may, at its option, redeem the Mandatory Convertible Security, in whole or in part, in cash at a price equal to 115% of the outstanding par amount to be redeemed.

Pursuant to the terms of the MCSPA and the Mandatory Convertible Security, GEM has agreed that, beginning March 1, 2024 and for so long as any shares of the Company's common stock are beneficially owned by GEM (together with its affiliates and any entity managed by GEM, the "GEM Entities"), the GEM Entities will limit the daily volume of sales of shares of the Company's common stock then beneficially owned by the GEM Entities to no more than 1/10th of the daily trading volume of shares of the Company's common stock on the NYSE on the trading day immediately preceding the applicable date of such sales.

During the three months ended September 30, 2024, GEM converted $910 thousand of the par amount of the Mandatory Convertible Security, through the issuance of 448,764 shares of the Company's common stock.

A liability of $16.4 million associated with the Mandatory Convertible Security was recorded as of the Closing Date. The fair value of the liability was estimated using a model based on multiple stock price paths developed through the use of a Monte Carlo simulation that incorporates into the valuation the possibility that the Company will not be able to satisfy the liability through the issuance of shares of common stock and taking into account the value of the consideration transferred to the Company upon closing of the MCSPA. This was inclusive of the value of the shares returned to the Company and the cancellation of the share transfers due in settlement of the GEM derivative liability (see *Note 10. Fair Value Measurements).* For the three months ended September 30, 2024, the Company recorded a change in fair value of $1.2 million related to the Mandatory Convertible Security, resulting in a liability of $13.4 million as of September 30, 2024, which was included as part of other long-term liabilities within the Condensed Consolidated Balance Sheets. Significant inputs in determining period end fair values of the Mandatory Convertible Security are as follows:

	August 7, 2024	September 30, 2024
Par amount	35,200	34,290
Probability of default	15.8%	15.5%
Expected volatility	130.6%	134.2%
Discount rate	3.8%	3.6%
Share price	$ 1.995	$ 1.340

Note 10. Fair Value Measurements

The fair values of the convertible notes, SAFE instruments, preferred stock warrant liabilities, and derivative liability were based on the estimated values of the notes, SAFE instruments, warrants, and derivatives upon conversion including adjustments to the conversion rates, which were probability weighted associated with certain events, such as a sale of the Company or the Company becoming a public company. The estimated fair values of these financial liabilities were determined utilizing the Probability-Weighted Expected Return Method and is considered a Level 3 fair value measurement.

Assets and liabilities are classified in the hierarchy based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

The following tables summarize the Company's financial liabilities that are measured at fair value on a recurring basis in the condensed consolidated financial statements *(in thousands)*:

	Fair Value Measurements at September 30, 2024 Using:			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Convertible notes at fair value	$ —	$ —	$ 8,036	$ 8,036
SAFE notes at fair value	—	—	22	22
Mandatory convertible security	—	—	13,420	13,420
GEM derivative liability	—	—	—	—
Total financial liabilities	$ —	$ —	$ 21,478	$ 21,478

	Fair Value Measurements at December 31, 2023 Using:			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Convertible notes at fair value	$ —	$ —	$ 7,715	$ 7,715
SAFE notes at fair value	—	—	25	25
GEM derivative liability	—	—	11,333	11,333
Total financial liabilities	$ —	$ —	$ 19,073	$ 19,073

The following table provides a reconciliation of activity and changes in fair value for the Company's convertible loans and redeemable convertible preferred stock warrant liability using inputs classified as Level 3 *(in thousands)*:

	Convertible Notes at Fair Value	SAFE Notes	Mandatory Convertible Security	GEM Derivative Liability
Balance at December 31, 2023	$ 7,715	$ 25	$ —	$ 11,333
Advances received on share purchase agreement	—	—	—	2,500
Draws on share purchase agreement	—	—	—	1,394
Borrowings on convertible notes	34	—	—	—
Settlement in common shares	—	—	(910)	(4,326)
Change in fair value	287	(3)	1,201	433
Reclassifications			13,129	(11,334)
Balance at September 30, 2024	$ 8,036	$ 22	$ 13,420	$ —

Long-Term Debt

The carrying amounts and fair values of the Company's long-term debt obligations were as follows:

	As of September 30, 2024		As of December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current maturities	$ 22,529	$ 22,506	$ 25,794	$ 26,036
Term notes payable to related parties	$ 48,272	$ 48,191	$ 18,610	$ 18,541

In assessing the fair value of the Company's long-term debt, including current maturities, the Company primarily uses an estimation of discounted future cash flows of the debt at rates currently applicable to the Company for similar debt instruments of comparable maturities and comparable collateral requirements.

Note 11. Warrants

Preferred Share Warrants

Convertible Preferred Share Warrant Liability

There were no convertible preferred share warrants issued in the nine months ended September 30, 2024. The convertible preferred share warrants issued and outstanding as of September 30, 2023 were 805,823 shares of Class B-2 preferred warrants; 410,123 shares

of Class B-3 preferred warrants; and 1,493,015 shares of Class B-4 preferred warrants. On July 21, 2023, as a condition of the Internal Reorganization, all preferred share warrants were converted into 17,276 warrants for the purchase of the Company's common stock at a ratio of 22.4 Surf Air preferred warrants to 1 warrant for the purchase of the Company's common stock. The exercise price for all warrants is $267.61 per share.

Warrants to purchase shares of convertible preferred stock were classified as Other long-term liabilities on the Condensed Consolidated Balance Sheets, as of September 30, 2023, and were subject to remeasurement to fair value at each balance sheet date with changes in fair value recorded in Changes in fair value of financial instruments carried at fair value through the date of the Internal Reorganization. As all converted warrants are for the purchase of common stock, and not preferred interests, the liability as of the date of the Internal Reorganization was reclassified to additional paid-in capital.

Note 12. Commitments and Contingencies

Software License Agreements

On May 18, 2021, the Company executed two agreements with Palantir Technologies Inc. ("Palantir") to license a suite of software for the term of seven years commencing on the effective date. The agreements identify two phases where Palantir provides services to customize the software: an Initial Term from May 18, 2021 through June 30, 2023 with a cost of $11.0 million and an Enterprise Term from July 1, 2023 to May 7, 2028 with a cost of $39.0 million, for a total cost of $50.0 million. As of September 30, 2024 and December 31, 2023, the Company capitalized $2.8 million and $2.5 million, respectively, related to the software that Palantir has provided to the Company. During the nine months ended September 30, 2024, the Company settled $6.0 million in outstanding payables to Palantir through the issuance of 1,272,687 shares of the Company's common stock. As of September 30, 2024, the Company had $31.0 million in remaining commitments under this agreement, of which $2 million will be settled in the fourth quarter of 2024.

Licensing, Exclusivity and Aircraft Purchase Arrangements

Textron Agreement

On September 15, 2022, the Company entered into agreements with Textron Aviation Inc. and one of its affiliates (collectively, "TAI"), for engineering services and licensing, sales and marketing, and aircraft purchases, which became effective as of the Company's direct listing on July 27, 2023 ("TAI Effective Date").

The engineering services and licensing agreement provides, among other things, that TAI will provide the Company with certain services in furtherance of development of an electrified powertrain technology (the "SAM System"). The engineering agreement requires payment by the Company as such services are provided by TAI. Under this agreement, the Company agrees to meet certain development milestones by specified dates, including issuance of a supplemental type certificate by the Federal Aviation Administration ("FAA"). Should the Company fail to meet certain development milestones, TAI has the right to terminate the collaboration agreement.

The licensing agreement grants the Company a nonexclusive license to certain technical information and intellectual property for the purpose of developing an electrified propulsion system for the Cessna Caravan aircraft, and to assist in obtaining Supplemental Type Certificates ("STC") from the FAA, including any foreign validation by any other aviation authority, for electrified propulsion upfits/retrofits of the Cessna Caravan aircraft. The licensing agreement provides for payment by the Company of license fees aggregating $60.0 million over a multi-year period, with an initial $12.5 million in deposits being made as of December 31, 2023. The $12.5 million of deposits were recorded to technology and development expenses within the Company's consolidated statements of operations during the fourth quarter of 2023. During the three months ended September 30, 2024, the Company and TAI agreed to apply a previous deposit under the aircraft purchase agreement to amounts due under the licensing agreement. Remaining payments due under the initial license fees of $9.5 million are due in December 2024. The remaining $35 million of payments under the licensing agreement will be due, via annual payments, following the Company's receipt of the STC.

Under the sales and marketing agreement, the parties agreed to develop marketing, promotional and sales strategies for the specifically configured Cessna Grand Caravans and further agreed to: (a) include Cessna Grand Caravans fitted with the SAM System (the "SAM Aircraft") in sales and marketing materials (print and digital) distributed to authorized dealers, (b) prominently display the SAM Aircraft on their respective websites and social media, (c) include representatives of the Company and TAI at trade show booths, (d) market the SAM Aircraft and conversions to SAM Aircraft to all owners of pre-owned Cessna Grand Caravans, and (e) not advertise or offer any third-party-developed electrified variants of the Cessna Grand Caravan. Certain technologies for aircraft propulsion are specifically carved out from TAI's agreement to exclusively promote the SAM System for Cessna Grand Caravans. The sales and marketing agreement provides for payment by the Company of exclusivity fees aggregating $40.0 million, with certain amounts deferred such that the aggregate fee is payable over four years commencing on the earlier of the year after the Company obtains an STC for the SAM System on the Cessna Grand Caravan or the 5th anniversary of the TAI Effective Date. The Company's obligation to pay exclusivity

fees in any year may be offset, in whole or in part, based on the achievement of certain sales milestones of SAM Aircraft and Cessna Grand Caravans subsequently converted to a SAM System.

Under the aircraft purchase agreement, the Company may purchase from TAI 90 specifically configured Cessna Caravans at prevailing market rates whereby the aggregate purchase price could be approximately $297.0 million, with an option to purchase an additional 26 specifically configured Cessna Caravans having an aggregate purchase price in excess of $85.8 million, over the course of 7 years. The final price to be paid by the Company will be dependent upon a number of factors, including the final specifications of such aircraft and any price escalations. During the three months ended September 30, 2024 the Company and TAI agreed to apply a previous deposit under the aircraft purchase agreement to amounts due under the licensing agreement. As of September 30, 2024, the Company has made deposits of $2.0 million under this agreement, with the Company being required to make an additional deposit of $2.0 million during the fourth quarter of 2024 and a total of $6.0 million in deposits during 2025.

Jetstream Agreement

On October 10, 2022, the Company and Jetstream Aviation Capital, LLC ("Jetstream") entered into an agreement (the "Jetstream Agreement") that provides for a sale and/or assignment of purchase rights of aircraft from the Company to Jetstream and the leaseback of such aircraft from Jetstream to the Company within a maximum aggregate purchase amount of $450.0 million, including a $120.0 million total minimum usage obligation by the Company. The agreement may be terminated: (i) upon a termination notice by either party in the event that a material adverse change in the business of the other party is not resolved within 30 days of such notice; and (ii) as mutually agreed in writing by the parties. No transactions have been executed under this agreement as of September 30, 2024.

Palantir Joint Venture

On August 9, 2024, the Company entered into a joint venture agreement (the "JV Agreement") with Palantir. Pursuant to the JV Agreement, the Company expects to establish Surf Air Technologies LLC ("Surf Air Technologies"), a subsidiary of the Company, in order to help develop, market, sell, maintain, and support an artificial intelligence-powered software platform for the advanced air mobility industry, which is expected to be powered by Palantir, to provide operators of all types of aircraft, amongst other software products and solutions, with systems for the management of planes, airline operations, and customer facing applications (the "Software Platform").

The JV Agreement provides that the Company will assign certain agreements regarding subscription access to certain of Palantir's proprietary commercial software platforms (the "Palantir Platforms") to Surf Air Technologies. The Company has agreed to contribute the software and intellectual property the Company has developed relating to the Software Platform; the data and know-how from its operations on an ongoing basis to support the development, maintenance, support, and operation of the Software Platform; and the employees and contractors directly involved in developing the Software Platform. Palantir has agreed to contribute a service contract to provide implementation engineering services in support of Surf Air Technologies' use of the Palantir Platforms, which may include its interface to Software Platform. Surf Air Technologies is also expected to be capitalized by outside third-party investors sourced by the Company and Palantir, with an initial target raise of not less than $5 million.

The closing of the JV Agreement is anticipated to occur no later than November 30, 2024 and is subject to certain customary conditions, including the following: establishment of Surf Air Technologies as a Delaware limited liability company, signing of an operating agreement, contributions by each party to Surf Air Technologies, the securing and funding of outside capital, receipt of internal approvals by the Company and Palantir.

Under the JV Agreement, the Company is entitled to designate four of the five members of the board of directors of Surf Air Technologies and Palantir is entitled to designate one board member. The JV Agreement also provides that the Company will be primarily responsible for oversight of Surf Air Technologies and shall designate the Chair of the board of directors, the legal representative, and the General Manager of Surf Air Technologies.

The JV Agreement also provides that the Company and Palantir have certain rights in connection with Surf Air Technologies, including pre-emptive rights if Surf Air Technologies proposes to increase its registered capital, a right of first refusal to purchase equity in Surf Air Technologies that the other party may propose to transfer to a third party, the Company's right to buy out Palantir's stake in Surf Air Technologies, Palantir's right to exchange shares in the Company for equity in Surf Air Technologies, and the right to purchase all of the other party's equity in the event of bankruptcy of the other party.

Guarantees

The Company indemnifies its officers and directors for certain events or occurrences arising as a result of the officer or director serving in such capacity. The term of the indemnification period is for the officer or director's lifetime. The maximum potential future amount the Company could be required to pay under these indemnification agreements is unlimited. The Company believes its insurance would cover any liability that may arise from the acts of its officers and directors and as of September 30, 2024 the Company is not aware of any pending claims or liabilities.

The Company enters into indemnification provisions under agreements with other parties in the ordinary course of business, typically with business partners, contractors, customers, landlords and investors. Under these provisions, the Company generally indemnifies and holds harmless the indemnified party for losses suffered or incurred by the indemnified party as a result of its activities or, in some cases, as a result of the indemnified party's activities under the agreement. These indemnification provisions sometimes include indemnifications relating to representations the Company has made with regards to intellectual property rights. These indemnification provisions generally survive termination of the underlying agreement. The maximum potential future amount the Company could be required to pay under these indemnification provisions is unlimited.

Legal Contingencies

In 2017, the Company acquired Rise U.S. Holdings, LLC ("Rise"). Prior to the close of the acquisition, Rise Alpha, LLC and Rise Management, LLC (both of which are wholly-owned subsidiaries of Rise and hereinafter referred to as the "Rise Parties"), were served with a petition for judgment by Menagerie Enterprises, Inc. ("Monarch Air"), relating to breach of contract for failure to pay Monarch Air pursuant to the terms and conditions of a flight services agreement with Monarch Air, which occurred prior to the Company's acquisition of Rise. The Rise Parties filed numerous counterclaims against Monarch Air, including fraud, breach of contract and breach of fiduciary duty. Rise, a subsidiary of the Company, was named as a party in the lawsuit. During 2018 and 2019, certain summary judgments were granted in favor of Monarch Air.

On November 8, 2021, the Rise Parties entered into a final judgment in respect of litigation to finally resolve all claims raised by Monarch Air and the Rise Parties agreed to pay actual damages of $1.0 million, pre-judgment interest of $0.2 million, attorneys' fees of $60 thousand and court costs of approximately $3 thousand. Since then, Monarch Air has been conducting post-judgment discovery. The full settlement had been accrued within Accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheets by the Company as of September 30, 2024 and December 31, 2023.

The Company is also a party to various other claims and matters of litigation incidental to the normal course of its business, none of which were expected to have a material adverse effect on the Company as of September 30, 2024. However, the resolution of, or increase in any accruals for, one or more matters may have a material adverse effect on the Company's results of operations and cash flows.

FAA Matters

Our operations are highly regulated by several U.S. government agencies, including the U.S. DOT, the FAA and the Transportation Security Administration. Requirements imposed by these regulators (and others) may restrict the ways we may conduct our business, as well as the operations of our third-party aircraft operator customers. Failure to comply with such requirements may result in fines and other enforcement actions by the regulators.

On February 23, 2024, the FAA notified the Company that it was seeking a proposed civil penalty of $0.3 million against the Company for alleged non-compliance with respect to certain regulatory requirements relating to flight officer certifications and required competence checks for flights flown during the fourth quarter of 2022. The Company filed an appeal to the imposed penalty and, as part of the appeal, provided a counter-offer to the FAA of $32 thousand for full resolution of the matter. The Company is currently awaiting a response to this counter-offer. As of September 30, 2024, the Company has recorded $0.3 million as an accrued expense on the Condensed Consolidated Balance Sheet.

On October 17, 2023, the Company received a letter of intent from the FAA regarding an investigation into the Company's Hawaii operations, whereby the Company is alleged to have operated flights beyond their required maintenance intervals during the fourth quarter of 2023. Each violation was subject to a civil penalty not to exceed $14,950 per flight. In May 2024, the Company reached a settlement in the amount of $16 thousand for full resolution of this matter.

Tax Commitment

On May 15, 2018, the Company received notice of a tax lien filing from the IRS for unpaid federal excise taxes for the quarterly periods beginning October 2016 through September 2017 in the amount of $1.9 million, including penalties and interest as of the date of the notice. The Company agreed to an Installment Plan whereby the IRS agreed to take no further action and remove such liens upon the payment of such amounts. In 2019, the Company defaulted on the Installment Plan. Defaulting on the Installment Plan can result in the IRS nullifying such plan, placing the Company in default and taking collection action against the Company for any unpaid balance. The Company's total outstanding federal excise tax liability, including accrued penalties and interest, is recorded in Accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheets and is in the amount of $7.7 million and $7.6 million as of

September 30, 2024 and December 31, 2023, respectively. In June 2024, the Company submitted a formal OIC to the IRS, seeking to resolve all consolidated excise tax liabilities. Under the terms of the OIC, all collection actions against the Company, in relation to these matters, will be abated and the Company will make $34 thousand monthly payments on historical excise tax liabilities while the IRS considers the OIC.

During 2018, the Company defaulted on its property tax obligations in various California counties in relation to fixed assets, plane usage and aircraft leases. The Company's total outstanding property tax liability including penalties and interest is $1.8 million and $1.9 million as of September 30, 2024 and December 31, 2023, respectively.

Note 13. Disaggregated Revenue

The disaggregated revenue for the three and nine months ended September 30, 2024 and 2023 were as follows *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Scheduled	$ 22,238	$ 15,547	$ 69,461	$ 17,427
On-Demand	6,148	6,420	21,915	16,242
Total revenue	$ 28,386	$ 21,967	$ 91,376	$ 33,669

The long-term performance obligations for contractually committed revenues, all of which is related to charter revenue, is recorded in Other long-term liabilities as of September 30, 2024, and December 31, 2023 in the amount of $2.7 million and $2.7 million, respectively.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Deferred revenue, beginning of period	$ 20,175	$ 10,530	$ 21,726	$ 9,568
Acquired deferred revenue	$ —	$ 7,329	$ —	$ 7,329
Revenue deferred	12,549	14,415	47,760	27,080
Revenue recognized	(15,309)	(13,743)	(52,071)	(25,446)
Deferred revenue, end of period	$ 17,415	$ 18,531	$ 17,415	$ 18,531

The Company records deferred revenue (contract liabilities) when the Company receives customer payments in advance of the performance obligations being satisfied on the Company's contracts. The Company generally collects payments from customers in advance of services being provided. The Company recognizes deferred revenue as revenue when it meets the applicable revenue recognition criteria, which is usually either over the contract term, or when services have been provided. Accordingly, deferred revenue is classified within Current liabilities in the accompanying Condensed Consolidated Balance Sheets. For the nine months ended September 30, 2024, $13.8 million of revenue was recognized in passenger revenue that was included in the Company's deferred revenue liability at December 31, 2023.

Note 14. Stock-Based Compensation

Management Incentive Bonus Plan

In conjunction with the Southern Acquisition, the Company adopted the Southern Management Incentive Bonus Plan (the "Incentive Bonus Plan"). The Incentive Bonus Plan provides select employees, consultants and service providers of the Company who were direct or indirect shareholders of Southern an incentive to contribute fully to the Company's business achievement goals and success. The Incentive Bonus Plan provides for two tranches of bonus pools to be allocated, based on participation units, which vest, contingent upon each employee's continued employment by the Company and the achievement of certain revenue targets. Payments of awards which might become due under the Incentive Bonus Plan, may be made in cash or common stock, at the Company's option. Any shares of common stock issued in payment of amounts due under the Incentive Bonus Plan will be charged against the share limit of the Company's 2023 Equity Incentive Plan (the "2023 Plan"). In addition, any shares which might be issued under the Incentive Bonus Plan are excluded from the Company's common stock issued and outstanding until the satisfaction of these vesting conditions and are not considered a participating security for purposes of calculating net loss per share attributable to common stockholders.

During the three months ended September 30, 2024, the Company offered the holders of the participation units underlying the Incentive Bonus Plan restricted stock units in exchange for the termination of all existing and future rights under the Incentive Bonus Plan. The offer is for a total pool of 571,429 restricted stock units in exchange for liabilities existing under the Incentive Bonus Plan. During the three months ended September 30, 2024, the Company settled approximately 35% of the participation units under the Incentive Bonus Plan through the issuance of 205,800 restricted stock units, of which 109,000 were fully vested at grant and the remainder will vest twelve months from the settlement date. This resulted in a $9.3 million reversal of previously accrued stock-based compensation during the three months ended September 30, 2024, which is included in general and administrative expenses in the Condensed Consolidated Statements of Operations.

The Company has recorded a total of $6.2 million in stock based compensation expense related to the Incentive Bonus Plan during the nine months ended September 30, 2024. As of September 30, 2024, a total of $22.9 million has been accrued under the Incentive Bonus Plan. Such amounts are included as a portion of Accrued expenses and other current liabilities within the Company's Condensed Consolidated Balance Sheet.

Stock Options

Prior to the Company's direct listing, the Company granted stock options to its employees, as well as nonemployees (including directors and others who provide substantial services to the Company) under the Company's 2016 Equity Incentive Plan, and subsequent to its direct listing, may grant similar awards under the 2023 Plan.

During the nine months ended September 30, 2024, the Company granted 1,555,992 stock options for purchase of the Company's common stock to employees, of which 25% vested on the grant date and 25% will vest upon each anniversary over the ensuing three-year period.

A summary of stock option activity for the nine months ended September 30, 2024 is set forth below:

	Number of Stock Options Outstanding	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)	Weighted Average Exercise Price Per Share
Outstanding at December 31, 2023	229,451	8.04	$ 687	$ 28.81
Granted	1,555,992	9.66	—	5.69
Exercised	(277)	—	—	—
Canceled	(2,477)	—	—	34.16
Outstanding at September 30, 2024	1,782,689	9.31	7	7.58
Exercisable at September 30, 2024	638,382	7.07	5	8.48

As of September 30, 2024, unrecognized compensation expense related to the unvested portion of the Company's share options was approximately $2.4 million with a weighted-average remaining vesting period of approximately 1.49 years.

The assumptions used to estimate the fair value of share options granted during the nine months ended September 30, 2024 and 2023 and were as follows:

	For The Nine Months Ended September 30,	
	2024	2023
Risk-free interest rate	3.97-4.25%	3.55%-3.74%
Expected term (in years)	3.5 - 5.8	5.80
Dividend yield	—	—
Expected volatility	56% - 59%	61%-155%

Warrants

During the nine months ended September 30, 2024, the Company issued 2,072,104 warrants for purchase of the Company's common stock to non-employee consultants, of which most awards will vest 25% on the grant date and 25% upon each anniversary over the ensuing three-year period. Certain awards will vest only upon the achievement of certain market-based metrics.

A summary of warrant activity for the nine months ended September 30, 2024 is set forth below:

	Number of Warrants Outstanding	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)	Weighted Average Exercise Price Per Share
Outstanding at December 31, 2023	—	—	$ —	$ —
Granted	2,072,104	9.73	—	6.03
Exercised	—	—	—	—
Canceled	—	—	—	—
Outstanding at September 30, 2024	2,072,104	9.73	—	6.17
Exercisable at September 30, 2024	93,660	9.73	—	4.26

As of September 30, 2024, unrecognized compensation expense related to the unvested portion of the Company's common stock warrants was approximately $1.4 million which is expected to be recognized over the weighted-average remaining vesting period of approximately 2.50 years.

The assumptions used to estimate the fair value of warrants granted during the nine months ended September 30, 2024 and 2023 and were as follows:

	For The Nine Months Ended September 30,	
	2024	2023
Risk-free interest rate	3.52% - 4.25%	—
Expected term (in years)	5.0 - 10.0	—
Dividend yield	—	—
Expected volatility	47% - 56%	—

Restricted Stock Units

During the nine months ended September 30, 2024, the Company issued 380,672 RSUs under the 2023 Plan to employees and non-employee consultants, which vest upon the satisfaction of certain service periods. The fair value of these RSUs was determined based on the Company's stock price the business day immediately preceding the grant date. The service period of these RSUs is satisfied over a range of grant date vesting to 2 years.

A summary of RSU activity for the nine months ended September 30, 2024 is set forth below:

	Number of RSUs	Weighted Average Grant Date Fair Value per RSU
Unvested RSUs at December 31, 2023	110,438	$ 20.58
Granted	380,672	4.68
Vested/shares issued	(215,436)	11.84
Forfeited, cancelled, or expired	—	—
Unvested RSUs at September 30, 2024	275,674	$ 5.31

Restricted Share Purchase Agreement ("RSPA")

A summary of RSPA activity for the nine months ended September 30, 2024 is set forth below:

	Number of RSPAs	Weighted Average Grant Date Fair Value per RSPA
Unvested RSPAs at December 31, 2023	60,377	$ 29.05
Granted	—	—
Vested	(17,942)	28.90
Forfeited	—	- —
Unvested RSPAs at September 30, 2024	42,435	29.12

Some RSPAs were issued for cash while others were issued for promissory notes. The executed promissory note creates an option for the RSPA holder, since they will repay the loan when the fair value of the common stock is greater than the amount of the note. The promissory note contains prepayment features and therefore can be repaid at any time. The maturity date of the RSPA's is five years from the grant date. The grant date fair value is based on the terms of the promissory note, since the promissory notes creates the option value. The related expense is recorded over the service vesting terms of the RSPA.

As of September 30, 2024, the unrecognized compensation expense related to the unvested portion of the Company's RSPAs was $1.2 million, which is expected to be recognized over a weighted average period of 1.82 years.

Performance-Based Restricted Stock Units

A summary of performance-based restricted stock units ("PRSU") activity for the nine months ended September 30, 2024 is set forth below:

	Number of PRSUs	Weighted Average Grant Date Fair Value per PRSU
PRSUs at December 31, 2023	428,571	$ 14.74
Granted	—	—
Shares issued	—	—
Forfeited, cancelled, or expired	—	—
PRSUs at September 30, 2024	428,571	$ 14.74

The following table represents the various price targets of the Company's common stock included in the PRSU awards and the number of PRSUs that will vest upon achievement of such price targets:

Company Price Target	Number of PRSUs Eligible to Vest
$ 5.00	50,000
10.00	2,875,000
15.00	75,000

A summary of stock-based compensation expense recognized for the three and nine months ended September 30, 2024 and 2023 is as follows *(in thousands)*:

	Three months ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Stock Options	$ 998	$ 764	$ 3,246	$ 2,350
RSUs	606	1,852	2,029	1,852
RSPAs	171	22,765	519	23,125
PRSUs	774	540	2,308	540
Warrants	172	—	319	—
Management Incentive Bonus Plan	(8,074)	6,667	6,222	6,667
Other	$ —	$ —	$ —	$ 855
Total Stock Based Compensation	$ (5,353)	$ 32,587	$ 14,643	$ 35,388

Note 15. Income Taxes

The Company's provision for income taxes for the three months ended September 30, 2024 and 2023, was a benefit of $14 thousand and $3.6 million, respectively. The Company's provision for income taxes for the nine months ended September 30, 2024 and 2023, was a benefit of $95 thousand and $$3.6 million, respectively. The Company's effective tax rate for all periods was lower than the federal statutory rate of 21%, primarily due to the Company's full U.S. federal and state valuation allowance.

During the three and nine months ended September 30, 2023, the Company recorded $3.7 million in acquired net deferred tax liabilities, as part of the Southern Acquisition, primarily due to the excess of book basis over tax basis of the acquired intangible assets. In recording the deferred tax liability, the Company recorded a partial release of the valuation allowance on the Company's net deferred tax assets, resulting in a discrete tax benefit for federal and state income taxes of $2.7 million and $0.8 million, respectively.

The Company is subject to income tax examinations by the U.S. federal and state tax authorities. There were no ongoing income tax examinations as of September 30, 2024. In general, tax years 2011 and forward remain open to audit for U.S. federal and state income tax purposes.

Note 16. Related Party Balances and Transactions

Convertible Notes at Fair Value

On July 21, 2023, in connection with the Internal Reorganization, the 2017 Note was converted per the conditional conversion agreement dated June 27, 2023. The outstanding principal and interest converted into 28,332,454 convertible preferred shares, which were simultaneously cancelled and converted into 180,691 shares of the Company's common stock.

SAFE Notes at Fair Value

On July 21, 2023, in connection with the Internal Reorganization, the SAFE notes issued to LamVen, LLC ("LamVen"), an entity owned by a co-founder of the Company and Park Lane Investments LLC ("Park Lane"), an entity owned by a family member of a co-founder of the Company, with aggregate principal amount of $15.0 million were converted per the conditional conversion agreement dated June 27, 2023 into 103,385,325 convertible preferred shares, which were simultaneously cancelled and converted into 659,341 shares of the Company's common stock. (see Note 8, *Financing Arrangements*).

On June 15, 2023, the Company issued a SAFE note to LamJam, an entity affiliated with a co-founder of the company, with aggregate principal amount of $6.9 million. On July 21, 2023, in connection with the Internal Reorganization, the SAFE was converted per the conditional conversion agreement dated June 27, 2023 into 47,770,712 convertible preferred shares, which were simultaneously cancelled and converted into 304,658 shares of the Company's common stock. (see Note 8, *Financing Arrangements*).

Term Notes

The Company entered into term note agreements with LamVen, a related party, and recorded the notes in Due to related parties at carrying value on the Condensed Consolidated Balance Sheets. As of September 30, 2024 and December 31, 2023, the term notes outstanding are as follows (*in thousands*):

	September 30, 2024	December 31, 2023
Term notes with LamVen, a related party	$ 48,272	$ 18,610
Total	$ 48,272	$ 18,610

The LamVen notes with aggregate principal amounts of $4.5 million and $1.0 million, an effective date of November 30, 2022 and January 18, 2023, respectively, and bearing an interest rate of 8.25% per annum, remained outstanding as of March 31, 2023. Both term notes were exchanged for cash and scheduled to mature on the earlier of December 31, 2023 or the date on which the note is otherwise accelerated as provided for in the agreement. Interest for the notes are payable in full at maturity or upon acceleration by prepayment. On December 29, 2023, the term notes were amended to extend the maturity date to January 15, 2024. On January 26, 2024, the term notes were amended to extend the maturity date to February 9, 2024, with an effective date of January 15, 2024. On April 28, 2024, the term notes were further amended to extend the maturity date to May 15, 2024, with an effective date of April 15, 2024. On July 31, 2024, the term notes were further amended to extend the maturity date to August 20, 2024, with an effective date of May 15, 2024. In November 2024, the term notes were exchanged for a new secured convertible promissory note with LamVen (see Note 19, *Subsequent Events*).

On May 22, 2023, the Company entered into an additional term note agreement in exchange for $4.6 million in cash from LamVen. The note is scheduled to mature on the earlier of December 31, 2023 or the date on which the note is otherwise accelerated as provided for in the agreement. Interest is due upon maturity at a rate of 10.0% per annum until the note is paid in full at maturity or upon acceleration by prepayment. On December 29, 2023, the term notes were amended to extend the maturity date to January 15, 2024. On January 26, 2024, the term notes were amended to extend the maturity date to February 9, 2024, with an effective date of January 15, 2024. On July 31, 2024, the term notes were further amended to extend the maturity date to August 20, 2024, with an effective date of May 15, 2024. In November 2024, the term notes were exchanged for a new secured convertible promissory note with LamVen (see Note 19, *Subsequent Events*).

On June 15, 2023, the Company entered into a $5.0 million note agreement with LamVen. The note is scheduled to mature on the earlier of December 31, 2023 or the date on which the note is otherwise accelerated as provided for in the agreement. Interest is due upon maturity at a rate of 10.0% per annum until the note is paid in full at maturity or upon acceleration by prepayment. On December 29, 2023, the note was amended to extend the maturity date to January 15, 2024 and to increase the principal amount of the note to $10.0 million. The Company received $8.5 million in cash as of December 31, 2023, with the remaining $1.5 million under the note received in 2024. On January 26, 2024, the note was further amended to extend the maturity date to February 9, 2024 and the principal amount increased to $15.0 million, effective as of January 15, 2024. On April 28, 2024, the note was further amended to extend the maturity date to May 15, 2024 and the principal amount increased to $25.0 million, effective as of April 15, 2024. The Company received $38.2 million as of September 30, 2024. Subsequent to September 30, 2024, the Company received an additional $4.9 million under this note agreement, for an aggregate total of $43.1 million cash received under the note since inception. In November 2024, the note was exchanged for a new secured convertible promissory note with LamVen (see Note 19, *Subsequent Events*).

On June 15, 2023, the LamVen term note dated April 1, 2023 for $3.5 million, including principal and interest, was converted, via a payoff letter, into the LamJam SAFE note (see Note 8, *Financing Arrangements*).

On June 15, 2023, the term notes with LamJam, an entity affiliated with a co-founder of the Company, in the amount of $5.3 million principal and interest were converted into 9,932,241 Class B-6s convertible preferred shares.

The outstanding notes at carrying values and accrued interests are recorded within Due to related parties on the Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023.

Other Transactions

As of September 30, 2024, the Company continues to lease four aircraft from Park Lane, for a monthly lease payment of $25 thousand per aircraft. The Company recorded $900 thousand in lease expense during the nine months ended September 30, 2024. On February 1, 2024, the lease term for the four aircraft was extended to a 12- month term starting February 1, 2024 and expiring January 31, 2025. All other terms of the agreements remain the same.

JA Flight Services and BAJ Flight Services

As of September 30, 2024, the Company leased a total of three aircraft from JA Flight Services ("JAFS") and one aircraft from BAJ Flight Services ("BAJFS") under short-term operating leases. JAFS is 50% owned by Bruce A. Jacobs ("BAJ"), an employee and shareholder of the Company, and BAJFS is 100% owned by BAJ.

The Company recorded approximately $286 thousand and $961 thousand in combined lease and engine reserve expense attributable to JAFS and BAJFS during the three and nine months ended September 30, 2024, respectively. Accounts payable of $87 thousand owed to JAFS and BAJFS as of September 30, 2024, is included in Due to Related Parties, current on the Condensed Consolidated Balance Sheet.

Schuman Aviation

As of September 30, 2024, the Company leased six aircraft from Schuman Aviation Ltd. ("Schuman"), an entity which is owned by an employee and shareholder of the Company. All leases consist of 60-month terms, fixed monthly lease payments and are all eligible for extension at the end of the lease term. All the leases are also subject to monthly engine, propeller and other reserve payment requirements, based on actual flight activity incurred on the subject aircraft engine.

The Company recorded approximately $461 thousand and $1,268 thousand in combined lease and engine reserve expense attributable to Schuman for the three and nine months ended September 30, 2024, respectively. As of September 30, 2024, the Company owed approximately $373 thousand to Schuman, which is included in Due to Related Parties, current on the Condensed Consolidated Balance Sheet.

Additionally, the Company has an existing agreement with Schuman, whereby Schuman agreed not to fly any of its Makani Kai airline routes servicing the Hawaiian Island commuter airspace for a period of 10 years. Remaining amounts due under this agreement represent the final two annual installment payments, of $100 thousand each, which will be paid over the next two years.

Note 17. Supplemental Cash Flows

Supplemental cash flow information for the nine months ended September 30, 2024 and 2023 *(in thousands):*

	Nine Months Ended September 30,	
	2024	**2023**
Supplemental cash flow information		
Cash paid for interest	$ 1,747	$ 478
Supplemental schedule of non-cash investing and financing activities:		
Common stock issued as payment for software license agreement	$ 6,000	$ —
Issuance of SAFE notes	$ —	$ 4,354
Conversion of convertible notes to Class B-6a redeemable convertible preferred shares	$ —	$ 543
Conversion of convertible notes to Class B-5 redeemable convertible preferred shares	$ —	$ 3,253
Conversion of convertible notes to Class B-6s redeemable convertible preferred shares	$ —	$ 10,494
Conversion of redeemable convertible preferred shares to common shares	$ —	$ 137,463
Issuance of Class B-6s convertible preferred shares in exchange for outstanding payables	$ —	$ 202
Conversion of SAFE notes to common shares	$ —	$ 63,509
Conversion of promissory notes to Class B-6s convertible preferred shares	$ —	$ 4,418
Common stock issued under Share Purchase Agreement	$ —	$ 13,020
Common stock for the acquisition of Southern	$ —	$ 81,250
Common stock issued as settlement of advisor accrual	$ —	$ 75
Reclassification of aircraft deposits to data license fees	$ 3,000	$ —
Common stock received as consideration for Mandatory Convertible Security	$ (1,796)	$ —
Conversion of Mandatory Convertible Security to common shares	$ 910	$ —
Capitalized interest on convertible notes	$ 34	$ —
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 1,160	$ 609
Right-of-use obtained in exchange for new finance lease liabilities	$ 95	$ 1,143
Purchases of property and equipment included in accounts payable	$ 1,528	$ 258

Note 18. Net Loss per Share Applicable to Common Shareholders, Basic and Diluted

The Company calculates basic and diluted net loss per share attributable to common shareholders using the two-class method required for companies with participating securities. The Company considers preferred stock to be participating securities as the holders are entitled to receive dividends on a pari passu basis in the event that a dividend is paid on common shares. As outlined in "Internal Reorganization" and "Reverse Stock Split" in Note 1, *Description of Business,* the effects of conversions at a ratio of 22.4 Surf Air shares to 1 share of the Company's common stock, and the subsequent seven-for-one reverse stock split for all shares of the Company's common stock then issued and outstanding, have been applied to outstanding shares of common stock and rights to receive shares of common stock for all periods presented in calculating earnings per share and for presentation within the Condensed Consolidated Statement of Changes in Redeemable Convertible Preferred Shares and Shareholders' Deficit.

The following table sets forth the computation of net loss per common share *(in thousands, except share data and per share amounts)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Net loss	$ (12,225)	$ (74,609)	$ (76,173)	$ (139,702)
Weighted-average number of common shares used in net loss per share applicable to common shareholders, basic and diluted	12,970,898	7,813,573	11,908,406	3,967,882
Net loss per share applicable to common shareholders, basic and diluted	$ (0.94)	$ (9.55)	$ (6.40)	$ (35.21)

The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Excluded securities:				
Options to purchase common shares	1,782,689	229,616	1,782,689	229,616
Warrants to purchase common shares	2,072,104	—	2,072,104	—
Restricted stock units	704,245	434,351	704,245	434,351
Unvested RSPAs	42,435	66,613	42,435	66,613
Convertible notes (as converted to common shares)	190,476	190,476	190,476	190,476
Mandatory Convertible Security	18,760,850	—	8,021,172	—
Total common shares equivalents	23,552,799	921,056	12,813,121	921,056

Note 19. Subsequent Events

Credit Agreement

On November 14, 2024, the Company entered into a 4-year Credit Agreement with certain affiliates of Comvest Partners, as lenders (the "Credit Agreement"), pursuant to which the Company borrowed $44.5 million of term loans, and $5.5 million of delayed draw commitments.

The loans under the Credit Agreement accrue interest at a rate of (x) SOFR (subject to a 1.00% floor) plus (y) 5.00%, and are subject to a prepayment premium for 18 months after the initial funding date. There was a 1.50% fee on the aggregate loans and commitments, paid at the initial funding. The loans under the Credit Agreement have no required amortization.

The obligations of the Company under the Credit Agreement are subject to a security interest on assets of the Company, subject to certain exceptions.

The Credit Agreement is fully backstopped by a letter of credit issued by HSBC Bank USA, N.A. and arranged by Park Lane ("Credit Support Provider"), and in connection therewith, the Company has entered into a reimbursement agreement with Credit Support Provider described below.

The Credit Agreement contains certain representations and warranties, covenants and events of default. Upon the occurrence of certain events of default, the lenders would have the right to draw upon the letter of credit referenced above.

Park Lane Reimbursement Agreement

On November 14, 2024, in connection with the letter of credit backstopping the Credit Agreement, the Company entered into a Reimbursement Agreement with Credit Support Provider (the "Reimbursement Agreement"), which contains certain representations and warranties, covenants and events of default.

If the backstop letter of credit is drawn upon, the Company will be required to reimburse the Credit Support Provider for the drawn amount of the letter of credit, pay interest to the Credit Support Provider at 15.00% per annum on such drawn amounts (subject to increase in the event of default). The Company is separately obligated to pay a fee of 1.00% per annum to the Credit Support Provider on the outstanding face amount of the backstop letter of credit. In the event the Company raises capital in certain equity offerings, a portion of the net cash proceeds from such equity offerings is required to be remitted to Credit Support Provider to be held in trust in accordance with the Reimbursement Agreement.

The obligations under the Reimbursement Agreement are guaranteed by certain of the Company's subsidiaries, and subject to a security interest on assets of the Company and the subsidiary guarantors, subject to certain exceptions.

In connection with the Reimbursement Agreement, Credit Support Provider will have the right to appoint a board observer with respect to the Company.

LamVen Note

On November 14, 2024, the Company entered into a note exchange agreement with LamVen pursuant to which the Company issued a secured convertible promissory note (the "LamVen Note") in aggregate principal amount of $50.0 million to LamVen, to refinance certain existing notes.

The LamVen Note will accrue interest at the greater of (x) SOFR (subject to a 1.00% floor) plus 5.00% and (y) 9.75%. In the event the Company raises capital in certain equity offerings, a portion of the net cash proceeds from such equity offerings and the net cash proceeds from certain asset sales are required to be applied to repay the obligations under the LamVen Note. The scheduled maturity of the LamVen Note is December 31, 2028, which may be accelerated upon the occurrence of certain events of default.

At the election of LamVen from time to time, on one or more occasions, the outstanding principal amount of the LamVen Note (or any portion thereof), together with all accrued but unpaid interest thereon, can be converted into a number of shares of common stock, using a conversion price per share equal to the Minimum Price, as defined in New York Stock Exchange Listed Company Manual Section 312.04(h) (the "Minimum Price"); provided, however, that LamVen shall not be able to convert the LamVen Note if so doing would increase LamVen's beneficial ownership interest in the Company to 10% or more of the Company's then outstanding common stock.

In addition, on November 14, 2024, a portion of the principal of existing LamVen notes being refinanced equal to $7,473,131 was exchanged for (i) 750,000 shares of common stock of the Company issued to LamVen at $1.83 per share, which represents the official closing price of the Company's common stock on the New York Stock Exchange on the date immediately preceding November 14, 2024 (the "LamVen Shares"), and (ii) 3,389,398 warrants to purchase common stock of the Company issued to LamVen with a strike price of $1.83 per share (the "LamVen Warrants").

The obligations under the LamVen Note are guaranteed by certain of the Company's subsidiaries, and subject to a security interest on assets of the Company and the subsidiary guarantors, subject to certain exceptions.

Amendment to PFG Convertible Note Purchase Agreement

On November 14, 2024, the Company amended the existing Convertible Note Purchase Agreement with PFG, which had an outstanding principal amount of $8.0 million issued to PFG (the "PFG Note") upon amendment.

The PFG Note will accrue interest at the greater of (x) SOFR (subject to a 1.00% floor) plus 5.00% and (y) 9.75%. In the event the Company raises capital in certain equity offerings, a portion of the net cash proceeds from such equity offerings is required to be applied to repay the obligations under the PFG Note. The maturity of the PFG Note is December 31, 2028, which may be accelerated upon the occurrence of certain events of default.

PFG has the right to convert, at its option, the amounts outstanding under the PFG Note into common stock of Company, at a conversion price of $42.00 per share.

The obligations under the PFG Note are guaranteed by certain of the Company's subsidiaries, and subject to a security interest on assets of the Company and the subsidiary guarantors, subject to certain exceptions.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis reflects the historical results of operations and financial position of Surf Air Mobility Inc., and its consolidated subsidiaries. Prior to the Internal Reorganization (as defined below) on July 21, 2023, these results comprised of the operations of Surf Air Global, Limited., the predecessor to Surf Air Mobility Inc. References in this section to the "Company", "we", "us" or "our" refer to Surf Air Mobility Inc, and its consolidated subsidiaries, including Southern Airways Corporation. Unless otherwise indicated, all dollar amounts are set forth in thousands, except share and per share data.

The following discussion and analysis is intended to help the reader understand the Company's results of operations and financial condition. This discussion and analysis is provided as a supplement to, and should be read in conjunction with, the information included in Item 1. Financial Statements in this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to the Company's plans and strategy for its business, includes forward-looking statements that involve significant risks and uncertainties. The Company's actual results and outcomes, and the timing of its results and outcomes, may differ materially from management's expectations as a result of various factors, including but not limited to those discussed in the section entitled "Special Note Regarding Forward-Looking Statements" included in this Quarterly Report on Form 10-Q and the sections entitled "Risk Factors" included within the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission ("SEC") on March 29, 2024, the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 filed with the SEC on August 14, 2024 and the factors discussed elsewhere in this Quarterly Report..

Overview of the Business

Surf Air Mobility Inc., a Delaware corporation (the "Company"), is building a regional air mobility ecosystem that will aim to sustainably connect communities. The Company intends to accelerate the adoption of green flying by developing, together with its commercial partners, fully-electric and hybrid-electric powertrain technology to upgrade existing fleets, and by creating a financing and services infrastructure to enable this transition on an industry-wide level.

Surf Air Global Limited ("Surf Air") is a British Virgin Islands holding company and was formed on August 15, 2016. Surf Air is a technology-enabled regional air travel network, offering daily scheduled flights and on-demand charter flights. Its customers consist of regional business and leisure travelers. Headquartered in Hawthorne, California, Surf Air commenced flight operations in June 2013.

Internal Reorganization

On July 21, 2023, SAGL Merger Sub Inc., a wholly-owned subsidiary of the Company, was merged with and into Surf Air, after which Surf Air became a wholly-owned subsidiary of the Company (the "Internal Reorganization").

Pursuant to the Internal Reorganization, all ordinary shares of Surf Air outstanding as of immediately prior to the closing, were canceled in exchange for the right to receive shares of the Company's common stock and all rights to receive ordinary shares of Surf Air (after giving effect to the conversions) were exchanged for shares of the Company's common stock (or warrants, options or RSUs to acquire the Company's common stock, as applicable) at a ratio of 22.4 Surf Air ordinary shares to 1 share of the Company's common stock. Such conversions, as they relate to the ordinary shares of Surf Air, and all rights to receive ordinary shares, have been reflected as of all periods presented herein.

On July 27, 2023, the Company's common stock was listed for trading on the New York Stock Exchange ("NYSE").

As the Internal Reorganization did not take effect until the quarter ended September 30, 2023, the historical financial statements presented in this Quarterly Report on Form 10-Q reflect the financial position, results of operations and cash flows of Surf Air, the predecessor to the Company, for all periods prior to the date of the Internal Reorganization.

Reverse Stock Split

On August 16, 2024, the Company effected a seven-for-one reverse stock split for all shares of the Company's common stock then issued and outstanding. As a result of the reverse stock split, every seven shares of the Company's old common stock was converted into one share of the Company's new common stock. Fractional shares resulting from the reverse stock split were settled by cash payment.

Options, and other like awards, to purchase the Company's common stock were also adjusted in accordance with their terms to reflect the reverse stock split.

Adjustments resulting from the reverse stock split have been retroactively reflected as of all periods presented herein.

Southern Acquisition

On July 27, 2023 (the "Acquisition Date"), immediately prior to the Company's listing on the NYSE and after the consummation of the Internal Reorganization, the Company effected the acquisition of all equity interests of Southern Airways Corporation ("Southern"), whereby a wholly-owned subsidiary of the Company merged with and into Southern, after which Southern became a wholly-owned subsidiary of the Company (the "Southern Acquisition"). Pursuant to the Southern Acquisition, Southern stockholders received 2,321,429 shares of the Company's common stock.

Southern, a Delaware corporation founded on April 5, 2013, and its wholly owned subsidiaries Southern Airways Express, LLC, Southern Airways Pacific, Southern Airways Autos, LLC, and Multi-Aero Inc. are collectively referred to hereafter as "Southern." Southern is a scheduled service commuter airline serving cities across the United States that is headquartered in Palm Beach, Florida and commenced flight operations in June 2013. It is a certified Part 135 operator which operates a fleet of over 50 aircraft, including the Cessna Caravan, the Cessna Grand Caravan, the Saab 340, the Pilatus PC-12, and the Tecnam Traveller. Southern provides both seasonal and full-year scheduled passenger air transportation service in the Mid-Atlantic and Gulf regions, Rockies and West Coast, and Hawaii, with select routes subsidized by the United States Department of Transportation ("U.S. DOT") under the Essential Air Service ("EAS") program.

The Southern Acquisition resulted in a combined regional airline network servicing U.S. cities across the Mid-Atlantic, Gulf South, Midwest, Rocky Mountains, West Coast, New England and Hawaii.

The results of operations of Southern are included in the Company's condensed consolidated financial statements from the date of acquisition, July 27, 2023, through September 30, 2024. *For historical financial information of Southern, prior to the Acquisition Date, refer to the sections entitled "Unaudited Condensed Consolidated Financial Statements for Southern Airways Corporation" and "Audited Financial Statements for Southern Airways Corporation as of December 31, 2022 and 2021 and for the Years Ended December 31, 2022 and 2021"* in the Company's Registration Statement on Form S-1 filed with the SEC on November 9, 2023 (the "Registration Statement"), as well as the Form 8-K/A filed August 29, 2023.

Operating Environment

The Company is developing fully-electric and hybrid-electric powertrain technologies with its commercial partners to electrify existing fleets and new aircraft. Additionally, the Company has been incurring expenses to support the development of the technology of its digital platform with the aim of enabling the regional air-mobility market to operate at scale and to enhance the user's ability to make informed decisions based on multiple first and third party data sources as well as connected aircraft. As a result, the Company expects to incur significant costs in the future to support the development of this technology.

Beginning in early 2020, the effects and potential effects of the global COVID-19 pandemic, including, but not limited to, its impact on general economic conditions, trade and financing markets, changes in customer behavior with regard to air mobility services, and continuity in business operations created significant uncertainty for the Company. The Company has seen some recovery in on-demand flights through the third quarter of 2024, however the Company's business has been and will continue to be affected by many changing economic and other conditions beyond the Company's control, including global events that affect travel behavior. The spread of COVID-19 also disrupted the manufacturing, delivery and overall supply chain of aircraft manufacturers and suppliers and has led to a global decrease in aircraft sales in markets around the world. The Company has experienced inflationary pressures, which have materially increased the Company's costs for aircraft fuel, wages and benefits and other goods and services critical to its operations during 2023 and through the third quarter of 2024 and believes perceived recessionary risks may impact results for the remainder of 2024. For example, perceived recessionary risks may cause companies and individuals to reduce travel for either professional or personal reasons, and drive higher prices in the supply chain the Company relies upon. In addition, the Company incurred greater than expected losses and negative cash flows from operating activities through the third quarter of 2024 due to inefficient aircraft utilization, primarily caused by an underutilization of pilots and a shortage of maintenance personnel and critical aircraft components, which, in aggregate, have challenged the Company's ability to serve its customers as desired and, in turn, cover expenses.

As such, the extent to which global events and market inflationary impacts will affect our financial condition, liquidity and future results of operations is uncertain. Given the uncertainty regarding the length of these factors, the Company cannot reasonably estimate their impact on its future results of operations, cash flows or financial condition. The Company continues to actively monitor its financial condition, liquidity, operations, suppliers, industry and workforce. As the Company does not currently, and does not intend in the foreseeable future to, enter into any transactions to hedge fuel costs, or otherwise fix labor costs, the Company will continue to be fully exposed to fluctuations in prices of material operating costs.

Key Operating Measures

In addition to the data presented in our condensed consolidated financial statements, we use the following key operating measures commonly used throughout the air transport industry to evaluate our business, measure our performance, develop financial forecasts and make strategic decisions. The following table summarizes key operating measures for each period presented below, which are unaudited.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	Increase/ Decrease	%	2024	2023	Increase/ Decrease	%
Scheduled Flight Hours[1]	17,074	14,218	2,856	20 %	51,483	15,867	35,616	224 %
On-Demand Flights[2]	819	926	(107)	(12)%	2,721	1,913	808	42 %
Scheduled Passengers[3]	87,214	74,142	13,072	18 %	266,675	78,011	188,664	242 %
Headcount[4]	775	802	(27)	(3)%	775	802	(27)	(3)%
Scheduled Departures[5]	17,508	13,146	4,362	33 %	52,094	14,420	37,674	261 %

[1]Scheduled Flight Hours represent actual flight time from takeoff through landing that were flown in the period and excludes departures for maintenance or repositioning events. This metric only measures flight hours for flights that generated scheduled revenue and does not include flight hours for flights that generated on-demand revenue.
[2]On-Demand Flights represent the number of flights that generate on-demand revenue taken by customers on the Company's aircraft or third-party operated aircraft during the period.
[3]Scheduled Passengers represent the number of passengers flown during the period for scheduled service.
[4]Headcount represents all full-time and part-time employees at the end of the period.
[5]Scheduled Departures represent the number of takeoffs in the period, agnostic of operator and excludes departures for maintenance or repositioning events. This metric only measures takeoffs that generated scheduled revenue and does not include takeoffs that generated on-demand revenue.

Results of Operations

Results of the Company's Operations for the Three Months Ended September 30, 2024 and 2023

The following table sets forth our condensed consolidated statements of operations data for the three months ended September 30, 2024 and 2023 (*in thousands, except percentages*):

	Three months ended September 30,		Change	
	2024	2023	$	%
Revenue	$ 28,386	$ 21,967	$ 6,419	29 %
Operating expenses:				
Cost of revenue, exclusive of depreciation and amortization	27,496	20,610	6,886	33 %
Technology and development	5,710	2,877	2,833	98 %
Sales and marketing	1,282	4,529	(3,247)	(72)%
General and administrative	415	55,618	(55,203)	(99)%
Depreciation and amortization	2,121	1,356	765	56 %
Total operating expenses	37,024	84,990	(47,966)	(56)%
Operating loss	(8,638)	(63,023)	54,385	(86)%
Other income (expense):				
Changes in fair value of financial instruments carried at fair value, net	(1,249)	(10,926)	9,677	(89)%
Interest expense	(2,087)	(935)	(1,152)	(123)%
Gain (loss) on extinguishment of debt	—	63	(63)	(100)%
Other expense	(265)	(3,359)	3,094	(92)%
Total other income (expense), net	(3,601)	(15,157)	11,556	(76)%
Loss before income taxes	(12,239)	(78,180)	65,941	(84)%
Income tax benefit	(14)	(3,571)	3,557	(100)%
Net loss	$ (12,225)	$ (74,609)	$ 62,384	(84)%

Revenue

Revenue increased by $6.4 million, 29%, for the three months ended September 30, 2024, compared to the three months ended September 30, 2023. The increase in revenue was attributable to the following changes in scheduled and on-demand revenues (in thousands, except percentages):

	For the three months ended September 30,		Change	
	2024	2023	$	%
Scheduled	$ 22,238	$ 15,547	$ 6,691	43 %
On-Demand	6,148	6,420	(272)	(4)%
Total revenue	$ 28,386	$ 21,967	$ 6,419	29 %

Scheduled revenue increased $6.7 million for the three months ended September 30, 2024, compared to the three months ended September 30, 2023. Scheduled revenue, absent the impact of the Southern Acquisition, decreased by roughly $0.3 million, primarily due to a decrease in membership subscription revenue, from a lower overall membership usage. The increase in scheduled revenue was primarily due to an increase of 18% in scheduled passengers and an 33% increase in scheduled departures, primarily due to the timing of the Southern Acquisition in 2023 and a full three-months of operations in the 2024 period.

Operating Expenses

Cost of Revenue, exclusive of depreciation and amortization

Cost of revenue increased by $6.9 million, or 33%, for the three months ended September 30, 2024, compared to the three months ended September 30, 2023. The increase was primarily attributable to the increase in scheduled services noted above, primarily due to the timing of the Southern Acquisition in 2023 and a full three-months of operations in the 2024 period.

Technology and Development

Technology and development expenses increased by $2.8 million, or 98%, for the three months ended September 30, 2024, compared to the three months ended September 30, 2023. The increase was driven primarily by accruals pertaining to the Textron data license of $3.1 million, partially offset by a decrease in labor and labor related expenses for the technology team of $0.3 million due to a decrease in headcount.

Sales and Marketing

Sales and marketing expenses decreased by $3.2 million, or 72%, for the three months ended September 30, 2024, compared to the three months ended September 30, 2023, primarily due to a decrease of $2.2 million in employee compensation and commission expenses, due to a reduced headcount and a decrease in brand awareness and digital marketing expenses of $1.0 million, which was incurred during the lead up to the Company’s direct listing in the 2023 period.

General and Administrative

General and administrative expenses decreased by $55.2 million, or 99%, for the three months ended September 30, 2024, compared to the three months ended September 30, 2023. The decrease in general and administrative expense is driven primarily by a $37.9 million reduction in stock-based compensation expense, primarily due to the recognition of $22.6 million in listing day RSPA vesting and a $14.7 million reduction in expenses related to the Management Incentive Plan, a $15.3 million reduction in transaction related expenses pertaining to the Company’s direct listing in July 2023, and accrual reductions related to incentive bonus plans of $3.6 million.

Depreciation and Amortization

Depreciation and amortization expenses increased by $0.8 million, or 56%, for the three months ended September 30, 2024, compared to the three months ended September 30, 2023. This was primarily due overall increases in aircraft depreciation due to capital expenditures subsequent to the 2023 period.

Other Income/(Expense)

Other expense, net decreased by $11.6 million, or 76%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023. This was primarily attributable to a $9.6 million decrease in losses from changes in fair value of financial instruments, due to a significant amount of financial instruments converting to common stock as of the direct listing, and a $3.1 million reduction in other loss due to $3.1 million in contract settlement expense pertaining to the Company's July 2023 direct listing. This was partially offset by a $1.2 million increase in interest expense due to an overall higher debt Southern Acquisition, other expenses increased by $0.6 million primarily attributable to interest expense associated with the debt instruments acquired from Southern.

Net Loss

The decrease in net loss of $62.4 million, or 84%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, was primarily attributable to an increase in revenue of $6.4 million, decreases in general and administrative expenses of $55.2 million, decreases in sales and marketing expense of $3.2 million, and decreases in other expense of $11.6 million. These decreases in expenses were offset by increases in cost of revenue of $6.9 million, increases in technology and development expenses of $2.8 million, increases in depreciation and amortization of $0.8 million, and a decrease of $3.6 million in income tax benefit.

Results of Operations

Results of the Company's Operations for the Nine Months Ended September 30, 2024 and 2023

The following table sets forth our condensed consolidated statements of operations data for the nine months ended September 30, 2024 and 2023 (*in thousands, except percentages*):

	Nine Months Ended September 30,		Change	
	2024	2023	$	%
Revenue	$ 91,376	$ 33,669	$ 57,707	171 %
Operating expenses:				
Cost of revenue, exclusive of depreciation and amortization	83,714	34,309	49,405	144 %
Technology and development	18,377	4,506	13,871	308 %
Sales and marketing	6,869	7,850	(981)	(12)%
General and administrative	44,620	73,354	(28,734)	(39)%
Depreciation and amortization	6,161	1,875	4,286	229 %
Total operating expenses	159,741	121,894	37,847	31 %
Operating loss	(68,365)	(88,225)	19,860	(23)%
Other income (expense):				
Changes in fair value of financial instruments carried at fair value, net	(1,918)	(49,426)	47,508	(96)%
Interest expense	(5,669)	(1,632)	(4,037)	(247)%
Gain (loss) on extinguishment of debt	—	(326)	326	(100)%
Other expense	(316)	(3,664)	3,348	(91)%
Total other income (expense), net	(7,903)	(55,048)	47,145	(86)%
Loss before income taxes	(76,268)	(143,273)	67,005	(47)%
Income tax benefit	(95)	(3,571)	3,476	(97)%
Net loss	$ (76,173)	$ (139,702)	$ 63,529	(45)%

Revenue

Revenue increased by $57.7 million, 171%, for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. The increase in revenue was attributable to the following changes in scheduled and on-demand revenues (in thousands, except percentages):

	Nine Months Ended September 30,		Change	
	2024	2023	$	%
Scheduled	$ 69,461	$ 17,427	$ 52,034	299%
On-Demand	21,915	16,242	5,673	35%
Total revenue	$ 91,376	$ 33,669	$ 57,707	171%

Scheduled revenue increased $52.0 million for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. Scheduled revenue, absent the impacts of the acquisition of Southern, increased by roughly $0.3 million primarily due to a higher recognized usage of membership subscription revenue. Of the increase in scheduled revenue, $51.9 million was related to the Southern Acquisition, primarily related to EAS revenue of $29.5 million, passenger revenue of $20.8 million, and other revenue of $1.6 million as a result of only including operating results for the period of July 27, 2023 through September 30, 2023 as a result of the Southern Acquisition. On-Demand revenue increased by $5.7 million, or 35%, for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. The Company conducted 2,721 on-demand flights during the nine months ended September 30, 2024, and absent the impact of the acquisition of Southern, the Company conducted 1,916 on-demand charter flights during the nine months ended September 30, 2024 compared to 1,617 on-demand charter flights during the the nine months ended September 30, 2023. The increase in on-demand charter flights was driven by increases in marketing efforts for our on-demand product. Price per trip increased slightly during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, primarily driven by a shift in customer preference to more expensive aircraft to service charter trips in 2024, accounting for roughly $3.8 million, or 67% of the total on-demand revenue increase period over period.

With the Southern Acquisition, on-demand revenue increased $1.9 million, or 33%, during the nine months ended September 30, 2024, primarily from Hawaii based operations focusing on providing charter services for construction crews, school events, and leisure travel.

Operating Expenses

Cost of Revenue, exclusive of depreciation and amortization

Cost of revenue increased by $49.4 million, or 144%, for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. Of the total 2,721on-demand charter flights, and absent the impact of the acquisition of Southern, the Company serviced 1,916 on-demand charter flights in the nine months ended September 30, 2024, an increase from 1,617 for the nine months ended September 30, 2023, resulting in a $5.1 million increase, or 10%, in cost of revenue associated with the Company's on-demand charter flights. Of the total 51,483 scheduled flight hours, and absent the impact of the acquisition of Southern, the Company flew 1,253 flight hours in the nine months ended September 30, 2024, a decrease from 2,629 for the nine months ended September 30, 2023, resulting in a $0.8 million decrease, or 2% of the total.

With the Southern Acquisition, cost of revenue increased by $45.4 million, or 92%, during the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023, primarily due to aircraft expenses of $25.4 million, pilot expenses of $11.1 million, customer care expenses of $5.7 million, station expenses of $1.8 million, and reservation system cost of $1.0 million, and passenger re-accommodation expenses of $0.4 million.

Technology and Development

Technology and development expenses increased by $13.9 million, or 308%, for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. The increase was driven primarily by amounts accrued pertaining to the Textron data license of $9.4 million, expenses related to work with Palantir for $4.1 million, and increases in software platform and electrification development expenses for $1.3 million. These increases were partially offset by a decrease in labor and labor related expenses for the technology team of $0.9 million due to a decrease in headcount.

Sales and Marketing

Sales and marketing expenses decreased by $1.0 million, or 12%, for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023, primarily due to a decrease in brand awareness and strategic digital marketing expenses of $0.5 million and a $0.9 million decrease in management incentive plan expenses due to reduced headcount.

With the Southern Acquisition, sales and marketing expenses increased by $0.4 million primarily attributable to marketing for scheduled revenue.

General and Administrative

General and administrative expenses decreased by $28.7 million, or 39%, for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. The decrease in general and administrative expense is driven primarily by $20.7 million reduction in stock-based compensation expense, and a decrease of $19.3 million in transaction related costs associated with the Company's direct listing in July 2023. Partially offset by a increase in non-direct listing professional fees of $2.9 million due to a higher volume of corporate transactions during the nine months ended September 30, 2024.

With the Southern Acquisition, general and administrative expenses increased by $9.7 million primarily attributable to labor expenses, professional fees, insurance, utilities, rent and travel.

Depreciation and Amortization

Depreciation and amortization expenses increased by $4.3 million, or 229%, for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. This was primarily due to depreciation of engines and aircraft acquired from Southern, as well as amortization of intangibles acquired in the Southern Acquisition.

Other Income/(Expense)

Other expense, net decreased by $47.1 million, or 86%, for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. There are two primary drivers for the increase in net income/(expense).

For the nine months ended September 30, 2024, there was a decrease of $1.9 million in fair value of financial debt instruments, including SAFE notes and certain convertible notes which resulted in a $47.5 million decrease in expense period over period.

There was an increase in interest expense of $4.0 million period over period, due to additional related party term loans and interest associated with aircraft term loan assumed as part of the Southern Acquisition.

Other expense decreased by $3.3 million due to $3.1 million in contract settlement expense pertaining to the Company's July 2023 direct listing.

Net Loss

The decrease in net loss of $63.5 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2024, was primarily attributable to a decrease in general and administrative expenses of $28.7 million and a decrease of $47.5 million in changes in fair market value of financial instruments. These decreases in expenses were offset by increases in technology and development expenses of $13.9 million.

Cash Flow Analysis

The following table presents a summary of our cash flows (*in thousands*):

	Nine Months Ended September 30,		Change	
	2024	2023	$	%
Net cash provided by (used in):				
Operating activities	$ (30,742)	$ (45,075)	$ 14,333	(32)%
Investing activities	(4,465)	(11,123)	6,658	(60)%
Financing activities	33,898	62,111	(28,213)	(45)%
Net change in cash and cash equivalents	$ (1,309)	$ 5,913	$ (7,222)	(122)%

Cash Flow from Operating Activities

For the nine months ended September 30, 2024, net cash used in operating activities was $30.7 million, driven by a net loss of $76.2 million. These operating outflows were partially offset by non-cash stock-based compensation expenses of $14.6 million, increases in accounts payable, amounts due to related parties and accrued expenses of $24.6 million, and increases in depreciation and amortization expense of $6.2 million.

For the nine months ended September 30, 2023, net cash used in operating activities was $45.1 million, primarily driven by a net loss of $139.7 million. This was partially offset by $35.4 million in non-cash stock-based compensation expenses, $49.4 million in changes in fair value of financial instruments, and increases in accounts payable, accrued expenses, and deferred revenue of $18.1 million, in aggregate. These were off-set by a $6.3 million increase in prepaid expenses.

Net cash used in operating activities decreased period over period by $14.3 million, driven by a $63.5 million decrease in net loss and a $47.5 million decrease in change in fair value of financial instruments.

Cash Flow from Investing Activities

For the nine months ended September 30, 2024, net cash used in investing activities was $4.5 million, a decrease of $6.7 million compared to the nine months ended September 30, 2023, driven by a decrease of $9.0 million of property and equipment costs, offset by a $1.6 million increase in capitalized software development costs and a $0.7 million decrease in cash received as a result of the Southern Acquisition.

Cash Flow from Financing Activities

For the nine months ended September 30, 2024, net cash provided by financing activities was $33.9 million due to proceeds from borrowings from related parties of $29.7 million, net proceeds of $2.8 million from collateralized borrowings, and proceeds from the GEM stock purchase agreement of $3.9 million, partially offset by $2.3 million in principal payments on long-term debt.

For the nine months ended September 30, 2023, net cash provided by financing activities was $62.1 million, primarily due to proceeds from the GEM Purchase of $25 million, proceeds from the GEM stock purchase agreement of $4.5 million, borrowings from related parties of $16.5 million, borrowings from convertible notes of $8 million, proceeds from the issuance of SAFE instruments of $3.7 million, and proceeds from the issuance of preferred shares of $3.0 million.

Net cash provided by financing activities decreased period over period by $28.2 million, primarily driven by reductions in proceeds from the GEM Purchase of $25.0 million and a $3.7 million reduction in proceeds from SAFE instruments.

Liquidity and Capital Resources

The Company has incurred losses from operations, negative cash flows from operating activities and has a working capital deficit. In addition, the Company is currently in default of certain excise and property taxes as well as certain debt obligations. These tax and debt obligations are classified as current liabilities on the Company's Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023. On May 15, 2018, the Company received a notice of a tax lien filing from the Internal Revenue Service ("IRS") for unpaid federal excise taxes for the quarterly periods beginning October 2016 through September 2017 in the amount of $1.9 million, including penalties and interest as of the date of the notice. The Company agreed to a payment plan (the "Installment Plan") whereby the IRS would take no further action and remove such liens at the time such amounts have been paid. In 2019, the Company defaulted on the Installment Plan. Defaulting on the Installment Plan can result in the IRS nullifying such plan, placing the Company in default and taking collection action against the Company for any unpaid balance. The Company's total outstanding federal excise tax liability including accrued penalties and interest of $7.7 million is included in accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheet as of September 30, 2024. During June 2024, the Company submitted a formal offer-in-compromise

("OIC") to the IRS, seeking to resolve all excise tax liabilities. Under the terms of the OIC, all collection actions against the Company, in relation to these matters, will be abated and the Company will be making monthly payments of $34 thousand on historical excise tax liabilities while the IRS is considering the OIC. The Company has also defaulted on its property tax obligations in various California counties in relation to fixed assets, plane usage and aircraft leases. The Company's total outstanding property tax liability including penalties and interest is approximately $1.8 million as of September 30, 2024. The Company received a net credit of $0.3 million as a result of the property tax audit, which concluded in June 2024. Additionally, Los Angeles County has imposed a tax lien on four of the Company's leased aircraft due to the late filing of the Company's 2022 property tax return. As of September 30, 2024, the amount of property tax, interest and penalties accrued related to the Los Angeles County tax lien for all unpaid tax years was approximately $1.2 million. The Company is in the process of remediating the late filing and payment of the property taxes due to Los Angeles County. As of September 30, 2024, the Company was also in default of the Simple Agreements for Future Equity with Token allocation ("SAFE-T") note, where the note matured in July 2019. The SAFE-T note is subordinate to the Company's Convertible Note Purchase Agreement; therefore, the Company cannot pay the outstanding balance prior to paying amounts due under the Convertible Note Purchase Agreement (as defined below). The SAFE-T note had an outstanding principal amount of $0.5 million as of September 30, 2024 (see Note 8, *Financing Arrangements*).

In connection with past due rental and maintenance payments under certain aircraft leases totaling in aggregate approximately $5.0 million, which is accrued for at September 30, 2024 and December 31, 2023, the Company entered into a payment plan pursuant to which all payments of the past due amounts are deferred until such time as the Company receives at least $30.0 million in aggregate funds in connection with any capital contribution, at which time it is required to repay $1.0 million of such past due payments, with the eventual full repayment of the remaining amounts being required upon the receipt of at least $50.0 million in capital contributions. As of September 30, 2024, the Company has classified $1.0 million as a current liability as potentially triggered by capital contributions received as follows: the funds received by the Company of $8.0 million under a convertible note purchase agreement with Partners for Growth V, L.P. ("PFG"), $25.0 million through the share purchase agreement with GEM Global Yield LLC SCS ("GEM"), and an entity affiliated with GEM that provides incremental financing (the "GEM Purchase"), and $14 million in cumulative funding through advances and share draws under the Share Purchase Agreement with GEM. As of September 30, 2024 the Company has not made any payments under this payment plan.

The airline industry and the Company's operations are cyclical and highly competitive. The Company's success is largely dependent on the ability to raise debt and equity capital, achieve a high level of aircraft and crew utilization, increase flight services and the number of passengers flown, and continue to profitably expand into regions throughout the United States.

The Company's prospects and ongoing business activities are subject to the risks and uncertainties frequently encountered by companies in new and rapidly evolving markets. Risks and uncertainties that could materially and adversely affect the Company's business, results of operations or financial condition include, but are not limited to, the ability to: (i) raise additional capital (or financing) to fund operating losses, (ii) refinance its current outstanding debt, (iii) maintain efficient aircraft utilization, primarily through the proper utilization of pilots and managing market shortages of maintenance personnel and critical aircraft components, (iv) sustain ongoing operations, (v) attract and maintain customers, (vi) integrate, manage and grow recent acquisitions and new business initiatives, (vii) obtain and maintain relevant regulatory approvals, and (viii) measure and manage risks inherent to the business model.

Prior to the year ended December 31, 2023, the Company has funded its operations and capital needs primarily through the net proceeds received from the issuance of various debt instruments, convertible securities, related party funding, and preferred and common share financing arrangements. During the year ended December 31, 2023, the Company received $8.0 million under a convertible note purchase agreement (the "Convertible Note Purchase Agreement") with PFG, $25.0 million through the GEM Purchase Agreement and $10.2 million in advances under the second amended and restated Share Purchase Agreement with GEM (see Note 9, *Share Purchase Agreement, GEM Purchase, and Mandatory Convertible Security*). The Company had previously filed a Form S-1 registration statement (File No. 333-274573) with the U.S. Securities and Exchange Commission (the "SEC"), registering up to 3,571,429 million shares of the Company's common stock, which represents 142,857 shares of the Company's common stock issued to GEM under the GEM Purchase Agreement, 185,714 shares of the Company's common stock issued to GEM in connection with the initial issuance to GEM under the Share Purchase Agreement, 571,429 shares of the Company's common stock issued to GEM in satisfaction of the commitment fee under the Share Purchase Agreement, and up to 2,671,429 shares of the Company's common stock to be issued to GEM in connection with the Share Purchase Agreement. Additionally, the Company had previously filed a Form S-1 registration statement (File No. 333-275434) with the SEC, registering up to 42.9 million shares of the Company's common stock, which represents the balance of the full amount of shares of common stock that the Company estimated could be issued and sold to GEM for advances under the Share Purchase Agreement, plus the amount of shares the Company estimated could be sold to GEM for $50.0 million under the Share Purchase Agreement, (collectively, the "Prior Registration Statements"). In connection with the GEM Mandatory Convertible Security (see Note 9, *Share Purchase Agreement, GEM Purchase, and Mandatory Convertible Security*), the Company deregistered all of the shares registered but unsold under the Prior Registration Statements on June 4, 2024. The combined 46,428,571 shares contemplated under the Prior Registration Statements have been included in a Form S-1 Registration Statement (File No. 333-279929), which was declared effective by the SEC on August 7, 2024. As of September 30, 2024, the contractual terms allow the Company to make further advances of up to $97.5 million under the Share Purchase Agreement with GEM. Additionally, the Company has the ability to draw an additional $298.6 million, subject to daily volume limitations and GEM's requirement to hold less than 10% of the fully-diluted shares of the Company, with shares obtained in the satisfaction of draws under the SPA. As of September 30, 2024, GEM held 9.4% of the then fully-diluted shares of the Company. At September 30, 2024, the daily volume limitations under the SPA restricted our ability to take

additional draws under the Share Purchase Agreement to approximately 686 thousand shares per draw. Additionally, the availability of the Share Purchase Agreement is contingent on the Company's common stock being listed on a national exchange. As of September, 2024, the Company is attempting to resolve one listing requirement violation with the NYSE. While not currently subject to de-listing, the Company's inability to cure this listing requirement violation would impact its continued ability to raise capital through the Share Purchase Agreement.

The Company is currently implementing operational improvements and stringent operating expenses management to improve the profitability of its airline operations. In parallel, the Company is advancing its technology initiatives, including its software technology platform and Caravan electrification programs. In addition, the Company continues to evaluate strategies to obtain additional funding for future operations. These strategies may include, but are not limited to, obtaining additional equity financing, issuing additional debt or entering into other financing arrangements, forming joint ventures and other partnerships, and restructuring of operations to grow revenues and decrease expenses. There can be no assurance that the Company will be successful in achieving its strategic plans or that new financing will be available to the Company in a timely manner or on acceptable terms, if at all. If the Company is unable to raise sufficient financing when needed or events or circumstances occur such that the Company does not meet its strategic plans, the Company will be required to take additional measures to conserve liquidity, which could include, but are not necessarily limited to, reducing certain spending, altering or scaling back development plans, including plans to equip regional airline operations with fully-electric or hybrid-electric aircraft, or reducing funding of capital expenditures, which could have a material adverse effect on the Company's financial position, results of operations, cash flows, and ability to achieve its intended business objectives. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company's condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. The Company's condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company's capital expenditures during the nine months ended September 30, 2024 were limited to payments made for aircraft parts, engines, immaterial purchases and internally developed software. Upon the Company's ability to utilize the SPA or obtain alternative funding, the Company intends to invest significantly in expansion of its network footprint and in development of electrified powertrain technology and its commercial platform. Expansion of the network will require acquisition of aircraft over the next five years with an expected cost of approximately $1.2 billion. The Company has placed an order with TAI for 90 Cessna Grand Caravan aircraft with an option for an additional 26 Cessna Grand Caravan aircraft, with expected delivery taken over the next five years. As of September 30, 2024, the Company has made deposits of $2.0 million for aircraft that are scheduled to be delivered starting in the fourth quarter of 2024. The Company intends to finance these aircraft through Jetstream Aviation Capital, with which the Company currently has a sale-leaseback financing arrangement of up to $450 million, and additional debt and/or leasing facilities that it intends to obtain in the event sale-leaseback financing is not available through Jetstream Aviation Capital. See the section entitled "*Risk Factors — Risks Related to SAM's Financial Position and Capital Requirements — SAM has no operating history. Surf Air and Southern's past financial results may not be a reliable indicator of SAM's future success*" *included within the Company's Form 10-K filed on March 29, 2024*. The Company has engaged AeroTEC to develop hybrid-electric and fully electric STCs for the Cessna Grand Caravan in partnership with TAI. A portion of these costs are expected to be funded through the SPA.

Commitments

The Company has entered into various contractual arrangements related to the build-out of the Company's air service fleet, the development of its proprietary hybrid and electric aircraft technology, and the build out of its aircraft as a service platform. These arrangements include commitments for payments pursuant to licensing agreements, which routinely contain provisions for guarantees or minimum expenditures during the terms of the contracts. The Company also enters into long-term debt arrangements that include periodic interest and principal payments. Additionally, the Company routinely enters into noncancelable lease agreements for aircraft and operating locations, which contain minimum rental payments.

The timing and nature of these commitments are expected to have an impact on our liquidity and capital requirements in future periods. Refer to the Notes to the accompanying condensed consolidated financial statements included in Part I, Item 1 for additional information relating to our long-term debt, operating and finance leases, related party term notes, and commitments.

Critical Accounting Policies and Estimates

The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the balance sheet date, as well as reported amounts of revenue and expenses during the reporting period. Our most significant estimates and judgments involve difficult, subjective, or complex judgments made by management. Actual results may differ from these estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected. We had no significant changes to our critical accounting estimates as described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

JOBS Act

The Company currently qualifies as an "emerging growth company" under the JOBS Act. Accordingly, the Company has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. The Company's utilization of these transition periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the transition periods afforded under the JOBS Act.

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. Except as indicated below, there has been no material change in our exposure to market risk from that described in "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act), that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosure. It should be noted that, because of inherent limitations, our disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the disclosure controls and procedures are met.

As required by Rule 13a-15(b) under the Exchange Act, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective at a reasonable assurance level as of September 30, 2024, due to presence of the material weaknesses in internal control over financial reporting described below.

Notwithstanding the pending remediation efforts described below, based on additional analysis and other post-closing procedures performed, our management believes that the financial statements included in this report present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Material Weaknesses in Internal Control Over Financial Reporting

As of September 30, 2024, material weaknesses existed in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses are as follows:

- We did not design and maintain an effective control environment commensurate with our financial reporting requirements. Specifically, we lacked a sufficient complement of resources with (i) an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately, and (ii) an appropriate level of knowledge and experience to establish effective processes and controls. Additionally, the lack of a sufficient complement of resources resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of our financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in our finance and accounting functions.

- We did not design and maintain effective controls in response to the risks of material misstatement. Specifically, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting.

These material weaknesses contributed to the following additional material weaknesses:

- We did not design and maintain effective controls related to the identification of and accounting for certain non-routine, unusual or complex transactions, including the proper application of U.S. GAAP of such transactions. Specifically, we did not design and maintain effective controls to timely identify and account for capitalizable costs, revenue, stock-based compensation, and debt and equity financing transactions.
- We did not design and maintain effective controls related to the period-end financial reporting process, including designing and maintaining formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures. Additionally, we did not design and maintain effective controls over the preparation and review of account reconciliations and journal entries, including maintaining appropriate segregation of duties.
- We did not design and maintain effective information technology ("IT") general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain: (i) program change management controls to ensure that program and data changes are identified, tested, authorized, and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel; (iii) computer operations controls to ensure that processing and transfer of data, and data backups and recovery are monitored; and (iv) program development controls to ensure that new software development is tested, authorized and implemented appropriately.

These material weaknesses resulted in audit adjustments to substantially all of our accounts, which were recorded prior to the issuance of the consolidated financial statements as of December 31, 2021 and 2020 and for the years then-ended, and as of June 30, 2022 and 2021 and for the six-month periods then ended. Subsequently, these material weaknesses also resulted in audit adjustments to revenue, deferred revenue, accrued expenses, additional paid-in capital and stock-based compensation expense to the consolidated financial statements as of December 31, 2022 and 2023 and for the years then-ended. These material weaknesses also resulted in misstatements to prepaid expenses and other current assets and sales and marketing to the consolidated financial statements as of and for the quarter ended September 30, 2023. Additionally, these material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Additionally, with the closing of the Southern Acquisition, and the continued integration of associated operations and processes into those of the Company, the following material weakness in internal control over financial reporting has also been identified, after considering alignment with previous material weaknesses identified and outlined above:

- We did not design and maintain effective controls to achieve complete, accurate and timely accounting for debt, deferred liabilities, leases, property and equipment, redeemable convertible preferred shares, accounts payable, and accrued liabilities. This material weakness did not result in adjustments to our consolidated financial statements. However, this material weakness could result in a misstatement of the aforementioned accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Additionally, prior to our acquisition of Southern, Southern reported multiple material weaknesses related to its control environment, risks of material misstatement, period-end financial reporting and IT general controls in our Form S-1 filed on September 19, 2023. Those material weaknesses resulted in audit adjustments to substantially all of Southern's accounts, which were recorded prior to the issuance of the consolidated financial statements of Southern as of December 31, 2022, 2021 and 2020 and for the years then-ended. Subsequently, those material weaknesses also resulted in a revision to the previously issued consolidated financial statements of Southern as of December 31, 2022 and 2021 and for the years then-ended, and the interim periods ended June 30, 2022 and 2021, to correct for errors in revenues and deferred revenues. Also, in connection with the preparation of Southern's financial statements for the interim period ended March 31, 2023, Southern identified an error related to the accounting for prepaid passenger ticket deposits. Southern's management determined that this error was the result of the previously reported material weaknesses. This error was corrected in Southern's financial statements as of December 31, 2022 and 2021 and for the years then-ended and the interim periods ended June 30, 2022 and 2021 as a revision to previously issued financial statements.

Remediation Plans to Address Material Weaknesses

To date, we have developed a plan to address the material weaknesses identified above. This remediation plan consists primarily of: (i) adding key personnel to strengthen the Company's financial reporting processes, (ii) improving our internal controls around

financial systems and processes, (iii) formalizing internal controls related to the identification of and accounting for certain non-routine, unusual or complex transactions, including the proper application of U.S. GAAP to such transactions, (iv) engaging a third party to assist in identifying risks of material misstatement and designing and implementing controls to address the identified risks of material misstatement, and (v) designing and operating computer operations, program and system development, and user access and change management controls. We intend to take additional steps to remediate the deficiencies identified above and further evolve our internal controls and processes.

Changes in Internal Control over Financial Reporting

Except for changes related to our integration of Southern's operations, control processes and information systems into our systems and control environment and changes related to our remediation plans to address our material weaknesses discussed above, there were no significant changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We are currently in the process of integrating Southern's operations, control processes and information systems into our systems and control environment.

Inherent Limitation on the Effectiveness of Internal Control over Financial Reporting and Disclosure Controls and Procedures

Our management, including our Interim Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected or preventable.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. Except as set out in Item 1 "Financial Statements - Note 12 - Commitments and Contingencies - Legal Contingencies," we are not currently party to any legal proceedings, the outcome of which, if determined adversely, we believe would individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

ITEM 1A. RISK FACTORS

Except as disclosed below and as previously disclosed in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Agreements governing our debt obligations include financial and other covenants that provide limitations on our business and operations under certain circumstances, and failure to comply with any of the covenants in such agreements could adversely impact us.

Our current and any future financing agreements that we may enter into from time to time, contain certain affirmative, negative and financial covenants, and other customary events of default. Under certain circumstances, such covenants require us to maintain minimum liquidity levels, limit our ability to enter into certain strategic transactions, make certain investments, pay dividends and make certain other specified restricted payments. Certain covenants in our financing agreements are subject to important exceptions, qualifications and cure rights, including, under limited circumstances, the requirement to provide additional collateral or prepay or redeem certain obligations. In addition, certain of our financing agreements are cross-collateralized, such that an event of default or acceleration of indebtedness under one agreement could result in an event of default under other financing agreements. If we fail to comply with such covenants, if any other events of default occur for which no waiver or amendment is obtained, or if we are unable to timely refinance the debt obligations subject to such covenants or take other mitigating actions, the holders of our indebtedness could, among other things, declare outstanding amounts immediately due and payable and, subject to the terms of relevant financing agreements, repossess or foreclose on collateral, including certain of our aircraft or other assets used in our business. The acceleration of significant indebtedness or actions to repossess or foreclose on collateral may cause us to renegotiate, repay or refinance the affected obligations, and there is no assurance that such efforts would be successful or on terms we deem attractive. In addition, any acceleration or actions to repossess or foreclose on collateral under our financing agreements could result in a downgrade of any credit ratings then applicable to us, which could result in additional events of default or limit our ability to obtain additional financing.

For example, the Company's 4-year credit agreement with certain affiliates of Comvest Partners, as lenders, is backstopped by a letter of credit issued by HSBC Bank USA, N.A. and arranged by Park Lane Investments, LLC, which is an entity owned by a family member of a co-founder of the Company (the "Credit Support Provider"). In connection with the foregoing, the Company is party to a senior secured reimbursement agreement with the Credit Support Provider (the "Reimbursement Agreement") to, among other things, reimburse the Credit Support Provider for the costs of the letter of credit, and any amounts for which the letter of credit is drawn. The Reimbursement Agreement contains covenants that, among other things, restrict the ability of the Company to: (i) acquire or dispose of assets or businesses; (ii) incur additional indebtedness or liens; (iii) make cash distributions; and (iv) prepay outstanding debt, and otherwise restrict corporate activities of the Company without the consent of the Credit Support Provider. The Reimbursement Agreement also requires the Company to maintain a certain level of minimum liquidity and to limit variance to cash flow projections. Economic conditions and other variables could result in the inability of the Company to satisfy the requirements under the Reimbursement Agreement, could result in one or more events of default thereunder.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Except as previously disclosed in the Company's Current Report on Form 8-K filed with the SEC on October 8, 2024, there have been no unregistered sales of equity securities during the three months ended September 30, 2024.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) The information below included in this Item 5 is provided in lieu of filing such information on a Current Report on Form 8-K under Items 1.01, 2.03 and 3.02 as designated below.

Entry into Senior Secured Term Loan Facility

On November 14, 2024, Surf Air Mobility Inc. (the "Company") entered into a 4-year Credit Agreement with certain affiliates of Comvest Partners, as lenders (the "Credit Agreement"), pursuant to which the Company borrowed $44.5 million of term loans, with $5.5 million of delayed draw commitments.

The loans under the Credit Agreement accrue interest at a rate of (x) SOFR (subject to a 1.00% floor) plus (y) 5.00%, and are subject to a prepayment premium for 18 months after the initial funding date. There was a 1.50% fee on the aggregate loans and commitments, paid at the initial funding. The loans under the Credit Agreement have no required amortization.

The obligations of the Company under the Credit Agreement are subject to a security interest on assets of the Company, subject to certain exceptions.

The Credit Agreement is fully backstopped by a letter of credit issued by HSBC Bank USA, N.A. and arranged by Park Lane Investments LLC, which is an entity owned by a family member of a co-founder of the Company ("Credit Support Provider"), and in connection therewith, the Company has entered into a reimbursement agreement with Credit Support Provider described below.

The Credit Agreement contains certain representations and warranties, covenants and events of default. Upon the occurrence of certain events of default, the lenders would have the right to draw upon the letter of credit referenced above.

This summary is qualified in its entirety by reference to the full text of the form of the Credit Agreement, which is attached as Exhibit 10.3 to this Quarterly Report on Form 10-Q.

Entry into Reimbursement Agreement

On November 14, 2024, in connection with the letter of credit backstopping the Credit Agreement, the Company entered into a Reimbursement Agreement with Credit Support Provider (the "Reimbursement Agreement"), which contains certain representations and warranties, covenants and events of default.

If the backstop letter of credit is drawn, the Company will be required to reimburse the Credit Support Provider for the drawn amount of the letter of credit, pay interest to the Credit Support Provider at 15.00% per annum on such drawn amounts (subject to increase in the event of default). The Company is separately obligated to pay a fee of 1.00% per annum to the Credit Support Provider on the outstanding face amount of the backstop letter of credit. In the event the Company raises capital in certain equity offerings, a portion of the net cash proceeds from such equity offerings is required to be remitted to Credit Support Provider to be held in trust in accordance with the Reimbursement Agreement.

The obligations under the Reimbursement Agreement are guaranteed by certain of the Company's subsidiaries, and subject to a security interest on assets of the Company and the subsidiary guarantors, subject to certain exceptions.

In connection with the Reimbursement Agreement, Credit Support Provider will have the right to appoint a board observer with respect to the Company.

This summary is qualified in its entirety by reference to the full text of the form of the Reimbursement Agreement, which is attached as Exhibit 10.4 to this Quarterly Report on Form 10-Q.

Entry into LamVen Note

On November 14, 2024, the Company entered into a note exchange agreement with LamVen pursuant to which the Company issued a secured convertible promissory note (the "LamVen Note") in aggregate principal amount of $50.0 million to LamVen LLC, an entity owned by a co-founder of the Company ("LamVen"), to refinance certain existing notes.

The LamVen Note will accrue interest at the greater of (x) SOFR (subject to a 1.00% floor) plus 5.00% and (y) 9.75% (subject to increase in the event of default). In the event the Company raises capital in certain equity offerings, a portion of the net cash proceeds

from such equity offerings and the net cash proceeds from certain asset sales are required to be applied to repay the obligations under the LamVen Note. The maturity of the LamVen Note is December 31, 2028, which may be accelerated upon the occurrence of certain events of default.

At the election of LamVen from time to time, on one or more occasions, the outstanding principal amount of the LamVen Note (or any portion thereof), together with all accrued but unpaid interest thereon, can be converted into a number of shares of common stock, using a conversion price per share equal to the Minimum Price, as defined in New York Stock Exchange Listed Company Manual Section 312.04(h) (the "Minimum Price"); provided, however, that LamVen shall not be able to convert the note if so doing would increase its beneficial ownership interest in the Company to 10% or more of the Company's then outstanding common stock.

In addition, on November 14, 2024, a portion of the principal of existing LamVen notes being refinanced equal to $7,473,131 was exchanged for (i) 750,000 shares of common stock of the Company issued to LamVen at $1.83 per share, which represents the official closing price of the Company's common stock on the New York Stock Exchange on the date immediately preceding November 14, 2024 (the "LamVen Shares"), and (ii) 3,389,398 warrants to purchase common stock of the Company issued to LamVen with a strike price of $1.83 per share (the "LamVen Warrants").

The obligations under the LamVen Note are guaranteed by certain of the Company's subsidiaries, and subject to a security interest on assets of the Company and the subsidiary guarantors, subject to certain exceptions.

This summary is qualified in its entirety by reference to the full text of the form of the LamVen Note, which is attached as Exhibit 10.5 to this Quarterly Report on Form 10-Q.

Entry into Amendment to PFG Convertible Note Purchase Agreement

On November 14, 2024, the Company amended the existing Convertible Note Purchase Agreement with Partners for Growth V, L.P. ("PFG"), which had an outstanding principal amount of $8.0 million (the "PFG Note") upon amended.

The PFG Note will accrue interest at the greater of (x) SOFR (subject to a 1.00% floor) plus 5.00% and (y) 9.75% (subject to increase in the event of default). In the event the Company raises capital in certain equity offerings, a portion of the net cash proceeds from such equity offerings is required to be applied to repay the obligations under the PFG Note. The maturity of the PFG Note is December 31, 2028, which may be accelerated upon the occurrence of certain events of default.

PFG has the right to convert, at its option, the amounts outstanding under the PFG Note into common stock of Company, at conversion price of $42.00 per share.

The obligations under the PFG Note are guaranteed by certain of the Company's subsidiaries, and subject to a security interest on assets of the Company and the subsidiary guarantors, subject to certain exceptions.

This summary is qualified in its entirety by reference to the full text of the conformed Convertible Note Purchase Agreement which is attached as Exhibit 10.6 to this Quarterly Report on Form 10-Q.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in response to item 1.01 is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities

The information provided in response to item 1.01 is incorporated herein by reference. The issuance of the LamVen Note, LamVen Shares, and LamVen Warrants are exempt from registration under Section 4(a)(2) under the Securities Act of 1933, as amended, as transactions by an issuer not involving any public offering.

(b) Not applicable.

(c) Rule 10b5-1 Trading Plans or Other Preplanned Trading Arrangements

During the three months ended September 30, 2024, none of our directors or officers (as defined in Section 16 of the Exchange Act), adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy

the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K of the Exchange Act).

ITEM 6 – EXHIBITS

The following documents are filed as exhibits to this Report:

Exhibit Number	Description of Document
3.1	Amended and Restated Certificate of Incorporation of Surf Air Mobility Inc. *(incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K, filed with the SEC on March 29, 2024).*
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation *(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 19, 2024).*
10.1	Mandatory Convertible Security, dated August 7, 2024, between Surf Air Mobility, Inc. and GEM Global Yield LLC SCS *(incorporated by reference as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 9, 2024).*
10.2	Joint Venture Agreement, dated August 9, 2024, between Surf Air Mobility Inc. and Palantir Technologies, Inc. *(incorporated by reference to the Company's Current Report on Form 8-K filed on August 13, 2024).*
10.3*	Credit Agreement, dated November 14, 2024, 2024, among the Company as borrower, the lenders party thereto, and CCP Agency, LLC as agent
10.4*	Reimbursement Agreement, dated November 14, 2024, among the Company, the subsidiaries of the Company party thereto and Park Lane Investments LLC
10.5*	Secured Promissory Note, dated November 14, 2024, among the Company, the subsidiaries of the Company party thereto and LamVen LLC
10.6*	Convertible Note Purchase Agreement, dated as of June 15, 2023, between Surf Air Mobility Inc. and Partners for Growth V, L.P., conformed for Consent and Amendment, dated November 14, 2024 among the Company, the subsidiaries of the Company party thereto and Partners for Growth V, L.P.
10.7*	Fifth Amendment to Data License Agreement dated September 26, 2024.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial and Accounting Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*§	Certification of Principal Executive Officer and Principal Financial and Accounting Officer Pursuant to 18 U.S.C Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.

§ Furnished herewith. This certification is not deemed filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

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

Surf Air Mobility Inc.
(Registrant)

Date: November 14, 2024

/s/ Deanna White

Deanna White
Interim Chief Executive Officer
(Principal Executive Officer)

Date: November 14, 2024

/s/ Oliver Reeves

Oliver Reeves
Chief Financial Officer
(Principal Financial and Accounting Officer)

CREDIT AGREEMENT

dated as of

November 14, 2024

among

SURF AIR MOBILITY INC., as Borrower

THE PERSONS PARTY HERETO,
as Lenders,

and

CCP AGENCY, LLC,
as Agent

IF = IF 1 = 1 1 01 * IF COMPARE SECTION 1 = "1" 1 = 1 1 011 = 1

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EXHIBITS

SCHEDULES

CREDIT AGREEMENT

This CREDIT AGREEMENT (as it may from time to time be amended, restated, supplemented or otherwise modified from time to time, this "Agreement") is made and entered into as of November 14, 2024, by and among (i) the Persons from time to time party hereto as lenders (the "Lenders"), (ii) CCP AGENCY, LLC, a Delaware limited liability company (in its individual capacity, "Comvest"), as Agent (as defined below) for all Lenders, and (iii) SURF AIR MOBILITY INC., a Delaware corporation (the "Borrower").

W I T N E S S E T H:

WHEREAS, in order to provide funds to finance (i) the payment of certain fees and expenses associated with the funding of the Loans hereunder, and (ii) other general corporate purposes, Borrower have requested that the Lenders extend to Borrower certain Loans (as defined below) pursuant to the terms and conditions of set forth in this Agreement; and

WHEREAS, the Lenders are willing to make the Loans, on a several basis, to Borrower on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereby agree as follows:

I. DEFINITIONS

Section 1.01. Defined Terms. In addition to the other terms defined elsewhere in this Agreement, as used herein, the following terms shall have the following meanings:

"Accounts" shall mean "accounts" (as defined in the UCC).

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Affiliate" shall mean, with respect to any Person, any other Person in Control of, Controlled by, or under common Control with the first Person; provided, however, that none of Agent, any Lender nor any of their respective Affiliates shall be deemed an "Affiliate" of Borrower for any purposes of this Agreement solely as a result of owning or receiving any stock or other equity interests in Borrower or any Affiliate thereof.

"Agency Fee" shall have the meaning set forth in Section 2.02(c).

"Agent" shall mean Comvest in its capacity as administrative agent for all Lenders hereunder and any successor thereto in such capacity.

"Aggregate Delayed Draw Term Loan Commitment" shall mean $5,500,000, as the same may be reduced from time to time in accordance with this Agreement, including without limitation pursuant to Sections 2.01(b), 2.01(d) and 7.02.

"Aggregate Initial Term Loan Commitment" shall mean $44,500,000, as the same may be reduced from time to time in accordance with this Agreement, including without limitation pursuant to Section 2.01(a).

"Agreement" shall have the meaning set forth in the Preamble.

"Applicable Law" shall mean all applicable provisions of all (a) constitutions, statutes, ordinances, rules, regulations and orders of all governmental and/or quasi-governmental bodies, (b) Government Approvals, and (c) order, judgments and decrees of all courts and arbitrators.

"Applicable Margin" shall mean a rate of interest equal to 5.00% per annum.

"Assignment and Acceptance" shall mean an Assignment and Acceptance Agreement substantially in the form of Exhibit C attached hereto, or such other form as may be acceptable to Agent.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 11.05(b)(iv).

"Benchmark" means, initially, the Term SOFR Reference Rate; provided, that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 11.05(b)(i).

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by Agent for the applicable Benchmark Replacement Date:

(a) the sum of (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment; or

(b) the sum of: (i) the alternate benchmark rate that has been selected by Agent and Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Agent and Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement

of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Date" means a date and time determined by Agent, which date shall be no later than (and, without the consent of Borrower, no earlier than) the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event", the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof)

announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 11.05(b), and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 11.05(b).

"Borrower" has the meaning set forth in the Preamble.

"Business Day" shall mean (a) a day other than (i) a Saturday, (ii) a Sunday, or (iii) a day on which banking institutions in the State of New York are authorized or required by Applicable Law or executive order to close.

"Capitalized Lease" shall mean any lease which is or is required to be capitalized on the balance sheet of the lessee thereunder as a finance lease (and not, for the avoidance of doubt, as an operating lease) in accordance with GAAP.

"Capitalized Lease Obligation" shall mean with respect to any Person, the amount of the liability which reflects the amount of all future payments under all Capitalized Leases of such Person as at any date, determined in accordance with GAAP.

"Closing Date" shall mean the date of this Agreement.

"Closing Date Letter of Credit" shall have the meaning set forth in Section 4.01(c) (including any substitutions thereof issued in accordance with the terms herein).

"Closing Payment" shall mean $712,500, which shall be payable in accordance with Section 2.02(b) on the Closing Date.

"Code" shall mean the Internal Revenue Code of 1986, and the rules and regulations promulgated thereunder, as amended and as in effect from time to time.

"Collateral" shall mean "Collateral" as defined in the Security Agreement.

"Commitments" shall mean, with respect to any Lender, its Delayed Draw Term Loan Commitment and its Initial Term Loan Commitment, and with respect to all Lenders, the Delayed Draw Term Loan Commitment and the Aggregate Initial Term Loan Commitment.

"Comvest" shall have the meaning set forth in the Preamble.

"Confidential Information" shall mean information that Borrower furnishes to Agent or any Lender pursuant to any Loan Document concerning Borrower, its Subsidiaries and their business, operations, assets, and existing and contemplated business plans, but does not include any such information once such information has become, or if such information is, generally available to the public other than

through a breach of the confidentiality provisions of this Agreement or other applicable confidentiality provisions.

"Conforming Changes" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of any breakage costs and other technical, administrative or operational matters) that Agent reasonably decides, after consultation with Borrower, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Agent in a manner substantially consistent with market practice (or, if Agent decides that adoption of any portion of such market practice is not administratively feasible or if Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as Agent reasonably decides (after consultation with Borrower) is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Contract" shall mean any indenture, contract, lease, license or other agreement (other than this Agreement or any other Loan Document) to which Borrower is a party or to which any property or any asset of Borrower is subject to or bound by.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative thereto.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided, that if Agent decides that any such convention is not administratively feasible for Agent, then Agent may establish another convention in its reasonable discretion.

"Default" shall mean any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Delayed Draw Term Loans" shall mean the loans from time to time made pursuant to Section 2.01(b).

"Delayed Draw Term Loan Commitment" shall mean, with respect to any Delayed Draw Term Loan Lender, such Lender's Pro Rata Share of the Aggregate Delayed Draw Term Loan Commitment, which as of the Closing Date is set forth on Schedule A hereto.

"Delayed Draw Term Loan Commitment Period" shall mean the period commencing on the first Business Day following the Closing Date and ending on the Delayed Draw Term Loan Commitment Termination Date.

"Delayed Draw Term Loan Commitment Termination Date" shall mean the earlier to occur of (a) May 14, 2026, and (b) the date on which the Aggregate Delayed Draw Term Loan Commitment is reduced to $0 or terminates pursuant to Section 2.01(b) or 7.02 or otherwise; provided if such date shall fall on a day other than a Business Day, such date shall be the immediately preceding Business Day.

"Delayed Draw Term Loan Lender" shall mean, as of any date of determination, each Lender having a Delayed Draw Term Loan Commitment or holding all or any portion of the outstanding Delayed Draw Term Loans.

"Disclosure Schedule" shall mean the disclosure schedules attached hereto.

"Disqualified Institution" means, collectively, (a) any competitor of the Borrower or any of its Subsidiaries (each such person, a "Competitor") identified in writing by the Borrower from time to time to Agent and (b) any Affiliate of such Competitor to the extent that such Affiliate is clearly identifiable solely on the basis of the similarity of its name or is identified in writing by the Borrower to Agent.

"Division/Series Transaction" shall mean, with respect to any Person, that any such Person (a) divides into two or more Persons (whether or not the original Person survives such division) or (b) creates, or reorganizes into, one or more series, in each case as contemplated under the laws of any jurisdiction.

"Dollars" or "$" shall mean United States Dollars, lawful currency for the payment of public and private debts.

"Event of Default" shall have the meaning set forth in Section 7.01.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excluded Tax" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loans or Commitment (other than pursuant to an assignment request by Borrower) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.07, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.07(a)-(d), and (d) any withholding Taxes imposed under FATCA.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor or version that is substantially comparable and not more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among government authorities and implementing such sections of the Code.

"Fiscal Year" shall mean the fiscal year of Borrower which ends on December 31 of each year.

"Fiscal Quarter" shall mean a fiscal quarter of Borrower, ending March 31, June 30, September 30 or December 31 of each calendar year.

"Floor" means a rate of interest equal to 1.00% per annum.

"Foreign Lender" shall have the meaning set forth in Section 2.07(b).

"Foreign Plan" shall mean any employee benefit maintained or contributed to by Borrower that is not subject to United States laws providing for post-employment benefits.

"FRB" shall mean the Board of Governors of the Federal Reserve System or any successor thereto.

"Funded Loans" means the original principal amount of funded Initial Term Loans and Delayed Draw Term Loans.

"GAAP" shall mean generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the United States accounting profession), which are applicable to the circumstances as of the date of determination.

"Government Approval" shall mean an authorization, consent, non-action, approval, license, grant, or exemption of, registration or filing with, or report to, any governmental or quasi-governmental department, agency, body or other unit.

"Guaranteed" or to "Guarantee", as applied to any Indebtedness, liability or other obligation, shall mean (a) a guaranty, directly or indirectly, in any manner, including by way of endorsement (other than endorsements of negotiable instruments for collection in the Ordinary Course of Business), of any part or all of such Indebtedness, liability or obligation, and (b) an agreement, contingent or otherwise, and whether or not constituting a guaranty, assuring, or intended to assure, the payment or performance (or payment of damages in the event of non-performance) of any part or all of such Indebtedness, liability or obligation by any means (including, without limitation, the purchase of securities or obligations, the purchase or sale of property or services, or the supplying of funds).

"Indebtedness" shall mean (without duplication), with respect to any Person, (a) any and all obligations or liabilities, contingent or otherwise, of such Person for borrowed money, (b) any and all obligations of such Person represented by promissory notes, bonds, debentures or the like, or on which interest charges are customarily paid, (c) any and all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (d) any and all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade payables and accrued expenses incurred in the Ordinary Course of Business, but including any earn-out, hold-backs or similar contingent obligations to the extent such earn-out, hold-back or similar contingent obligation is required to be disclosed as a liability on the balance sheet in accordance with GAAP), (e) any and all Capitalized Lease Obligations of such Person, (f) any and all obligations (contingent or otherwise) of such Person as an account party or applicant in respect of letters of credit and/or bankers' acceptances, or in respect of financial or other hedging obligations, (g) any and all principal outstanding under any synthetic lease, off-balance sheet loan or similar financing product with respect to such Person,

and (h) any and all Guarantees, endorsements (other than for collection in the Ordinary Course of Business) and other contingent obligations of such Person in respect of the obligations of others. For purposes of this definition, (i) the amount of any Indebtedness represented solely by a Guarantee or other similar instrument shall be the lesser of the amount of the obligations Guaranteed and still outstanding and the maximum amount for which the Guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is contractually limited or is recourse solely to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such identified assets to which recourse is limited.

"Indemnified Taxes" means (a) Taxes other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document, and (b) to the extent not otherwise described in (a), Other Taxes.

"Initial Term Loan" shall mean the term loan made pursuant to Section 2.01(a).

"Initial Term Loan Commitment" shall mean, with respect to any Lender, the percentage equal to such Lender's share of the Aggregate Initial Term Loan Commitment, in each case as set forth beside such Lender's name under the applicable heading on Schedule A to this Agreement.

"Initial Term Loan Lender" shall mean, as of any date of determination, each Lender having an Initial Term Loan Commitment or holding all or any portion of the outstanding Initial Term Loans.

"Interest Payment Date" shall mean, with respect to any Loan, (i) the last Business Day of each calendar month and (ii) the final maturity date of such Loan.

"Interest Period" means the period commencing on the date such Loan is borrowed, or the date the prior Interest Period for such Loan ends, and ending on the date one month, three months or six months thereafter as selected by Borrower; provided, that: (a) if any Interest Period would otherwise end of a day that is not a Business Day, such Interest Period shall be extended to the following Business Day unless the result of such extension would carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day; (b) any Interest Period that begins on a day which there is no numerically corresponding day in the calendar month at the of such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period and (c) the first Interest Period selected by Borrower may be an irregular Interest Period ending on the last Business Day of month one, three or six months after the Closing Date.

"LamVen Note" means that certain Secured Promissory Note, dated as of November 14, 2024, by and among, the Borrower, certain subsidiaries of the Borrower and LamVen LLC, as amended, restated, amended and restated, modified or supplemented from time to time.

"Lender Approved Bank" means (i) HSBC, (ii) any of Citibank, Wells Fargo, Barclays, Bank of America, Morgan Stanley and JPMorgan, or (iii) any other U.S.-based bank with a rating by S&P or Moody's of at least A-/A3 that is reasonably acceptable to Agent; provided, that if any proceeding under any bankruptcy, insolvency or other similar Applicable Law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property shall have occurred in respect of any of the foregoing Persons, or if the long-term issuer credit rating of any such Person by both S&P or Moody's is reduced by at least three notches from the current A+ / AA3 rating, such Person shall no longer be a "Lender Approved Bank".

"Lenders" shall have the meaning set forth in the Preamble.

"Letter of Credit" means a letter of credit with Agent as the beneficiary that has substantially equivalent terms to the Closing Date Letter of Credit (including, for the avoidance of doubt, a face amount of not less than $50,000,000 (less any amounts of any partial draws made under the Closing Date Letter of Credit from time to time)), a period of not less than thirty (30) days advance written notice prior to the last day of the then-current expiration date of non-renewal or non-reissuance, a final termination date of not earlier than May 31, 2029, and no conditions to the making of draws thereunder (except as set forth in the Closing Date Letter of Credit), or other terms reasonably acceptable to Agent.

"Lien" shall mean, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

"Loan Commitment" shall mean, with respect to any Lender, the percentage equal to such Lender's Initial Term Loan Commitment and Delayed Draw Term Loan Commitment, in each case as set forth beside such Lender's name under the applicable heading on Schedule A to this Agreement.

"Loan Documents" shall mean the collective reference to this Agreement, the Notes, the Closing Date Letter of Credit, the Security Agreement, and any and all other agreements, instruments, certificates and other documents as may be executed and delivered by Borrower in connection with the foregoing, in each case, as same may be amended, modified, supplemented and/or restated from time to time.

"Loans" shall mean collectively, the Initial Term Loans and the Delayed Draw Term Loans.

"Material Adverse Effect" shall mean any event, act, omission, condition or circumstance which, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on (a) the business, results of operations, properties, assets or financial condition of Borrower, (b) the ability of Borrower to perform any of its payment obligations (taken as a whole) under the Loan Documents taken as a whole, or (c) the validity or enforceability of, or Agent's or Lenders' rights and remedies (taken as a whole) under, the Loan Documents taken as a whole.

"Maturity Date" shall mean November 14, 2028. If such date is not a Business Day, the immediately preceding Business Day.

"Note Purchase Agreement" shall mean that certain Convertible Note Purchase Agreement, dated as of June 21, 2023 and amended as of November 14, 2024 between Partners For Growth V, L.P. and the Borrower, as amended, restated, amended and restated, modified or supplemented from time to time.

"Note Exchange Agreement" shall mean that certain Note Exchange Agreement, dated as of November 14, 2024 among LamVen LLC, Surf Air Global Limited and the Borrower.

"Note" shall mean any promissory note of Borrower issued to a Lender with respect to the Loans and Commitments, as described in Section 2.01(f).

"Notice of Borrowing" shall mean a written notice executed by a duly authorized officer of Borrower in the form of Exhibit D or such other form as shall be approved by Agent.

"Obligations" shall mean the collective reference to all Indebtedness (including without limitation, all of the Loans) and all of the other liabilities and obligations of every kind and description owed by Borrower to Agent and the other Secured Persons from time to time under or pursuant to this Agreement, the Notes, the Security Agreement and the other Loan Documents, however evidenced, created

or incurred, fixed or contingent, now or hereafter existing, due or to become due, and whether for principal, interest, fees, premiums, expenses, indemnification or other amounts (including interest, fees, premiums, expenses, indemnification or other amounts that, but for the filing of a petition in bankruptcy or other insolvency event with respect to Borrower, would have accrued on any Obligation, whether or not a claim is allowed against Borrower for such interest, fees, premiums, expenses, indemnification or other amounts in the related bankruptcy or insolvency proceeding).

"OFAC" shall have the meaning set forth in Section 3.20.

"Ordinary Course of Business" shall mean, in respect of any action or omission taken or not taken by any Person, the ordinary course of such Person's business, as conducted by such Person consistent with past practices or otherwise pursuant to the reasonable requirements of such business.

"Organic Documents" shall mean, as applicable, with respect to any Person that is an entity, the certificate of incorporation, articles of incorporation, certificate of formation, certificate of limited partnership, by-laws, operating agreement, limited liability company agreement, limited partnership agreement and such other governance documents of such Person.

"Other Connection Taxes" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" shall mean all present or future stamp, court, documentary, intangible, recording, filing, or other similar taxes that arise from any payment made under, or from the execution, delivery, performance, enforcement, or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than any assignment at Borrower's request).

"Paid in Full" and "Payment in Full" mean, with respect to any or all of the Obligations, as the context requires, that all of such Obligations (whether now existing or hereafter arising, but excluding unasserted contingent indemnification Obligations) have been paid in full in cash and all of the Commitments have been terminated, in each case in accordance with the terms and conditions of this Agreement.

"Park Lane" shall mean Park Lane Investments LLC.

"Participant Register" shall have the meaning set forth in Section 8.01.

"Payment Recipient" shall have the meaning set forth in Section 10.15(a).

"Person" shall mean any individual, partnership, corporation, limited liability company, banking association, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

"Prepayment Premium" shall have the meaning set forth in Section 2.02(f).

"Pro Rata Share" shall mean (a) with respect to all matters relating to any Lender with respect to the Initial Term Loan, the percentage obtained by dividing (i) the Initial Term Loan Commitment

of that Lender by (ii) the Aggregate Initial Term Loan Commitment (provided, after the Closing Date, the applicable outstanding principal balances of the Initial Term Loan held by such Lender and all Lenders, respectively, shall be used in lieu of the Initial Term Loan Commitment and the Aggregate Initial Term Loan Commitment in both clauses (i) and (ii)) (b) with respect to all matters relating to any Lender with respect to the Delayed Draw Term Loans, the percentage obtained by dividing (i) the Delayed Draw Term Loan Commitment of that Lender plus, without duplication, the outstanding principal balance of the Delayed Draw Term Loans held by that Lender by (ii) the Aggregate Delayed Draw Term Loan Commitment plus, without duplication, the aggregate outstanding principal balance of the Delayed Draw Term Loans held by all Lenders, and (c) with respect to any other matters set forth in this Agreement and other Loan Documents, the percentage obtained by dividing (i) the Commitments and/or Loans of that Lender (in the manner provided in the foregoing clauses (a) and (b)), by (ii) the aggregate Commitments and/or Loans of all Lenders (in the manner provided in the foregoing clauses (a) and (b)).

"Recipient" shall mean (a) Agent, or (b) any Lender, as applicable.

"Register" shall have the meaning set forth in Section 8.02.

"Reimbursement Agreement" shall have the meaning set forth in Section 4.01(b).

"Related Fund" shall mean, with respect to any Lender, (i) any fund, trust or similar entity that is advised or managed by (a) such Lender, (b) an Affiliate of such Lender, (c) the same investment advisor that manages such Lender or (d) an Affiliate of an investment advisor that manages such Lender or (ii) a finance company, insurance company or other financial institution which temporarily warehouses loans for such Lender or any Person described in clause (i) above.

"Related Parties" shall mean, with respect to any Person, such Person's Affiliates and the direct and indirect equityholders, partners, directors, officers, employees, agents, co-agents, sub-agents, consultants, attorneys, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Related Transaction Documents" shall mean the Reimbursement Agreement, Note Purchase Agreement, Note Exchange Agreement and LamVen Note.

"Relevant Governmental Body" means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

"Relevant Governmental Authority" means any federal, state, local, municipal or other governmental agency, board, commission, bureau, instrumentality or department, domestic or foreign, having jurisdiction over the Borrower or any material portion of its properties.

"Required Lenders" shall mean Lenders having Pro Rata Shares the aggregate amount of which exceeds fifty percent (50%) of the principal amount of the outstanding Loans and unfunded Commitments, collectively; provided, that so long as Comvest and its Affiliates are Lenders holding, collectively, at least twenty five percent (25%) of the principal amount of the outstanding Loans in the aggregate, Comvest (or one of its Affiliates) shall be required to be included in the determination of "Required Lenders".

"Responsible Officer" shall mean the chief executive officer, the president, chief financial officer, treasurer, vice president or chief operating officer of Borrower, or any other officer having substantially the same authority and responsibility.

"Sanctioned Country" shall have the meaning set forth in Section 3.20.

"Sanctions" shall have the meaning set forth in Section 3.20.

"SDN List" shall have the meaning set forth in Section 3.20.

"Secured Persons" shall mean Agent and the Lenders.

"Security Agreement" shall mean the Security Agreement, dated as of the Closing Date, by and among Borrower and Agent, for its benefit and the benefit of the other Secured Persons, as the same may be amended, modified, supplemented and/or restated from time to time.

"Specified Event of Default" means an Event of Default under Section 7.01(b)(x)(i) or (ii), Section 7.01(b)(y), Section 7.01(e) or Section 7.01(f) (other than in the case of any case or proceeding commenced directly or indirectly by or on behalf of Agent or any Lender or Affiliate thereof).

"Subordination Agreement" shall mean that certain Subordination and Intercreditor Agreement, dated as of November 14, 2024, by and among, CCP Agency, LLC, in its capacity as Tier 1 Agent (as defined therein), Park Lane, in its capacity as Tier 2 Agent (as defined therein), LamVen LLC, in its capacity as Tier 3 Agent (as defined therein), LamVen LLC, in its capacity as Tier 4 Agent (as defined therein) and Partners For Growth V, L.P, as amended, restated, amended and restated, modified or supplemented from time to time.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"Subsidiary" or "Subsidiaries" shall mean, with respect to any Person, any other Person of which an aggregate of more than 50% of the outstanding shares of stock or other equity interests having ordinary voting power to elect a majority of the board of directors (or other comparable body) of such other Person is at the time, directly or indirectly, owned legally or beneficially by such Person or one or more Subsidiaries of such Person, or a combination thereof, or with respect to which any such Person has the right to vote or designate the vote of more than 50% of such shares of stock or other equity interests whether by proxy, agreement, operation of Applicable Law or otherwise.

"Target" shall mean the Person, or business or the assets of a Person, acquired in an Acquisition permitted hereunder.

"Taxes" shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any governmental authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor

as published by the Term SOFR Administrator on the first preceding Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term SOFR Determination Day.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Trade Announcement" shall have the meaning set forth in Section 9.14.

"Treasury Regulations" shall mean the United States Treasury regulations issued pursuant to the Code from time to time.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York (or of any other state the Applicable Laws of which are required to be applied in connection with the perfection of security interests in any Collateral) on the Closing Date and hereafter from time to time.

"U.S. Government Securities Business Day" means any date except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Section 1.02. Accounting Terms and Determinations; Capital Leases.

Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder (including without limitation determinations made pursuant to the exhibits hereto) shall be made, and all financial statements required to be delivered hereunder shall be prepared on a consolidated basis in accordance with GAAP as in effect from time to time consistently applied. If at any time any change in GAAP would affect the computation of any financial requirement set forth in any Loan Document, and either Borrower, Agent or Required Lenders shall so request, the Lenders and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until agreed to by Borrower and the Required Lenders, (i) such requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrower shall provide to Agent and the Lenders financial statements and other documents required under this Agreement and the other Loan Documents which include a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (Codification of Accounting Standards 825-10) to value any Indebtedness or other liabilities of Borrower or other Person at "fair value", as defined therein.

Notwithstanding anything to the contrary above or in the definitions of "Capitalized Leases" and "Capitalized Lease Obligations", all obligations of any Person that are or would have been treated as operating leases for purposes of GAAP prior to the effectiveness of ASC 842 shall continue to be accounted for as operating leases for all purposes hereunder or under any Loan Document (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such

obligations are required in accordance with ASC 842 (on a prospective or retroactive basis or otherwise) to be treated as capital leases.

Section 1.03. Other Definitional Provisions and References. References in this Agreement to "Articles", "Sections", "Annexes", "Exhibits" or "Schedules" shall be to Articles, Sections, Annexes, Exhibits or Schedules of or to this Agreement unless otherwise specifically provided. Any term defined herein may be used in the singular or plural. "Include", "includes" and "including" shall be deemed to be followed by "without limitation" unless otherwise specifically provided. Except as otherwise specified or limited herein, references to any Person include the successors and assigns of such Person. References "from" or "through" any date mean, unless otherwise specified, "from and including" or "through and including", respectively, and references to "to" or "until" any date mean, unless otherwise specified, "to but excluding". Unless otherwise specified herein, the settlement of all payments and fundings hereunder between or among the parties hereto shall be made in lawful money of the United States and in immediately available funds. Time is of the essence for each performance obligation of Borrower under this Agreement and each Loan Document. All amounts used for purposes of financial calculations required to be made herein shall be without duplication. Unless otherwise specified herein, references to any statute or act shall include all related current regulations and all amendments and any successor statutes, acts and regulations. Unless otherwise specified herein, references to any agreement, instrument or document (i) shall include all schedules, exhibits, annexes and other attachments thereto and (ii) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein or in any other Loan Document). Unless otherwise specified herein, any reference herein to any Person shall be construed to include such Person's permitted successors and assigns. Unless otherwise specified herein, any reference herein to the word "shall" will be interpreted as mandatory, rather than precatory. Unless otherwise specified herein, any reference herein to the word "shall" will be interpreted as mandatory, rather than precatory. The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or Event of Default if such action is taken or condition exists. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of a breach of a representation or warranty hereunder. Unless otherwise expressly stated, Dollar ($) baskets set forth in the representations and warranties, covenants and events of default provisions of this Agreement (and other similar baskets) are calculated as of each date of measurement by the Dollar equivalents thereof (as determined in good faith by Agent) as of such date of measurement.

II. GENERAL TERMS

Section 2.01. Loans.

(a) Initial Term Loan.

(i) Initial Term Loan Commitment/Borrowings. Subject at all times to all of the terms and conditions of this Agreement (including, without limitation, Sections 4.01 and 4.02), each Lender hereby severally agrees as to itself only (and not on behalf of any other Lender) to make a term loan to Borrower in such Lender's applicable Pro Rata Share of the Aggregate Initial Term Loan Commitment (collectively, the "Initial Term Loan"). The Initial Term Loan shall be

borrowed in a single borrowing on the Closing Date, and the Initial Term Loan Commitment of each Lender shall terminate concurrently with the making of the Initial Term Loan on the Closing Date by each such Lender in the amount of such Loans, and in any event any unused Initial Term Loan Commitment shall terminate at the close of business on the Closing Date. Any principal amounts repaid in respect of the Initial Term Loan may not be reborrowed. Neither any Lender nor Agent shall be responsible for the failure of any Lender to fund its Pro Rata Share of the Initial Term Loan required hereunder.

(ii) Notice of Borrowing/Borrowing Procedures. Borrower shall deliver to Agent a Notice of Borrowing with respect to the Initial Term Loan no later than one (1) Business Day prior to the Closing Date (any such Notice of Borrowing received by Agent after 12:00 noon New York time on any day shall be deemed delivered to Agent on the next succeeding Business Day). Promptly upon receipt of such Notice of Borrowing, Agent shall advise each Initial Term Loan Lender thereof. Not later than 12:00 noon New York time on the date of such proposed advance, each Initial Term Loan Lender shall provide Agent at the office or account specified by Agent with immediately available funds covering such Lender's applicable Pro Rata Share of such advance and, so long as Agent has not received written notice that the conditions precedent set forth in Section 4.01 and 4.02 with respect to such advance have not been satisfied, and upon receipt of all such requested funds, Agent shall pay over the funds received by Agent on the requested advance date in accordance with the funds flow memorandum delivered with the applicable Notice of Borrowing. Such advance shall be on a Business Day.

(iii) Repayment at Maturity. Unless sooner due and payable by reason of an Event of Default or otherwise in accordance with this Agreement, Borrower shall pay the outstanding principal balance of the Initial Term Loan, together with all accrued and unpaid interest and all fees and expenses due and owing in accordance with the terms hereof, in full on the Maturity Date.

(b) Delayed Draw Term Loans.

(i) Delayed Draw Term Loan Commitment/Borrowings. Subject at all times to all of the terms and conditions of this Agreement (including, without limitation, Section 4.02), from time to time on any Business Day during the Delayed Draw Term Loan Commitment Period, each Delayed Draw Term Loan Lender hereby severally agrees as to itself only (and not on behalf of any other Lender) to make loans to Borrower in such Lender's Pro Rata Share of the aggregate amount of each advance under the Delayed Draw Term Loan Commitment in accordance with clause (ii) below to the extent of the then available Aggregate Delayed Draw Term Loan Commitment. The Delayed Draw Term Loan Commitment of each Delayed Draw Term Loan Lender (along with the Aggregate Delayed Draw Term Loan Commitment) shall be reduced by the amount of each such advance made by such Delayed Draw Term Loan Lender on the date that each such advance is made, and the Delayed Draw Term Loan Commitment of each Delayed Draw Term Loan Lender, along with the Aggregate Delayed Draw Term Loan Commitment, shall terminate on the last day of the Delayed Draw Term Loan Commitment Period or such date that the Aggregate Delayed Draw Term Loan Commitment is equal to $0. Any principal amounts repaid in respect of the Delayed Draw Term Loans may not be reborrowed. Neither any Lender nor Agent shall be responsible for the failure of any Delayed Draw Term Loan Lender to fund its Pro Rata Share of the Delayed Draw Term Loans required hereunder.

(ii) Borrowing Procedures. On each Interest Payment Date, subject to the conditions precedent set forth in Section 4.02, the Delayed Draw Term Loan Lenders shall advance a Delayed Draw Term Loan under the Delayed Draw Term Loan Commitment in an amount equal

to $305,556 (or if less, the amount of the entire remaining Aggregate Delayed Draw Term Loan Commitment), and not later than 12:00 noon New York time on such date, each Delayed Draw Term Loan Lender shall provide Agent at the office specified by Agent with immediately available funds covering such Lender's applicable Pro Rata Share of such advance and, so long as Agent has not received written notice that the conditions precedent set forth in Section 4.02 with respect to such advance have not been satisfied and upon receipt of all requested funds, Agent shall apply such funds to any interest payment required to be paid by Borrower on or prior to such date on such Interest Payment Date (or, upon the Borrower's prior written request, at the Borrower's election solely if such funds are not made available on the Interest Payment Date, the Agent shall (i) pay over all or a specified portion of such funds to the Borrower to reimburse the Borrower for any interest payment previously made in cash by the Borrower, or (ii) hold all or a specified portion of such funds in trust for the Borrower to be applied, at the Borrower's written direction, to any subsequent interest payment required hereunder). Notwithstanding the foregoing, if Borrower shall have delivered to Agent no later than three (3) Business Days prior to such Interest Payment Date a written notice requesting not to borrow a Delayed Draw Term Loan on such Interest Payment Date, or to borrow a Delayed Draw Term Loan in a lesser amount (but not less than $50,000 (or if less, the amount of the entire remaining Aggregate Delayed Draw Term Loan Commitment)), such request shall be given effect and such Delayed Draw Term Loan shall not be made, or shall be made in such lesser amount, as so specified.

(iii) Repayment at Maturity. Unless sooner due and payable by reason of an Event of Default or otherwise in accordance with this Agreement, Borrower shall pay the outstanding principal balance of the Delayed Draw Term Loans, together with all accrued and unpaid interest and all fees and expenses due and owing in accordance with the terms hereof, in full on the Maturity Date.

(c) Voluntary Loan Prepayments and Delayed Draw Term Loan Commitment Reductions

(i) All or any portion of the unpaid principal balance of the Term Loans, together with all accrued and unpaid interest on the principal amount being prepaid, may at Borrower's option be prepaid in whole or in part, at any time or from time to time, upon at least three (3) Business Days' prior written notice by 12:00 p.m. to Agent, with payment accompanied by a Prepayment Premium, if any, as provided in Section 2.02(f).

(ii) Voluntary Aggregate Delayed Draw Term Loan Commitment Reduction. Borrower may from time to time, on not less than five (5) Business Days' prior written notice received by Agent, permanently reduce the Aggregate Delayed Draw Term Loan Commitment (to be applied to each Lender's individual Delayed Draw Term Loan Commitment on a pro rata basis according to each Lender's respective Pro Rata Share thereof). Any such reduction shall be in an amount not less than $500,000 (or if less, the amount of the entire remaining Aggregate Delayed Draw Term Loan Commitment) or a higher integral multiple of $250,000.

(d) [Reserved].

(e) Application of Prepayments. All voluntary prepayments of the Loans shall be applied to the Loans on a pro rata basis until the Loans are Paid in Full.

(f) Notes. Upon the request of any Lender, the Loans shall be evidenced by a Note of Borrower payable to such Lender or its registered assigns substantially in the form of Exhibit A attached hereto. The terms of such Note, if any, are incorporated into this Agreement by this reference.

Section 2.02. Interest, Certain Payments, Fees and Premiums.

(a) Interest.

(i) Subject to subsections 2.02(a)(iii) and 2.04, each Loan shall bear interest on the outstanding principal amount thereof from the date when made at a rate per annum equal to Term SOFR, plus the Applicable Margin. Each determination of an interest rate by Agent shall be conclusive and binding on Borrower and the Lenders in the absence of manifest error. All computations of fees and interest payable under this Agreement shall be made on the basis of a 360-day year and actual days elapsed. Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof. In connection with the use or administration of Term SOFR, Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. Agent will promptly notify Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR. It is understood and agreed that: (1) clause (a) of the definition of Term SOFR for the first Interest Period shall be deemed to commence on the Closing Date and continue to and excluding the last Business Day of the first full calendar month ended thereafter, and such Term SOFR for such first Interest Period shall be determined as of two (2) Business Days prior to the Closing Date, and (2) clause (a) of the definition of Term SOFR for each Interest Period thereafter shall be determined as of two (2) Business Days prior to the first Business Day of each such Interest Period.

(ii) Interest on each Loan shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any payment or prepayment of Loans.

(iii) Such interest rate shall be increased by two percent (2.00%) per annum ("Default Rate Interest") at the election of the Required Lenders or Agent (so long as Comvest or its Affiliates are Lenders holding, collectively, at least twenty five percent (25%) of the principal amount of the outstanding Loans in the aggregate) upon the occurrence and during the continuance of any Event of Default, which such election evidenced by Agent and the Required Lenders delivering written notice of such election to Borrower (it being understood and agreed that the Default Rate Interest shall, at the election of Agent and the Required Lenders, apply retroactively back to the date the applicable Event of Default first occurred).

(b) Closing Payment. Borrower shall pay the Closing Payment to Agent, for the benefit of the Lenders based on their Pro Rata Shares thereof, on the Closing Date upon the execution and delivery of this Agreement as compensation for the making of the Initial Term Loan on the Closing Date. The Closing Payment shall be deemed fully earned on the Closing Date, subject to the occurrence of the Closing Date, and shall not be refundable in whole or in part and shall not be subject to reduction or set-off under any circumstances. The parties agree that for federal and state income tax purposes, the Closing Payment shall be treated as an adjustment to issue price of the Loans in accordance with Treasury Regulation Section 1.1273-2(g)(2), and the parties will file all their tax returns (including information returns) in a manner consistent with this Section 2.02(b) unless there is a "determination" within the meaning of Code section 1313 to the contrary.

(c) Agency Fee. Borrower shall pay to Agent, for its own account, a fully earned and non-refundable annual administrative fee of $50,000 per annum, which fee will be due and payable in advance in equal quarterly installments of $12,500, commencing on the Closing Date (which installment shall be pro-rated for the period beginning on the Closing Date and ending on the last day of the calendar

quarter ending December 31, 2024) and then on the last Business Day of each calendar quarter occurring thereafter (the "Agency Fee").

(d) [Reserved].

(e) [Reserved].

(f) Prepayment Premium. In the event of any repayment or prepayment of all or any portion of the Loans for any reason whatsoever prior to the eighteen (18)-month anniversary of the Closing Date (including without limitation as a result of any acceleration of all or any portion of the Loans, or termination or reduction of all or any portion of the Commitments, resulting from an Event of Default, a foreclosure and sale or other disposition of Collateral, any sale of Collateral in any bankruptcy or insolvency proceeding, a voluntary prepayment, and in each case, whether before or after the occurrence of an Event of Default or the commencement of any bankruptcy or insolvency proceeding, and notwithstanding any acceleration (for any reason) of all or any portion of the Obligations) each, an "Applicable Prepayment Event"), in addition to the payment of the subject principal amount and all unpaid accrued and unpaid interest thereon, Borrower shall be required to pay to Agent, for the benefit of the Lenders based on their respective Pro Rata Shares thereof, a prepayment premium (as liquidated damages and compensation for the costs of the Lenders being prepared to make funds available hereunder with respect to the Loans) in an amount (which shall not be less than zero) equal to (the "Prepayment Premium") the monthly interest rate with respect to the Loans that would be due and owing pursuant to Section 2.02(a)(i) for each full calendar month ending after the Applicable Prepayment Event and the resulting prepayment of the Loans (without duplication of any accrued unpaid interest required to be paid in connection with such prepayment) through and including the eighteen (18)-month anniversary of the Closing Date. The Prepayment Premium shall be deemed fully earned, and be immediately due and payable, upon the date that the Applicable Prepayment Event occurs (regardless of whether or not all or any portion of the principal amount (or of the Aggregate Delayed Draw Term Loan Commitment) subject to such Applicable Prepayment Event has then been paid or otherwise terminated), and shall not be refundable in whole or in part and shall not be subject to reduction or set-off under any circumstances. Borrower acknowledges and agrees that (x) the provisions of this Section 2.02(f) shall remain in full force and effect notwithstanding any rescission by Agent or Required Lenders of an acceleration with respect to all or any portion of the Obligations pursuant to Section 7.02 or otherwise (provided, that to the extent of any such rescission, any subsequently charged Prepayment Premium shall not be in duplication of any Prepayment Premium previously paid), (y) payment of any Prepayment Premium under this clause Section 2.02(f) constitutes liquidated damages and not a penalty and (z) the actual amount of damages to Agent and the Lenders or profits lost by Agent and the Lenders as a result of such prepayment would be impracticable and extremely difficult to ascertain, and the Prepayment Premium under this Section 2.02(f) is provided by mutual agreement of Borrower, Agent and Lenders as to a reasonable estimation and calculation of such lost profits or damages of Agent and the Lenders. THE BORROWER EXPRESSLY WAIVES THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF ANY PREPAYMENT PREMIUM IN CONNECTION WITH ANY ACCELERATION OF ANY OR ALL THE OBLIGATIONS. Borrower expressly agrees that (A) any Prepayment Premium payable in accordance with this Section 2.02(f) shall be presumed to be equal to the liquidated damages sustained by Agent and the Lenders as a result of the occurrence of each Applicable Prepayment Event, (B) the amount of any Prepayment Premium payable under this Section 2.02(f) is reasonable under the circumstances currently existing and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel, (C) the Prepayment Premium shall be payable notwithstanding the then prevailing market rates at the time payment is made, (D) there has been a course of conduct among Agent, Lenders and Borrower giving specific consideration in this transaction for such agreement to pay the Prepayment Premium, (E) Borrower shall be estopped hereafter from claiming differently than agreed to in this Section 2.02(f), (F) Borrower's agreement to pay the Prepayment Premium is a material inducement to Agent and the Lenders to make the

Loans and provide the Loans and Commitments, (G) Agent and the Lenders may include the Prepayment Premium payable under this Section 2.02(f) in any applicable bankruptcy or insolvency claim filed with respect to Borrower, and (H) the Prepayment Premium represents a good faith, reasonable estimate and calculation of the lost profits or damages of Agent and Lenders and it would be impractical and extremely difficult to ascertain the actual amount of damages to Agent and the Lenders or profits lost by Agent and the Lenders as a result of the Applicable Prepayment Event.

Section 2.03. Use of Proceeds. Borrower shall utilize the proceeds of (i) the Initial Term Loans solely (a) to pay fees and expenses associated with the closing of the transactions contemplated by this Agreement on the Closing Date and (b) any amounts not utilized pursuant to clause (a) above may be utilized by Borrower for general corporate purposes and (ii) the proceeds of the Delayed Draw Term Loans may be utilized solely to pay (or to reimburse the Borrower for cash amounts used by the Borrower within thirty (30) days prior to the date of such borrowing to pay) interest to the Lenders in respect of the Loans in accordance with Section 2.02.

Section 2.04. Further Obligations / Maximum Lawful Rate. With respect to all Obligations for which the interest rate is not otherwise specified herein (whether such Obligations arise hereunder or under other Loan Documents, or otherwise), such Obligations shall bear interest at the highest rate(s) in effect from time to time with respect to the Loans and shall be payable upon demand by Agent. In no event shall the interest or other amounts charged with respect to any Loan or any other Obligation exceed the maximum amount permitted under Applicable Law. Notwithstanding anything to the contrary herein or elsewhere, if at any time the rate of interest payable or other amounts hereunder or under any other Loan Document (the "Stated Rate") would exceed the highest rate of interest or other amount permitted under any Applicable Law to be charged (the "Maximum Lawful Rate"), then for so long as the Maximum Lawful Rate would be so exceeded, the rate of interest and other amounts payable shall be equal to the Maximum Lawful Rate; provided, that if at any time thereafter the Stated Rate is less than the Maximum Lawful Rate, Borrower shall, to the extent permitted by Applicable Law, continue to pay interest and such other amounts at the Maximum Lawful Rate until such time as the total interest and other such amounts received is equal to the total interest and other such amounts which would have been received had the Stated Rate been (but for the operation of this provision) the interest rate payable or such other amounts payable. Thereafter, the interest rate and such other amounts payable shall be the Stated Rate unless and until the Stated Rate again would exceed the Maximum Lawful Rate, in which event this provision shall again apply. In no event shall the total interest or other such amounts received by Agent or any Lender exceed the amount which it could lawfully have received had the interest and other such amounts been calculated for the full term hereof at the Maximum Lawful Rate. If, notwithstanding the prior sentence, Agent or any Lender has received interest or other such amounts hereunder in excess of the Maximum Lawful Rate, such excess amount shall be applied to the reduction of the principal balance of the Loans or to other Obligations (other than interest) payable hereunder or under the other Loan Documents, and if no such principal or other Obligations are then outstanding, such excess or part thereof remaining shall be paid to Borrower. In computing interest payable with reference to the Maximum Lawful Rate applicable to Agent or any Lender, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made.

Section 2.05. Post Event of Default Application of Payments. Upon the occurrence and continuance of an Event of Default, at the direction of the Required Lenders, all amounts paid or received by Agent in respect of the Obligations, from whatever source (whether from the Security Agreement or any other Loan Document, any realization upon any Collateral, or otherwise) shall by applied by Agent to the Obligations as follows:

(A) FIRST, to the payment of all fees, premiums, (other than the Prepayment Premium), costs, expenses and indemnities then owing to Agent under this Agreement or any other Loan Document;

(B) SECOND, [reserved];

(C) THIRD, [reserved];

(D) FOURTH, to the payment of all fees, premiums (other than the Prepayment Premium), costs, expenses and indemnities then due and owing to Lenders in respect of the Loans, pro rata based on each Lender's Pro Rata Share thereof, until paid in full;

(E) FIFTH, to the payment of all accrued and unpaid interest then due and owing to Lenders in respect of the Loans, pro rata based on each Lender's Pro Rata Share thereof, until paid in full;

(F) SIXTH, pro rata to the payment of all principal of the Loans then due and owing, pro rata based on each Lender's Pro Rata Share thereof, until paid in full;

(G) SEVENTH, to the payment of the Prepayment Premium then due and owing, pro rata based on each Lender's Pro Rata Share thereof, until paid in full; and

(H) EIGHTH, pro rata to the payment of all other Obligations then owing, until paid in full;

with any remainder paid to Borrower (or whomever may otherwise be lawfully entitled thereto).

Section 2.06. Obligations Unconditional/Withholding Taxes; Changes in Law.

(a) Obligations Unconditional/Withholding Taxes. The payment and performance of all Obligations shall constitute the absolute and unconditional obligations of Borrower, and shall be independent of any defense or rights of set-off, recoupment or counterclaim which Borrower or any other Person might otherwise have against Agent, any Lender or any other Person. All payments required (other than by Agent to any Lender, or by Agent or any Lender to Borrower) by this Agreement and/or the other Loan Documents shall be made in Dollars (unless payment in a different currency is expressly provided otherwise in the applicable Loan Document) and paid free of any deductions or withholdings for any Taxes (except as required by Applicable Law) or other amounts and without abatement, diminution or set-off. If Borrower or Agent is required by Applicable Law to make such a deduction or withholding of an Indemnified Tax from a payment hereunder or under any other Loan Document, Borrower shall pay to Agent such additional amount as is necessary to ensure that, after the making of such deduction or withholding, Agent and the Lenders receive (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made. Borrower shall (i) pay the full amount of such deduction or withholding, which it is required to make by Applicable Law, to the relevant authority within the payment period set by Applicable Law, and (ii) promptly after any such payment, deliver to Agent an original (or certified copy) of an official receipt issued by the relevant authority in respect of the amount withheld or deducted or, if the relevant authority does not issue such official receipts, such other evidence of payment of the amount withheld or deducted as is reasonably acceptable to Agent. Furthermore, Borrower shall timely pay to the relevant governmental authority in accordance with Applicable Law, or at the option of Agent timely reimburse Agent and the Lenders for the payment of, any Other Taxes.

(b) Changes in Law. If, at any time and from time to time after the Closing Date (or at any time before or after the Closing Date with respect to (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith shall, regardless of the date enacted, adopted or issued, or (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case for purposes of this clause (y) pursuant to Basel III), (i) any change in any existing law, regulation, treaty or directive or in the interpretation or application thereof, (ii) any new law, regulation, treaty or directive enacted or application thereof, or (iii) compliance by Agent or any Lender with any request or directive (whether or not having the force of law) from any governmental authority (A) subjects Agent or any Lender to any Tax with respect to any Loan Document (in each case, except for an Indemnified Tax, taxes described in clauses (b)-(d) of the definition of Excluded Tax or Connection Income Taxes), (B) imposes, modifies or deems applicable any reserve (including any reserve imposed by the FRB), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by Agent or any Lender, or (C) imposes on Agent or any Lender any other condition or increased cost in connection with the transactions contemplated thereby or participations therein, and the result of any of the foregoing is to increase the cost to Agent or any Lender of making or continuing any Loan or to reduce any amount receivable hereunder or under any other Loan Documents, then, in any such case, Borrower shall promptly (but not later than ten (10) Business Days following demand) pay to Agent or such Lender, as applicable, when notified to do so by Agent or such Lender, any additional amounts necessary to compensate Agent or such Lender, for such additional cost or reduced amount as determined by Agent or such Lender. Each such notice of additional amounts payable pursuant to this Section 2.06(b) submitted by Agent or any Lender to Borrower must also be sent to Agent and shall, absent manifest or demonstrable error, be final, conclusive and binding for all purposes. Notwithstanding the foregoing, no Lender shall be entitled to request compensation under this paragraph with respect to any costs imposed on such Lender in respect of a change in law unless such Lender generally seek compensation in similar circumstances under comparable provisions in similarly situated credit facilities, as determined in good faith by such Lender.

Section 2.07. Taxes.

(a) If a Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, such Lender shall deliver to Borrower, at the time or times reasonably requested by Borrower, such properly completed and executed documentation reasonably requested by Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Lenders, if reasonably requested by Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower as will enable Borrower to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.07(b), (c), and (d) below) shall not be required if in Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(b) Each Lender that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a "Foreign Lender") for U.S. federal income tax purposes, to the extent legally entitled to do so, shall execute and deliver to Borrower and Agent, on or prior to the Closing Date (in the case of each Foreign Lender that is a party hereto on the Closing Date) or on or prior to the date of any assignment pursuant to which it becomes a Lender (in the case of each other Foreign Lender) one or more (as Borrower or Agent may reasonably request) IRS Forms W-8ECI, W-8BEN, W-8BEN-E, W-8IMY (as applicable) or other applicable form, certificate or document prescribed by the Code, the Treasury Regulations or the United States Internal Revenue Service certifying as to such Foreign Lender's

entitlement to exemption from, or reduced rate of, withholding or deduction of all relevant taxes, and, in the case of such Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, a certificate substantially in the form of Exhibit E to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code. Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 2.07(b) expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Agent in writing of its legal inability to do so.

(c) Each Lender and Agent that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to each of Borrower and Agent, as applicable, a duly signed, properly completed IRS Form W-9 (or successor form) on or prior to the Closing Date (or on or prior to the date it otherwise becomes a party hereto), certifying that such Lender is entitled to an exemption from, or is otherwise not subject to, United States backup withholding tax. Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 2.07(c) expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Agent in writing of its legal inability to do so.

(d) Each Lender required to deliver any forms, certificates, or other evidence with respect to United States federal income tax withholding matters pursuant to this Section 2.07 hereby agrees, from time to time, after the initial delivery by such Lender of such forms, certificates, or other evidence (and whenever a lapse in time or change in circumstance renders such forms, certificates, or other evidence obsolete or inaccurate in any material respect) to promptly deliver to Agent and Borrower one or more original copies of, as applicable, IRS Forms W-8BEN, W-8BEN-E, W-8ECI, W-8IMY, or W-9, a certificate substantially in the form of Exhibit E to the effect that such Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, and such other documentation required by the Code, the regulations issued thereunder, or the United States Internal Revenue Service or otherwise by Applicable Law, all as reasonably requested by Borrower in writing to confirm or establish that such Lender is not subject to deduction or withholding of United States federal income taxation with respect to payments made to such Lender under the Loan Documents. If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Sections 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Agent, at the time or times prescribed by Applicable Law and at such time or times reasonably requested by Borrower or Agent, such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or Agent as may be necessary for Borrower and Agent to comply with their obligations under FATCA and to determine whether such Lender has complied with such Lender's obligations under FATCA or to determine, if necessary, the amount to deduct and withhold from such payment. For the avoidance of doubt, for the purposes of this Section 2.07(d), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(e) On or before the date Agent becomes a party to this Agreement, Agent shall provide to Borrower, two duly-signed, properly completed copies of the documentation prescribed in clause (i) or (ii) below, as applicable (together with all required attachments thereto): (i) IRS Form W-9 or any successor thereto, or (ii) (A) IRS Form W-8ECI or any successor thereto, and (B) with respect to payments received on account of any Lender, a U.S. branch withholding certificate on IRS Form W-8IMY or any successor thereto evidencing its agreement with Borrower to be treated as a U.S. Person for U.S. federal withholding purposes. At any time thereafter, Agent shall provide updated documentation previously

provided (or a successor form thereto) when any documentation previously delivered has expired or become obsolete or invalid or otherwise upon the reasonable request of Borrower.

(f) Borrower shall indemnify Agent and each Lender for the full amount of any Indemnified Taxes arising in connection with this Agreement or any other Loan Document (including any such Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.07), paid by Agent or each such Lender and any reasonable out-of-pocket third party expenses arising therefrom or with respect thereto, (including without limitation attorneys' fees) whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant governmental authority; provided, however, that Borrower shall not be obligated to make any payment to Agent or any Lender pursuant to this Section 2.07(f) in respect of any penalties (or interest thereon) in respect of any such Taxes to the extent such penalties are finally determined by a court of competent jurisdiction to directly arise from the gross negligence or willful misconduct of such Agent or Lender.

(g) If Agent or a Lender receives a refund (in cash or as a credit applied as payment of Taxes otherwise payable in cash) of any Taxes as to which it has been indemnified pursuant to Sections 2.06 or 2.07, it shall pay to Borrower an amount equal to such refund (but only to the extent of indemnity payments made under Sections 2.06 and 2.07 with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of Agent or Lender, and without interest (other than any interest paid by the relevant governmental authority with respect to such refund); provided, that Borrower shall repay to Agent or such Lender the amount paid over pursuant to this paragraph (plus any penalties, interest or other charges imposed by the relevant governmental authority) in the event that Agent or such Lender is required to repay such refund to such governmental authority. Notwithstanding anything to the contrary in this paragraph, in no event will Agent or such Lender be required to pay any amount to Borrower pursuant to this paragraph the payment of which would place Agent or such Lender in a less favorable net after-Tax position than Agent or such Lender would have been in if the tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Agent or a Lender claiming any additional amounts payable pursuant to this Section 2.07 shall use its reasonable efforts (consistent with its internal policies and applicable law) to change the jurisdiction of its lending office or to assign its rights and obligations hereunder to an Affiliate if such a change or assignment would reduce any such additional amounts (or any similar amount that may thereafter accrue) and would not, in the determination of Agent or such Lender, as applicable, be otherwise disadvantageous to Agent or such Lender.

(i) This Section 2.07 and Section 2.06 shall remain operative and in full force and effect regardless of the expiration or any termination of this Agreement.

(j) The parties hereto intend and agree that the Loans are to be treated as debt for U.S. federal income tax purposes, and the "issue price" of the Initial Term Loan shall be determined under Section 1273(c)(2)(C) of the Code. The parties hereto agree not to take a position inconsistent with this Section 2.07(j) for U.S. federal, state, or local income tax purposes (including without limitation, the filing of any information return, such as an IRS Form 1099), unless there is a determination within the meaning of Section 1313(a) of the Code to the contrary.

(k) If at any time the Borrower becomes obligated to pay any additional amounts pursuant to Section 2.06(b) or this Section 2.07, then the Borrower may, on notice to the Agent and such

Lender, replace such Lender by causing such Lender to (and such Lender shall be obligated to) assign pursuant to Section 8.02 all of its rights and obligations under this Agreement to one or more permitted assignees. Any Lender being so replaced pursuant to this clause (k) shall (i) execute and deliver an Assignment and Acceptance with respect to such Lender's applicable Loans, and (ii) deliver any Notes evidencing such Loans to the Borrower or the Agent. Pursuant to such Assignment and Acceptance, (A) the assignee Lender shall acquire all or a portion, as the case may be, of the assigning Lender's Commitment and outstanding Loans, (B) all obligations of the Borrower owing to the assigning Lender relating to the Loans and Commitments so assigned shall be paid in full at par by the assignee Lender to such assigning Lender concurrently with such Assignment and Acceptance and (C) upon such payment and, if so requested by the assignee Lender, delivery to the assignee Lender of the appropriate Note or Notes executed by the Borrower, the assignee Lender shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Loans and Commitments, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender.

Section 2.08. Reversal of Payments. To the extent that any payment or payments made to or received by Agent or any Lender pursuant to this Agreement or any other Loan Document are subsequently invalidated, declared to be fraudulent or preferential, set aside, or required to be repaid to any trustee, receiver or other Person under any state, federal or other bankruptcy or other such Applicable Law, then, to the extent thereof, such amounts (and all Liens, rights and remedies therefore) shall be revived as Obligations (and as all such Liens, rights and remedies therefore) and continue in full force and effect under this Agreement and under the other Loan Documents as if such payment or payments had not been received by Agent or such Lender (and all such Liens, rights and remedies therefore had not been released by Agent or such Lender). Furthermore, if Agent determines at any time that any amount received thereby under this Agreement or under any other Loan Document must be returned to Borrower or paid to any other Person pursuant to any state, federal or other bankruptcy or other such Applicable Law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to Borrower or such other Person, without set-off, counterclaim or deduction of any kind. This Section 2.08 shall remain operative and in full force and effect regardless of the expiration or any termination of this Agreement or any repayment of the Obligations.

Section 2.09. Set-Off Rights. Borrower agrees that Agent, each Lender and each of their respective Affiliates have all rights of set-off and bankers' lien provided by Applicable Law, and in addition thereto, Borrower agrees that at any time a an Event of Default has occurred and is continuing, Agent and each Lender may (with or without notice to any Person) apply to the payment of any Obligations then due and owing, any and all balances, credits, deposits, accounts or moneys or other properties of Borrower then or thereafter with Agent, any Lender or any of their respective Affiliates. Notwithstanding the foregoing, no Lender shall exercise, or permit any of its Affiliates to exercise, any rights described in the preceding sentence without the prior written consent of Agent.

Section 2.10. Making of Payments. All payments made by Borrower under any Loan Document to Agent or any Lender shall be paid directly by Borrower to Agent (as opposed to any individual Lender) without setoff, recoupment or counterclaim and in immediately available funds by wire transfer to Agent's account specified in writing from time to time by Agent to Borrower not later than 12:00 noon New York time on the date due, and funds received after that hour may, in Agent's discretion, be deemed to have been received by Agent on the following Business Day.

Section 2.11. Proration of Payments. If any Lender shall obtain any payment or other recovery (whether voluntary, involuntary, by application of set-off or otherwise) on account of principal of

or interest on a Loan (but excluding (i) any payment pursuant to Section 2.06 or Section 2.07 and (ii) participations and assignments pursuant to Sections 8.01 and 8.02) in excess of its applicable Pro Rata Share of payments and other recoveries obtained by all Lenders on account of principal of and interest on (or with respect to any other applicable amount with respect to) any of the Loans then held by them, then such Lender shall purchase from the other Lenders such participations in the applicable Loans held by them as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably with each of them; provided, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery.

Section 2.12. Recordkeeping. Agent, on behalf of each Lender, shall record in the Register pursuant to Section 8.02 the date and amount of each Loan made by each Lender and each repayment thereof. The aggregate unpaid principal amount so recorded shall govern absent manifest or demonstrable error. The failure to record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the Obligations of Borrower hereunder or under any Note to repay the principal amount of the Loans hereunder, together with all interest accruing thereon.

III. REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants to Agent and the Lenders, all of which representations and warranties shall survive the Closing Date and the making of the Loans, and are as follows:

Section 3.01. [Reserved].

Section 3.02. Organization; Corporate Existence.

(a) Borrower (i) is corporation duly organized and validly existing and in good standing under the laws of the State of Delaware (or has not failed within the preceding two years to be a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware for, in either case, a period of thirty (30) consecutive days), (ii) except as would not reasonably be expected to have a Material Adverse Effect, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted and as proposed hereafter to be conducted, (iii) is qualified to do business as a foreign entity in each jurisdiction in which the failure of Borrower to be so qualified would reasonably be expected to, either individually or in the aggregate, have a Material Adverse Effect, and (iv) has all requisite right, power and authority to execute and deliver, and perform all of its obligations under, the Loan Documents to which it is a party and to consummate all of the transactions contemplated by the Loan Documents.

Section 3.03. Authorization.

(a) The execution, delivery and performance by Borrower of its obligations under the Loan Documents, and the consummation of each of the transactions contemplated hereby, have been duly authorized by all requisite corporate action and will not, either prior to or as a result of the consummation of the transactions contemplated by the Loan Documents: (i) violate any provision of Applicable Law, any order of any court or other agency of government, any provision of the Organic Documents of Borrower, or any Contract to which Borrower is a party, or by which Borrower or any assets or properties of Borrower are bound, or (ii) be in conflict with, result in a breach of, or constitute (after the giving of notice or lapse of time or both) a default under pursuant to, any such Applicable Law, order, Organic Document, or Contract, in each case except as would not reasonably be expected to have a Material Adverse Effect.

(b) Borrower is not required to obtain any Government Approval, consent or authorization from, or to file any declaration or statement with, any governmental instrumentality or agency in connection with or as a condition to the execution, delivery or performance of any of the Loan Documents or any of the transactions contemplated hereby (including without limitation the Related Transactions) that has not been obtained or the failure to obtain or file which could not reasonably be expected to have a Material Adverse Effect.

(c) This Agreement and each of the other Loan Documents has been duly executed and delivered by Borrower.

(d) Each of the Loan Documents constitutes the valid and binding obligation of Borrower, enforceable against Borrower in accordance with each of their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by general equitable principles relating to enforceability.

Section 3.04. [Reserved].

Section 3.05. [Reserved].

Section 3.06. [Reserved].

Section 3.07. [Reserved].

Section 3.08. Indebtedness . As of the Closing Date, the Borrower has not incurred or is not liable in any manner with respect to any Indebtedness for borrowed money in an individual amount greater than $500,000 other than as set forth on Schedule 3.08.

Section 3.09. [Reserved].

Section 3.10. [Reserved] .

Section 3.11. Use of Proceeds. The proceeds of the Loans are intended to be and shall be used solely for the purposes set forth in and permitted by Section 5.08.

Section 3.12. Margin Securities. Borrower does not own or have any present intention of acquiring any "margin security" or any "margin stock" within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System (herein called "margin security" and "margin stock"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying, or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry, any margin security or margin stock or for any other purpose which might constitute the transactions contemplated hereby a "purpose credit" within the meaning of said Regulations T, U or X, or cause this Agreement to violate any other regulation of the Board of Governors of the Federal Reserve System or the Exchange Act, or any rules or regulations promulgated under such statutes.

Section 3.13. [Reserved].

Section 3.14. [Reserved].

Section 3.15. [Reserved].

Section 3.16. Compliance with Laws. Except as would not reasonably be expected to, either individually or in the aggregate, have a Material Adverse Effect, (a) Borrower is in compliance with all occupational safety, health, wage and hour, employment discrimination, environmental flammability, labeling and other Applicable Law, (b) is Borrower is not aware of any state or facts, events, conditions or occurrences which may now or hereafter constitute or result in a violation of any Applicable Law, or which would reasonably be expected to give rise to the assertion of any such violation, (c) Borrower has not received written notice of default or violation, nor is Borrower in default or violation, with respect to any judgment, order, writ, injunction, decree, demand or assessment issued by any court or any federal, state, local, municipal or other governmental agency, board, commission, bureau, instrumentality or department, domestic or foreign, relating to any aspect of Borrower's business, affairs, properties or assets and (d) Borrower has not received written notice of or been charged with, or is, to Borrower's knowledge, under investigation with respect to, any violation in any material respect of any provision of any Applicable Law.

Section 3.17. [Reserved].

Section 3.18. Sanctions; Anti-Terrorism Laws.

(a) Neither Borrower nor, to Borrower's knowledge, any director, officer, employee, or Subsidiary of Borrower is a Person that is, or is owned or controlled by Persons that are: (i) the subject or target of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, the United Nations Security Council, the European Union, or His Majesty's Treasury, or other relevant sanctions authority that is a Relevant Governmental Authority (collectively, "Sanctions"), (ii) located, organized or resident in a country or territory that is the subject of Sanctions (including, currently, Crimea, Cuba, Iran, North Korea, Syria and the so-called Donetsk People's Republic and Luhansk People's Republic), or (iii) (x) an "enemy" or an "ally of the enemy" within the meaning of Section 2 of the Trading with the Enemy Act of the United States (50 U.S.C. App. §§ 1 et seq.), or (y) is in violation of (A) the Trading with the Enemy Act, (B) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V) or any enabling legislation or executive order relating thereto, (C) the PATRIOT Act, or (D) any other anti-corruption or anti-terrorism Applicable Laws promulgated by a Relevant Governmental Authority (collectively, the "Anti-Terrorism Laws").

(b) Borrower and, to Borrower's knowledge, its directors, officers and employees, are in compliance with all applicable Sanctions and with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") and any other applicable Anti-Terrorism Laws, in all material respects. Borrower has instituted and maintains policies and procedures designed to ensure continued compliance with applicable Sanctions, the FCPA and any other Anti-Terrorism Laws.

IV. CONDITIONS OF MAKING THE LOANS

Section 4.01. Conditions of Making the Initial Loans. The obligation of each Lender to make the Initial Term Loan to be funded on the Closing Date is subject to the following conditions precedent, all of which must be satisfied in a manner acceptable to Agent (and as applicable, pursuant to documentation which is in form and substance acceptable to Agent), in each case subject to the Certain Funds Provisions (defined below) as applicable:

(a) [Reserved].

(b) Loan Documents. Agent shall have received each of the following:

(i) This Agreement duly executed by Agent, each Lender and Borrower;

(ii) The Notes, to the extent requested by a Lender, duly executed by Borrower;

(iii) The Security Agreement , executed by Borrower;

(iv) The Subordination Agreement, executed by Park Lane, LamVen LLC, Partners For Growth V, L.P. and Agent;

(v) An executed copy of that certain Reimbursement Agreement, dated as of the Closing Date (the "Reimbursement Agreement"), by and between Park Lane and Borrower, in form and substance reasonably acceptable to Agent;

(vi) A written Notice of Borrowing and funds flow with respect to the borrowing of the Initial Term Loan executed by Borrower;

(vii) A duly executed certificate of a Responsible Officer of Borrower, certifying (i) the vote of the boards of directors (or other comparable body) of Borrower authorizing and directing the execution and delivery of the Loan Documents and all further agreements, instruments, certificates and other documents pursuant hereto and thereto; (ii) the names of the officers of Borrower who are authorized to execute and deliver the Loan Documents and all other agreements, instruments, certificates and other documents to be delivered pursuant hereto and thereto, together with the true signatures of such officers (it being understood and agreed that Agent may conclusively rely on such certificate until Agent shall receive any further such certificate canceling or amending the prior certificate and submitting the signatures of the officers named in such further certificate) and (iii) copies of the Organic Documents (certified by the Secretary of State or other appropriate governmental official, as applicable, with respect to the certificate of incorporation) of Borrower.

(viii) A certificate of the Secretary of State or other appropriate governmental official of the jurisdiction of incorporation or formation, as applicable, of Borrower, dated reasonably prior to the Closing Date, stating that such Person is duly formed or qualified and in good standing in such jurisdiction and

(ix) an officer's certificate of Borrower certifying true, correct and complete copies of all of the material Related Transaction Documents.

(c) Letter of Credit. Agent shall have received an irrevocable standby Letter of Credit, for the benefit of Agent, issued by HSBC Bank USA, N.A., in an amount equal to $50,000,000 and an initial term expiring not earlier than November 11, 2025 and otherwise on terms satisfactory to Agent (the "Closing Date Letter of Credit"; it being acknowledged and agreed that the terms of the draft letter of credit provided to Agent on November 14, 2024 are so satisfactory).

(d) Legal Opinion. Agent shall have received the favorable written opinions of Orrick, Herrington & Sutcliffe LLP, counsel for Borrower, with respect to the Loan Documents and the transactions contemplated thereby, and Borrower has requested that such opinion be rendered.

(e) [Reserved].

(f) [Reserved].

(g) [Reserved].

(h) [Reserved].

(i) KYC. So long as requested in writing at least five (5) Business Days prior to the Closing Date, Agent shall have received, at least three (3) Business Days prior to the Closing Date, all documentation and other information with respect to Borrower and any of its Subsidiaries that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act and such documentation and other information to include but not be limited to, if Borrower qualifies as a "legal entity customer" under 31 C.F.R. §1010.230 and is so requested by Agent or any Lender at least five (5) Business Days prior to the Closing Date, a certification regarding individual beneficial ownership relating to each such person, as required by 31 C.F.R. §1010.230.

Section 4.02. Conditions to Making Delayed Draw Term Loans. The obligation of each Lender to make any Delayed Draw Term Loan is subject to the following conditions precedent, all of which must be satisfied in a manner acceptable to Agent (unless waived by Agent in its sole discretion):

(a) Loan Documents. Agent shall have received a written Notice of Borrowing executed by Borrower (it being understood and agreed that any Notice of Borrowing provided in advance of such borrowing date shall satisfy the requirement of this clause (a));

(b) Delayed Draw Term Loan Funding Required Payments. With respect to each such Delayed Draw Term Loan advance, Borrower shall have paid to Agent in full all Agency Fees that have become due, payable and owing prior to any such date of borrowing.

Each borrowing by Borrower of a Delayed Draw Term Loan shall be deemed to constitute a representation and warranty by Borrower that the conditions precedent set forth in Section 4.02 will be satisfied at the time of the making of such Delayed Draw Term Loan and giving effect thereto and that the representations and warranties set forth in Sections 3.02 and 3.03 are true and correct in all material respects (except to the extent any such representations and warranties are qualified by materiality or Material Adverse Effect, in which instance such representations and warranties shall be true and correct in all respects) on and as of the date such Delayed Draw Term Loan is funded both before and after giving effect to the funding of such Delayed Draw Term Loan and the use of proceeds thereof.

V. AFFIRMATIVE COVENANTS

Borrower hereby covenants and agrees that, from the Closing Date and until all Obligations (whether now existing or hereafter arising) have been paid in full and each of the Loan Documents have been terminated, unless Agent shall otherwise consent in writing, Borrower shall:

Section 5.01. Corporate. Do or cause to be done all things necessary to at all times (a) preserve, renew and keep in full force and effect (i) its corporate or other legal existence (except where failure to do so has not continued for a period of thirty (30) consecutive days) and (ii) and all rights, licenses, permits and franchises, and (b) preserve all of its material property used or useful in the conduct of its business and keep the same in good repair, working order and condition (reasonable wear and tear excepted), and from time to time make, or cause to be made, all needed and proper repairs, renewals, replacements, betterments and improvements thereto, so that its normal business operations carried on in connection therewith may be properly conducted at all times, in each case for clauses (a)(ii) and (b) except where the failure to do so would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.02. [Reserved].

Section 5.03. Notices of Certain Material Events. Give prompt written notice to Agent (but in any case no later than three (3) Business Days after the occurrence) of having knowledge of (a) the occurrence of any Default or any Event of Default, (b) any proceedings instituted against Borrower in any federal, state or other court or before any commission or other regulatory body, whether federal, state or other, which would reasonably be expected to, either individually or in the aggregate, have a Material Adverse Effect, (c) the occurrence of any litigation commenced or threatened in writing against Borrower that (i) seeks injunctive relief that, if granted, would have a Material Adverse Effect, (ii) is non-frivolous and alleges criminal misconduct by Borrower, or (iii) is by a governmental authority and alleges material violations of anti-money laundering laws or Anti-Terrorism Laws, and (d) any material amendment, restatement, supplement or other modification, or any default under, or any material notice is received or sent in connection with, or termination of, any Related Transaction Document, in each case in this clause (d) as is materially adverse to the interest of the Agent and/or Lenders in their respective capacities as such, and in each case with respect to each of the above noted clauses in this Section 5.03, the action that Borrower has taken, is taking, or proposes to take with respect thereto.

Section 5.04. Periodic Reports. Furnish to Agent (in the case of clauses (a), (b) and (c) below, only if and so long as Borrower is not subject to the reporting requirements of the Exchange Act, and in the case of clause (d) below, only so long as Borrower is subject to the reporting requirements of the Exchange Act):

(a) Within one hundred fifty (150) days after the end of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2024), consolidated audited balance sheets, and consolidated statements of income, statements of stockholders' equity, and statements of cash flows of Borrower and its Subsidiaries, together with footnotes and supporting schedules thereto, certified (as to the consolidated statements) by any nationally recognized independent certified public accounting firm selected by Borrower or other accounting firm reasonably acceptable to Agent, showing the financial condition of Borrower at the close of such Fiscal Year and the results of operations of Borrower during such Fiscal Year, together with a management discussion and analysis describing the performance of Borrower for such periods, in each case certified by a Responsible Officer of Borrower that such financial statements fairly present in all material respects the financial condition and results of operations of Borrower and its Subsidiaries as of the dates and periods covered by such financial statements and have been prepared in accordance with GAAP applied on a consistent basis; and

(b) Within sixty (60) days after the end of each Fiscal Quarter (commencing with the Fiscal Quarter ending December 31, 2024), unaudited balance sheets, consolidated statements of cash flows and consolidated statements of income of Borrower and its Subsidiaries, together with supporting schedules thereto, prepared by Borrower and presenting, in all material respects, in accordance with GAAP, the financial position and the results of operations of Borrower and its Subsidiaries, such balance sheets to be as of the close of such Fiscal Quarter and such statements of income and statements of cash flows to be for the period from the beginning of the then-current Fiscal Year to the end of such Fiscal Quarter, together with comparative statements of income and cash flows for the corresponding period in the immediately preceding Fiscal Year, in each case subject to normal audit and year-end adjustments, together with a management discussion and analysis describing the performance of Borrower for such periods, in each case certified by a Responsible Officer of Borrower that such financial statements fairly present in all material respects the financial condition and results of operations of Borrower and its Subsidiaries as of the dates and periods covered by such financial statements and have been prepared in accordance with GAAP applied on a consistent basis, subject to, in the case of the financial statements delivered pursuant to Section 5.04(b), changes resulting from audit and normal year-end adjustments and the absence of footnote disclosures.

(c) Within ninety (90) after the beginning of each fiscal year, the annual budget and operating plan for Borrower and its Subsidiaries;

(d) As and when distributed to the Borrower's direct and indirect equityholders, copies of all proxy materials which the Borrower provides to its common equityholders in their capacities as such; and

(e) Promptly, from time to time, such other information regarding the operations, assets, business, affairs and financial condition of Borrower and its Subsidiaries, as the Agent or any Lender may reasonably request, including, for the avoidance of doubt, any information that Agent may request for and on behalf of its actuaries and other professional advisors.

Section 5.05. Books and Records; Inspection. Maintain centralized books and records at Borrower's principal place of business.

Section 5.06. [Reserved].

Section 5.07. Use of Proceeds. Cause all proceeds of the Loans to be utilized solely in the manner and for the purposes set forth in Section 2.03.

Section 5.08. Closing Date Letter of Credit. (a) On or prior to the Closing Date, Borrower shall cause the delivery of the Closing Date Letter of Credit to Agent.

(b) Within one Business Day after the date that is 30 days before the end of the then-current term of the Closing Date Letter of Credit, Borrower shall request confirmation with the issuer of the Closing Date Letter of Credit that such issuer does not intend to not renew or reissue, or cancel or terminate, the Closing Date Letter and shall notify the Agent of such issuer's response to such request for confirmation.

Section 5.09. Further Assurances. Borrower shall promptly and duly take, execute, acknowledge and deliver (or cause to be duly taken, executed, acknowledged and delivered) all such further acts, documents and assurances as may from time to time be reasonably necessary or as Agent may from time to time reasonably require in order to carry out the intent and purposes of the Loan Documents and the transactions contemplated thereby.

Section 5.10. Sanctions; Anti-Terrorism Laws. Maintain in effect policies and procedures designed to promote compliance by Borrower and its directors, officers, employees, and agents with applicable Sanctions and with the FCPA and any other applicable Anti-Terrorism Laws.

Section 5.11. Additional Beneficial Ownership Certification. At least five (5) days prior to any Person other than the Borrower becoming a Loan Party, if requested by any Lender, cause any such Person that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation and has not previously delivered a Beneficial Ownership Certification to deliver a Beneficial Ownership Certification to Agent and the Lenders.

VI. NEGATIVE COVENANTS

Borrower hereby covenants and agrees that, until all Obligations (whether now existing or hereafter arising) have been paid in full (other than contingent indemnification payment obligations for which no claim has been asserted) and each of the Loan Documents have been terminated, Borrower shall not:

Section 6.01. [Reserved].

Section 6.02. Liens. Create, incur, assume or suffer to exist any Lien securing Indebtedness for borrowed money, other than:

(a) Liens, in favor of the Agent (for the benefit of the Agent and the other Secured Persons) securing the Obligations;

(b) Liens existing on the date of this Agreement and described on Schedule 6.02 of the Disclosure Schedule;

(c) Liens with respect to property or assets of Borrower securing obligations in an aggregate principal amount outstanding at any time not to exceed $2,000,000, determined as of the date of incurrence;

(d) purchase money Liens (including Liens arising under any retention of title, hire purchase or conditional sales arrangement or arrangements having similar effect) or leases (i) on specific items of equipment acquired or held by Borrower incurred for financing the acquisition of such equipment, or (ii) existing on such Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the equipment; and

(e) Liens subordinated on terms substantially consistent with the Subordination Agreement or otherwise reasonably satisfactory to Agent.

Section 6.03. [Reserved].

Section 6.04. [Reserved].

Section 6.05. [Reserved].

Section 6.06. [Reserved].

Section 6.07. Consolidations; Mergers; Acquisitions; Etc. Dissolve or liquidate, be a party to any statutory division, or consolidate or merge with or into any other Person where such other Person, and not Borrower, is the surviving entity.

Section 6.08. [Reserved].

Section 6.09. [Reserved].

Section 6.10. [Reserved].

Section 6.11. [Reserved].

Section 6.12. Certain Amendments; Jurisdiction of Formation; Principal Place of Business. Agree, consent, permit or otherwise undertake to (a) amend or otherwise modify any of the terms or provisions of Borrower's Organic Documents, except for such amendments or other modifications required by Applicable Law or which are not materially adverse to the interests of Agent and the Lenders in their capacities as such, (b) without at least ten (10) days prior written notice to Agent (or such lesser notice as Agent may agree) and delivery of Agent of all additional financing statements and other documents and agreements reasonably requested by Agent to preserve and protect the validity, perfection and priority of the security interests provided for in the Loan Documents, change its jurisdiction of organization, incorporation or formation (provided that any such jurisdiction of organization, incorporation

or formation shall be a State of the United States), (c) without prior written notice to Agent, change Borrower's tax classification or (d) without prior written notice to Agent, move its chief executive office or principal place of business.

Section 6.13. [Reserved].

Section 6.14. [Reserved].

Section 6.15. [Reserved]

Section 6.16. [Reserved].

Section 6.17. [Reserved].

Section 6.18. [Reserved] .

Section 6.19. Use of Proceeds. The proceeds of the Loans shall not be utilized in any manner or for any purpose other than as set forth in Section 2.03.

Section 6.20. [Reserved].

Section 6.21. OFAC, USA Patriot Act; Anti-Corruption Laws Disclosure. Fail to comply in any material respect with the laws, regulations and executive orders referred to in Section 3.18. Neither Borrower, nor to the knowledge of Borrower, any director, officer, employee, or other person acting on behalf of Borrower in connection with the Loans, will use the proceeds of any Loan, directly or indirectly, for any payments to any Person, including any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, or otherwise take any action, directly or indirectly, in each case that would result in a material violation of any Anti-Terrorism Laws. Furthermore, Borrower will not, directly or knowingly indirectly, use the proceeds of the transaction, or lend, contribute or otherwise make available such proceeds to any Subsidiary, Affiliate, joint venture partner or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, in each case in a manner that will result in a violation by any Person participating in the transaction of any Sanctions.

VII. DEFAULTS

Section 7.01. Events of Default. Each of the following events shall be, and may be referred to herein as, an "Event of Default" (provided, that no Event of Default shall be deemed to have occurred directly or indirectly as a result of Agent or any Lender, or any Affiliate thereof, notifying the issuer thereof in writing of the termination of the Closing Date Letter of Credit or requesting any issuer thereof to not re-new or re-issue or extend the Closing Date Letter of Credit, in each case without the written consent of Borrower and Park Lane):

(a) if any representation or warranty made in this Agreement or in any other Loan Document, or in any certificate, financial statement, instrument or other statement furnished by or on behalf of Borrower in connection with this Agreement, any other Loan Document or with respect to the Loan and/or any other Obligations shall be false, inaccurate or misleading in any material respect (without duplication of any existing materiality qualifiers or dollar thresholds) when made or when deemed made, taken as a whole together with all other such information provided, and provided that, with respect to any

projected financial or other information, no representation is made other than that such information was prepared in good faith based upon assumptions believed to be reasonable at the time;

(b) (x) any default in the payment by Borrower, whether at the due date thereof or at a date required for prepayment or by acceleration or otherwise, (i) when and as required to be paid herein, of any amount of principal of any Loan or (ii) within 13 Business Days after the same becomes due, of any interest or the Agency Fee payable under this Agreement or any other Loan Document, in each case if such default (giving effect to such grace period) has been continuing for more than 5 consecutive days after notice (which may be telephonic or by email and other electronic transmission) thereof from the Agent to the Borrower and Park Lane or (iii) within 15 Business Days after the same becomes due, of any fees or other amount (other than as described in the foregoing clauses (i) and (ii)) payable under this Agreement or any other Loan Document, in each case if such default (giving effect to such grace period) has been continuing for more than 10 consecutive days after notice (which may be telephonic or by email and other electronic transmission) thereof from the Agent to the Borrower and Park Lane or (y) (i) as of the date that is 10 Business Days prior to the expiration date of the initial one-year issuance period or term (or any subsequent issuance period or term) of the Closing Date Letter of Credit (as then in effect, giving effect to any prior renewals, amendments and substitutions permitted hereunder) (such date, the "LC Renewal Trigger Date"), (1) such Closing Date Letter of Credit has not been renewed and Borrower has not caused to be delivered to Agent a substitute Letter of Credit issued by a Lender Approved Bank (any such substitute Letter of Credit, upon delivery to Agent, becoming the Closing Date Letter of Credit), or (2) a default by Borrower in the due observance or performance of the requirements of Section 5.08 has occurred and is continuing as of the LC Renewal Trigger Date and Borrower has not caused to be delivered to Agent a substitute Letter of Credit issued by a Lender Approved Bank (any such substitute Letter of Credit, upon delivery to Agent, becoming the Closing Date Letter of Credit), (ii) the Closing Date Letter of Credit (giving effect to any renewals, reissuances or substitutions thereof in accordance with this Agreement) is for any reason no longer valid or in full force and effect (other than by reason of a complete draw thereon) for more than 10 consecutive days, or has been presented to the issuer thereof in accordance with the terms thereof and of this Agreement and such issuer has refused or otherwise failed to fund any requested draws thereunder or (iii) the issuer of the Closing Date Letter of Credit no longer constitutes a Lender Approved Bank and, not later than forty-five (45) days after Agent has requested Borrower to cause the delivery of a substitute Letter of Credit from a Lender Approved Bank (the "LC Deadline") (so long as Agent has used its commercially reasonable efforts to cooperate with any reasonable requests from Borrower in connection with the issuance of such substitute Letter of Credit (including, without limitation, notifying such issuer which is no longer a Lender Approved Bank that the then-outstanding Closing Date Letter of Credit shall be terminated not later than fifteen (15) Business Days prior to the LC Deadline)), Borrower has not caused to be delivered to Agent a substitute Letter of Credit issued by a Lender Approved Bank (any such substitute Letter of Credit, upon delivery to Agent, becoming the Closing Date Letter of Credit);

(c) any default by Borrower in the due observance or performance of any covenant, condition or agreement contained in Section 5.03, 5.04, 5.08, or 5.10 or in any Section of Article VI hereof and the continuance of such default remains unremedied for a period of ten (10) consecutive days (or in the case of a default under Section 5.08, three (3) consecutive days) after written notice thereof from the Agent to the Borrower and to Park Lane;

(d) any default by any Borrower in the due observance or performance of any covenant, condition or agreement contained in any provision of this Agreement or any other Loan Document and not addressed in clauses Sections 7.01(a), (b) and (c), and the continuance of such default remains unremedied for a period of forty-five (45) consecutive days after written notice thereof from the Agent to the Borrower and to Park Lane;

(e) Borrower shall commence a voluntary case or other proceeding (other than in the case of any case or proceeding commenced directly or indirectly by or on behalf of Agent or any Lender or Affiliate thereof (unless an Event of Default under Section 7.01(b)(y)(ii) or Section 7.01(b)(y)(iii) shall have occurred and is continuing or the Closing Date Letter of Credit has been fully drawn)) seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar Applicable Law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors;

(f) an involuntary case or other proceeding shall be commenced against Borrower seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar Applicable Law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against Borrower under any bankruptcy, insolvency or other similar Applicable Law as now or hereafter in effect;

(g) if any of the Loan Documents shall cease to be in full force and effect (other than as a result of the discharge thereof in accordance with the terms thereof) or if the Borrower seeks to revoke all or any portion of any Loan Document;

(h) any subordination provision in favor of Agent or any Lender in any document or instrument governing any subordination provision in favor of Agent or any Lender in the Subordination Agreement, shall cease to be in full force and effect (other than in accordance with the terms thereof), or Park Lane or any other Person subordinated thereby shall contest in writing the validity, binding nature or enforceability of any such provision;

Section 7.02. Remedies. Solely to the extent that any Specified Event of Default shall have occurred and be continuing, Agent may (so long as Comvest or an Affiliate thereof is Agent and, together with such Affiliates, are Lenders holding at least twenty five percent (25%) of the principal amount of the outstanding Loans in the aggregate), and at the written request of the Required Lenders, shall, (i) after no less than five (5) Business Days' written notice to the Borrower and Park Lane given after the occurrence of a Specified Event of Default (other than in connection with a Specified Event of Default occurring under Section 7.01(b)(y), for which no such five (5) Business Days' written notice shall be required), draw on the Closing Date Letter of Credit up to the amount of the outstanding Obligations, solely in order to apply, and Borrower hereby authorizes and directs Agent to apply, and Agent shall apply, such amounts drawn in respect of the Closing Date Letter of Credit to the Obligations, including, without limitation, any Loan, interest, fees and expenses and the Prepayment Premiums (if any) payable in connection with a repayment or prepayment being made or being required to be made of any Loan (including, without limitation, all or any portion of the Prepayment Premiums payable in connection with such acceleration of the Obligations), all without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Borrower (it being understood and agreed that the sole condition precedent to the Agent drawing on the Closing Date Letter of Credit in accordance with this clause (i) shall be the occurrence of a Specified Event of Default) (ii) solely to the extent that such Specified Event of Default shall have occurred under Section 7.01(b)(y)(ii) or Section 7.01(b)(y)(iii) (or any Specified Event of Default has occurred and the Closing Date Letter of Credit has been fully drawn), declare all or any portion of the Obligations, including, without limitation, all or any portion of any Loan and all or any portion of the Prepayment Premiums (if any) payable in connection with a repayment or prepayment being made or being required to be made of all or any portion of any Loan, interest, fees and expenses (including, without limitation, all or any portion of the Prepayment Premiums payable in connection with such

acceleration of the Obligations), to be forthwith due and payable, all without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Borrower; and/or (iii) exercise any and all rights and remedies provided to Agent or any Lender under any Loan Document and/or at law or equity, including any and all rights and remedies available under the UCC, if applicable; provided, however, that upon the occurrence of an Event of Default specified in Section 7.01(e) or 7.01(f), all of the Obligations, including, without limitation, all Prepayment Premiums (if any) payable in connection with a repayment or prepayment being made or being required to be made of all or any portion of any Loan (including, without limitation, all or any portion of the Prepayment Premiums payable in connection with such acceleration of the Obligations), shall become immediately due and payable, each without declaration, notice or demand by any Person. No delay or omission on Agent's or any Lender's part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any Default or Event of Default. Notwithstanding anything to the contrary in this Agreement or the other Loan Documents, any amounts drawn on the Closing Date Letter of Credit, and any amounts received by or on behalf of the Lenders or Agent in connection with any exercise of remedies in connection herewith, shall be applied to the Obligations in accordance with Section 2.05 and reduce the amount of the Obligations hereunder, and any such amounts in excess of the Obligations hereunder shall be paid to the Borrower or its designee.

Section 7.03. Waivers by the Borrower. Except as otherwise provided for in this Agreement or by Applicable Law, Borrower waives: (a) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Agent or any Lender on which Borrower may in any way be liable, and hereby ratifies and confirms whatever Agent or any Lender may do in this regard, (b) all rights to notice and a hearing prior to Agent or any Lender taking possession or control of, or to Agent's or any Lender's replevy, attachment or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing Agent or any Lender to exercise any of its remedies and (c) the benefit of all valuation, appraisal, marshalling and exemption laws.

VIII. PARTICIPATING LENDERS; ASSIGNMENT

Section 8.01. Participations. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, any Lender may, at any time and from time to time, without in any manner affecting or impairing the validity of any Obligations, sell to one or more Persons (other than a Disqualified Institution (unless a Specified Event of Default shall have occurred and be continuing) or a natural person (or trust therefor)) participating interests in its Loans and/or other interests hereunder and/or under any other Loan Document (any such Person, a "Participant") with the prior written consent of Agent. In the event of a sale by a Lender of a participating interest to a Participant, (a) such Lender's obligations hereunder and under the other Loan Documents shall remain unchanged for all purposes, (b) Borrower, Agent and such Lender shall continue to deal solely and directly with each other in connection with such Lender's rights and obligations hereunder and under the other Loan Documents and (c) all amounts payable by Borrower shall be determined as if such Lender had not sold such participation and shall be paid directly to Agent on behalf of such Lender or to such Lender, as applicable. Without limiting the foregoing, in no event, without the prior written consent of Agent, which consent of Agent may or may not be given (and which if given, such consent may be conditioned in any manner required by Agent) in the sole and absolute discretion of Agent, may any Lender sell any participating interests in all or any of its Loans, Commitments and/or other interests hereunder and/or under any other Loan Document to (x) Borrower or any Subsidiary of Borrower, or (y) any holder of Indebtedness owing by Borrower which is secured by a Lien that is either senior or subordinated to any of the Liens of Agent securing the Obligations, including any second lien Debt or any Affiliate of any such holder. Borrower agrees that if amounts outstanding under this Agreement or any other Loan Document are due and payable (as a result of acceleration or otherwise), each Participant along with each Affiliate of each Participant shall be deemed to have the right of set-off in respect of its

participating interest in amounts owing under this Agreement and the other Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided that such right of set-off shall not be exercised without the prior written consent of Agent and shall be subject to the obligation of each Participant and Affiliate thereof to share with Agent and the Lenders its share thereof. Borrower also agrees that each Participant shall be entitled to the benefits of Section 2.06 and 2.07 as if it were a Lender. Notwithstanding the granting of any such participating interests: (i) Borrower and Agent shall look solely to the Lender that sold such participation interest for all purposes of this Agreement, the Loan Documents and the transactions contemplated hereby, (ii) Borrower and Agent shall at all times have the right to rely upon any waivers, consents or other documents signed by such Lender as being binding upon all of the Participants of such Lender, and (iii) all communications in respect of this Agreement and such transactions with such Lender need not involve any Participant of such Lender. Each Lender granting a participation hereunder shall maintain, as a non-fiduciary agent of Borrower, a register (a "Participant Register") as to the participations granted and transferred under this Section containing the same information specified in Section 8.02 on the Register as if each Participant were a Lender. No participation shall be effective for any purpose under the Loan Documents unless and until recorded in a Participant Register by the applicable Lender. The requirement for a Participant Register set forth in this Section 8.01 shall be construed so that the Loans, Commitments and/or other interests hereunder are at all times maintained in "registered form" within the meaning of Treasury Regulation Sections 5f.103-1(c) and 1.871-14(c). No Participant shall have any direct or indirect voting rights hereunder except with respect to any event described in Section 11.01 expressly requiring the unanimous vote of all Lenders or, as applicable, all directly affected Lenders. For the avoidance of doubt, Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

Section 8.02. Assignment. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, any Lender may, at any time and from time to time, without in any manner affecting or impairing the validity of any Obligations, assign all or any its portion of the Loans and Loan Commitments (along with the related rights and interests) to any Person (other than a Disqualified Institution (unless a Specified Event of Default shall have occurred and be continuing) or a natural person (or trust therefor)) (an "Assignee Lender") with the prior written consent of Agent and, so long as no Specified Event of Default exists and is continuing, Park Lane and Borrower (provided such consent (i) of Agent, Park Lane or Borrower shall not be required with respect to any assignment by a Lender to a Lender or an Affiliate or Related Fund of a Lender and (ii) of Borrower or Park Lane shall not be unreasonably withheld, conditioned or delayed, and shall be deemed given if Borrower or Park Lane, as applicable, does not object to a proposed assignment within ten (10) Business Days of receipt of notice of same). Except as Agent may otherwise agree, any such assignment (other than any assignment by a Lender to a Lender or an Affiliate or Related Fund of a Lender) shall be in a minimum aggregate amount equal to $1,000,000 of the Loans and/or Loan Commitments, as applicable or, if less, all of the remaining Loans and Loan Commitments of such assigning Lender. No such assignment shall be effective unless and until Agent shall have received and accepted an effective Assignment and Acceptance executed, delivered and fully completed by the applicable parties thereto (including Agent), a duly executed IRS Form W-9 (or other applicable tax form), all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act and a processing fee of $5,000 to be paid to Agent by the Lender to whom such interest is assigned (unless such processing fee is waived by Agent); provided that no such processing fee shall be required with respect to an assignment by a Lender to its Affiliates or Related Funds. Any attempted assignment not made in accordance with this Section 8.02 shall be null and void. From and after the date on which the conditions described above have been met, (i) such Assignee Lender shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned to such Assignee Lender pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender hereunder and (ii) the assigning Lender, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, shall be

released from its rights (other than its indemnification rights) and obligations hereunder. Upon the request of the Assignee Lender (and, as applicable, the assigning Lender) pursuant to an effective Assignment and Acceptance, Borrower shall execute and deliver to Agent for delivery to the Assignee Lender (and, as applicable, the assigning Lender) a Note in the principal amount of the Assignee Lender's Loans and, without duplication, Commitments (and, as applicable, a Note in the principal amount of the Loans and, without duplication, Commitments, retained by the assigning Lender). Each such Note shall be dated the effective date of such assignment. Upon receipt by the assigning Lender of such Note, the assigning Lender shall return to Borrower any prior Note held by it. Without limiting the foregoing, in no event, without the prior written consent of Agent, which consent of Agent may or may not be given (and which if given, such consent may be conditioned on any matter required by Agent) in the sole and absolute discretion of Agent, may any Lender transfer and assign all or any interests in its Loans, Commitments and/or other interests hereunder and/or under any other Loan Document to any to Borrower or any Subsidiary of Borrower. Agent, acting solely for this purpose as a non-fiduciary agent of Borrower, shall maintain at one of its offices in the United States a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of each Lender, and the Commitments of, and principal amount and stated interest of the Loans owing to, such Lender pursuant to the terms hereof. Subject to receipt of any required tax forms reasonably required by Agent, Agent shall record the applicable transfers, assignments and assumptions in the Register. The entries in such Register shall be conclusive absent manifest error, and Borrower, Agent and Lenders shall treat each Person whose name is recorded therein pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary, and no assignment shall be effective for any purpose under the Loan Documents unless and until recorded in the Register. Such Register shall be available for inspection by Borrower and any Lender (solely as to such Lender), at any reasonable time upon reasonable prior written notice to Agent. No Lender or shall, in such capacity, have access to or be otherwise permitted to review any information in the Register other than information with respect to such Lender unless otherwise agreed by Agent. The requirement for the Register set forth in this Section 8.02 shall be construed so that the Loans, Commitments and/or other interests hereunder are at all times maintained in "registered form" within the meaning of Treasury Regulation Sections 5f.103-1(c) and 1.871-14.

Section 8.03. Pledges/Security. Notwithstanding any provision of this Agreement or any other Loan Document to the contrary, Agent and each Lender may at any time, without the consent of any Person, pledge or grant a security interest in all or any portion of its rights under this Agreement and the other Loan Documents to any Person to secure obligations of Agent or such Lender to such Person, including without limitation any pledge or grant to secure obligations to a Federal Reserve Bank; provided that notwithstanding the foregoing no such Person to whom such pledge or grant is made in favor of shall be permitted to be a Lender hereunder without the prior written consent of Agent and Borrower.

IX. MISCELLANEOUS

Section 9.01. Survival. This Agreement and all covenants, agreements, representations and warranties made by the Borrower herein and in the certificates delivered pursuant hereto, shall survive the making by Agent or any Lender of the Loans and the execution and delivery to Agent and the Lenders of this Agreement, and shall continue in full force and effect for until all of the Obligations have been Paid in Full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and permitted assigns of such party; and all covenants, promises and agreements in this Agreement contained, by or on behalf of Borrower shall inure to the benefit of the successors and permitted assigns of Agent and the Lenders.

Section 9.02. Indemnification / Expenses.

(a) Borrower shall indemnify Agent, each Lender and their respective Related Parties (each, an "Indemnified Person") against, and shall hold each Indemnified Person harmless from, any and all losses, claims, damages and liabilities and related reasonable expenses, including counsel fees and expenses, including reasonable and documented fees and expenses of one firm counsel for all such Indemnified Persons, taken as a whole, and, if necessary, additional counsel to accommodate conflicts of interest, and a single local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions), incurred by any Indemnified Person arising out of, in any way connected with, or as a result of: (a) the use of any of the proceeds of the Loans; (b) this Agreement or any other Loan Document; (c) the transactions contemplated by this Agreement or any other Loan Document; (d) the ownership and operation of the Borrower's assets; (e) any finder's fee, brokerage commission of other such obligation payable or alleged to be payable in respect of the transactions contemplated by this Agreement or any other Loan Document which arises or is alleged to arise from any agreement, action or conduct of Borrower or any of its Affiliates; and/or (f) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not Agent, any Lender, any Participant or any of their respective Related Parties are a party thereto; provided that such indemnity provided to any such Indemnified Person shall not apply to any such losses, claims, damages, liabilities or related expenses to the extent arising solely from (i) the willful misconduct or gross negligence of any Indemnified Person or its Related Parties as determined by a final, non-appealable judgment of a court of competent jurisdiction, (ii) a material breach by the applicable Lender of its funding obligations under this Agreement at a time when no Default or Event of Default has occurred and is continuing, or (iii) to the extent such liability arises in connection with disputes solely among the Indemnified Persons (and not involving any other Persons) for actions by one or more of the Indemnified Persons (and not involving any other Persons); provided that this clause (iii) shall not apply to claims against Agent or any of its Related Parties, sub-agents or other designees, in connection with their respective roles under the Loan Documents and the transactions contemplated hereby. All amounts due under this Section 9.02 shall be payable on written demand therefor. This Section 9.02 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(b) Borrower hereby agrees to promptly pay all reasonable and documented costs and expenses of Agent (including without limitation the reasonable and documented fees, costs and expenses of appraisers, accountants, consultants and other professionals and advisors retained by or on behalf of Agent, and the reasonable and documented fees and expenses of one firm counsel for Agent, and a single local counsel in each appropriate jurisdiction, which firm counsel and local counsel shall be the same as the counsel retained pursuant to Section 9.02(a) above, to the extent applicable) incurred in connection with: (A) all loan proposals and commitments pertaining to the transactions contemplated hereby, (B) the examination, review, due diligence investigation, documentation, negotiation, and closing of the transactions contemplated by the Loan Documents (whether or not such transactions are consummated), (C) the creation, perfection and maintenance of Liens pursuant to the Loan Documents, (D) the performance by Agent of its rights and remedies under the Loan Documents, (E) the administration of the Loan Documents, (F) the preparation, execution, delivery and administration of this Agreement and the other Loan Documents, including without limitation with respect to any amendments, modifications, consents and waivers to and/or under any and all Loan Documents (whether or not such amendments, modifications, consents or waivers are consummated), (G) any periodic public record searches conducted by or at the request of Agent (including, without limitation, title investigations and public records searches), pending litigation and tax lien searches and searches of applicable corporate, limited liability, partnership and related records concerning the continued existence, organization and good standing of certain Persons and any periodic background checks, (H) [reserved], (I) exercising inspection rights on the terms and conditions set for the herein, (J) any litigation, dispute, suit or proceeding relating to any Loan Document, and (K) any workout, collection, bankruptcy, insolvency and other enforcement proceedings under any and all of the Loan Documents. Any fees, costs and expenses owing by Borrower hereunder or under any other Loan Document shall be due and payable within fifteen (15) days after written demand therefor.

(c) The foregoing indemnity and cost and expense reimbursements shall remain operative and in full force and effect regardless of the expiration or any termination of this Agreement, the consummation of the transactions contemplated by this Agreement, the repayment of the Loans, the invalidity or unenforceability of any term or provision of any Loan Document, any investigation made by or on behalf of Agent or any Lender, and the content or accuracy of any representation or warranty made by Borrower in any Loan Document.

Section 9.03. GOVERNING LAW. THIS AGREEMENT, ALONG WITH ALL OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED OTHERWISE IN SUCH OTHER LOAN DOCUMENT) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES (EXCEPT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATION LAW). FURTHER, THE LAW OF THE STATE OF NEW YORK SHALL APPLY TO ALL DISPUTES OR CONTROVERSIES ARISING OUT OF OR CONNECTED TO OR WITH THIS AGREEMENT AND ALL SUCH OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED OTHERWISE IN SUCH OTHER LOAN DOCUMENT) WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES (EXCEPT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATION LAW).

Section 9.04. Nonliability of Lenders and Agent. The relationship between Borrower on the one hand and Lenders and Agent on the other hand shall be solely that of borrower and lender. Neither Agent nor any Lender shall have any fiduciary responsibility to Borrower. Neither Agent nor any Lender undertakes any responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations. Execution of this Agreement by Borrower constitutes a full, complete and irrevocable release of any and all claims which Borrower may have at law or in equity in respect of all prior discussions and understandings, oral or written, relating to the subject matter of this Agreement and the other Loan Documents.

Section 9.05. Reservation of Remedies. Neither any failure nor any delay on the part of Agent or any Lender in exercising any right, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or future exercise, or the exercise of any other right, power or privilege.

Section 9.06. Notices.

(a) All notices, requests, demands and other communications under or in respect of this Agreement or any transactions hereunder shall be in writing (which may include facsimile communication) and shall be personally delivered or mailed (by prepaid registered or certified mail, return receipt requested), sent by prepaid recognized overnight courier service, or by facsimile transmission to the applicable party at its address or facsimile number indicated below.

If to **Agent** or **Comvest**:

CCP Agency, LLC
360 S. Rosemary Avenue, Suite #1700
West Palm Beach, Florida 33401
Attention: Charles Asfour
Facsimile: (561) 727-2100
Email: ComvestAgency@alterdomus.com

with a copy (which shall not constitute notice) to each of:

Alter Domus
225 W. Washington Street, 9th Floor
Chicago, Illinois 60606
Attention: Thomas Petersen and Legal Department
Telephone: (312) 564-5100
Emails (to be sent to both):
comvestagency@alterdomus.com
legal_agency@alterdomus.com

and

Katten Muchin Rosenman LLP
525 West Monroe Street, Suite 1900
Chicago, Illinois 60661
Attention: Andrew C. Lillis
Email: andrew.lillis@katten.com

If to any other Lender, as provided on its signature page to this Agreement or in the applicable Assignment and Acceptance

If to **Borrower**:

Surf Air Mobility Inc.
12111 S. Crenshaw Blvd.
Hawthorne, CA 90250
Attention: Oliver Reeves, Chief Financial Officer
Email: oliver.reeves@surfair.com

with a copy (which shall not constitute notice) to each of:

Surf Air Mobility Inc.
12111 S. Crenshaw Blvd.
Hawthorne, CA 90250
Attention: General Counsel
Email: legalnotices@surfair.com

Orrick, Herrington & Sutcliffe LLP
2100 Pennsylvania Avenue NW
Washington, D.C. 20037
Attention: Adam Ross
Email: adam.ross@orrick.com

Park Lane Investments LLC
53 Greenwich Avenue, 2nd Floor
Greenwich CT, 06830
Attention: James Holland; Michael Barker
Email: james.holland@parklaneinvestmentsllc.com;
mike.barker@parklaneinvestmentsllc.com

Gibson, Dunn & Crutcher LLP
200 Park Avenue

New York, NY 10166
Attention: Janet Vance
Email: JVance@gibsondunn.com

If to **Park Lane**:

Park Lane Investments LLC
53 Greenwich Avenue, 2nd Floor
Greenwich CT, 06830
Attention: James Holland; Michael Barker
Email: james.holland@parklaneinvestmentsllc.com;
mike.barker@parklaneinvestmentsllc.com

with a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
Attention: Janet Vance
Email: JVance@gibsondunn.com

or, as to each party, at such other address or facsimile number as shall be designated by such party in a written notice to the other party delivered as aforesaid. All such notices, requests, demands and other communications shall be deemed given (i) when personally delivered, (ii) when received after being deposited in the mails with postage prepaid (by registered or certified mail, return receipt requested), (iii) one (1) Business Day after being timely delivered to the overnight courier service, if prepaid and sent overnight delivery, addressed as aforesaid and with all charges prepaid or billed to the account of the sender, (iv) when sent by facsimile transmission to a facsimile number designated by such addressee and the sender receives a confirmation of transmission from the sending facsimile machine or (v) if delivered by email or other electronic transmission as set forth in Sections 9.06(b) and (c) below.

(b) Notices and other communications to the parties hereto may be delivered or furnished by email and other electronic transmission (including Internet or intranet websites, but in no event by text message or posting via social media) provided, however, that (i) the foregoing shall not apply to notices sent directly to any party hereto if such party has notified Agent (or in the case of Agent, has notified Borrower and each Lender) in writing that it has elected not to receive notices by email or any other electronic transmission (which election may be limited to particular notices)and (ii) no Notice of Borrowing shall be permitted to be delivered or furnished by email or other electronic transmission unless made in accordance with specific procedures approved from time to time in writing by Agent.

(c) Unless Agent otherwise prescribes, (i) notices by email or other electronic transmission (except as provided in clause (ii) below, which shall be deemed received on the date sent) shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor, provided, however, that if any such notice or other communication is not sent or posted during normal

business hours, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day.

Section 9.07. Nature of Rights and Remedies; No Waivers. All obligations of the Borrower and rights and remedies of Agent and Lenders expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by Applicable Law. The rights and remedies herein and therein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law. No failure to exercise and no delay in exercising, on the part of Agent or any Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. For the sake of clarity, once an Event of Default (other than a Specified Event of Default (except a Specified Event of Default pursuant to Section 7.01(b)(x)(ii))) shall have occurred and be continuing, such Event of Default shall cease to be continuing if Borrower shall have remedied the underlying condition or circumstance giving rise thereto or such Event of Default is waived in writing in accordance with Article XI of this Agreement.

Section 9.08. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Borrower, Agent and the Lenders and their respective successors and permitted assigns, except that Borrower shall not assign any of its rights or obligations hereunder without the prior written consent of each Lender.

Section 9.09. CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL. ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (UNLESS EXPRESSLY PROVIDED OTHERWISE IN SUCH OTHER LOAN DOCUMENT) SHALL BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK IN THE COUNTY OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR ANY APPELLATE COURT THEREFROM; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, IN AGENT'S SOLE DISCRETION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND, AND EACH PARTY HERETO, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY CONSENTS TO THE JURISDICTION OF THE AFOREMENTIONED COURTS. EACH PARTY HERETO HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, OR BASED ON UPON 28 U.S.C. § 1404, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING AND ADJUDICATION OF ANY SUCH ACTION, SUIT OR PROCEEDING IN ANY OF THE AFOREMENTIONED COURTS AND AGREES TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. EACH PARTY HERETO EACH HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT OR, ANY OTHER LOAN DOCUMENT, OR UNDER ANY AMENDMENT, WAIVER, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE OTHER TRANSACTION DOCUMENTS, AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 9.10. Certain Waivers. Borrower hereby waives any claims for special, consequential or punitive damages in any way arising out of or relating to this Agreement, any of the other Loan Documents, any of the transactions contemplated hereby or thereby, or any breach hereof or thereof.

Section 9.11. Severability. If any provision of this Agreement or any other Loan Document is held invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall thereupon be deemed modified only to the extent necessary to render same valid, or not applicable to given circumstances, or excised from this Agreement or such other Loan Document, as the situation may require, and this Agreement and the other Loan Documents shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein or therein, as the case may be.

Section 9.12. Captions. The Article and Section headings in this Agreement are included herein for convenience of reference only, and shall not affect the construction or interpretation of any provision of this Agreement.

Section 9.13. Sole and Entire Agreement. This Agreement, the other Loan Documents, and the other agreements, instruments, certificates and documents referred to or described herein and therein constitute the sole and entire agreement and understanding between the parties hereto as to the subject matter hereof, and supersede all prior discussions, letters of intent, commitment letters, proposal letters, other agreements and understandings of every kind and nature between the parties as to such subject matter. Borrower acknowledges that it has been advised by counsel in connection with the execution of this Agreement and the other Loan Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement or any other Loan Document.

Section 9.14. Confidentiality. Agent and each Lender agree that Confidential Information shall be treated by Agent and the Lenders in a confidential manner, used only in connection with this Agreement and in compliance with applicable laws, including United States federal or state securities laws, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (a) to the extent required by Applicable Law, statute, rule, regulation or judicial process or in connection with the exercise of any right or remedy under any Loan Document, or as may be required in connection with the examination, audit or similar investigation of or by Agent, any Lender or any of their respective Affiliates, in each case, based on the advice of counsel (in which case Agent or such Lender, as applicable, agrees to the extent practicable and not prohibited by applicable law, to inform Borrower promptly thereof prior to disclosure and to reasonably cooperate with Borrower in any lawful effort by Borrower to prevent or limit such disclosure or otherwise protect the confidentiality of such information) (b) to examiners, auditors, accountants or any regulatory authority, (c) to Related Parties of Agent or any Lender or any of their respective Affiliates, to be used only in connection with this Agreement, provided that such Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential, (d) in connection with any litigation or dispute which relates to this Agreement or any other Loan Document to which Agent or any Lender is a party or is otherwise subject or in connection with the exercise or enforcement of any right or remedy under any Loan Document by Agent or any Lender, or the disclosure of the tax structure or tax treatment of the transactions contemplated hereby, (e) to a Subsidiary or Affiliate of Agent or any Lender, to be used only in connection with this Agreement, provided that such Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential, (f) to any permitted Assignee Lender or Participant (or permitted prospective Assignee Lender or Participant) of Agent or any Lender which agrees in writing to be bound by this Section 9.14, and (g) to any lender or other funding source of Agent or any Lender provided that such Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential (each reference to Agent and/or a Lender in the foregoing clauses shall be

deemed to include (i) the actual and prospective Assignee Lenders and Participants referred to in clause (f) above and the lenders and other funding sources referred to in clause (g) above, as applicable for purposes of this Section 9.14) and (h) solely with respect to Confidential Information consisting of the terms of Loan Documents (including copies thereof), to any creditor of Borrower that is subject to a subordination or intercreditor agreement or provision with Agent, provided further, that in no event shall Agent or any Lender be obligated or required to return any materials furnished by or on behalf of Borrower. The obligations of Agent and each Lender under this Section 9.14 shall supersede and replace the obligations of Agent and each Lender under any confidentiality letter or provision in respect of this financing or any other financing previously signed and delivered by Agent and/or any Lender to Borrower or any of its Subsidiaries. Notwithstanding the foregoing, on or after the Closing Date, Agent may, at its own expense issue news releases and publish "tombstone" advertisements and other announcements relating to this transaction in newspapers, trade journals and other appropriate media (which may include use of logos of the Borrower) (collectively, "Trade Announcements"), provided that such publications and information shall not include any specifics of the financing transactions contemplated by this Agreement or any information about this Agreement that is not publicly available, and are subject to the prior review and approval of Borrower in its sole discretion. No Lender (other than Comvest and its Affiliates) shall (a) issue any Trade Announcement, (b) use or reference in advertising, publicity, or otherwise the name of Comvest, any Lender or any of their respective Affiliates, partners, or employees, or (c) represent that any product or any service provided has been approved or endorsed by Comvest, any Lender, or any of their respective Affiliates, except (i) disclosures required by Applicable Law, regulation, legal process or the rules of the Securities and Exchange Commission or (ii) with the prior approval of Agent.

Section 9.15. Marshaling. Neither Agent nor any Lender shall be under any obligation to marshal any assets in payment of any or all of the Obligations.

Section 9.16. No Strict Construction. The parties hereto and to the other Loan Documents have participated jointly in the negotiation and drafting of this Agreement and each of the other Loan Documents. In the event an ambiguity or question of intent or interpretation arises, this Agreement and each of the other Loan Documents shall be construed as if drafted jointly by the parties hereto and thereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement or any other Loan Document.

Section 9.17. USA PATRIOT Act Notification. Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, Agent and each Lender may be required to obtain, verify and record certain information and documentation that identifies the Borrower, which information may include the name and address of Borrower and such other information that will allow Agent or such Lender to identify such Person in accordance with the USA PATRIOT Act.

Section 9.18. Counterparts; Fax/Email Signatures. This Agreement and the other Loan Documents (except to the extent expressly provided otherwise in any such other Loan Documents) may be signed in any number of counterparts and may be executed by facsimile, email delivery or electronic signature, each of which shall be an original, with the same effect as if the signatures hereto and thereto were upon the same instrument. Signatures by facsimile, email delivery or electronic signature or other electronic communication to this Agreement or any such other Loan Document shall bind the parties to the same extent as would a manually executed counterpart.

X. AGENT.

Section 10.01. Appointment; Authorization. Each Lender hereby irrevocably appoints, designates and authorizes Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly

delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement and the other Loan Documents (including, without limitation, enforcement or collection of the Loans), Agent shall not be required to exercise any discretion or take any action, but shall be required (subject to Section 10.04) to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in this Agreement or in the other Loan Documents), and such instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents) shall be binding upon all Lenders and all makers of Loans. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, Agent shall not have any duty or responsibility except those expressly set forth herein, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Nothing in this Agreement or any other Loan Document, express or implied, is intended to or shall be construed to impose upon Agent any obligations in respect of this Agreement or any other Loan Document except as expressly set forth herein or therein.

Section 10.02. Delegation of Duties.

(a) Agent may, upon any terms and conditions Agent specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other actions with respect to, this Agreement or any other Loan Document by or through any trustee, co-agent, sub-agent, other agent, employee, attorney-in-fact or any other Person selected by Agent (and Agent may assign all or any portion of the fees or other amounts payable to Agent under this Agreement or any other Loan Document to any such trustee, co-agent, sub-agent, agent, other agent, employee, attorney-in fact or other Person) and shall be entitled to advice of counsel concerning all matters pertaining to such duties and other items. Each such trustee, co-agent, sub-agent, other agent, employee, attorney-in fact or other Person shall benefit from this Section 10 to the extent provided by Agent. Agent shall not be responsible for the negligence, misconduct or any other action or omission of any such trustee, co-agent, sub-agent, other agent, employee, attorney-in fact or other Person (except to the extent that a court of competent jurisdiction determines in a final, non-appealable judgement, resulted solely from the willful misconduct or gross negligence of Agent in Agent's selection of such trustee, co-agent, sub-agent, other agent, employee, attorney-in fact or other Person).

(b) Without limiting the generality of the powers of Agent, as set forth above, Agent is hereby authorized to act as collateral agent for each Lender pursuant to each of the Loan Documents. In such capacity, Agent has the right (but not the obligation) to exercise all rights and remedies available under the Loan Documents, the UCC and other Applicable Law, which rights and remedies shall include, in the event of a foreclosure by Agent on any portion of the Collateral, whether pursuant to a public or private sale, the right of Agent, as agent for all Lenders, to be, or form an acquisition entity to be, the purchaser of any or all of such Collateral at any such sale in each case to the extent permitted by and in accordance with Applicable Law. Agent, as agent for all Lenders, shall be entitled (but shall not obligated to) at any such sale to offset any of the Obligations against the purchase price payable by Agent (or such acquisition entity) at such sale or to otherwise consent to a reduction of the Obligations as consideration to the Borrower in connection with such sale. Agent shall have the authority to (but shall not be obligated to) take such other actions as it may deem necessary or desirable, to consummate a sale of the type described in the immediately preceding sentences. Agent shall have the authority to (but shall not be obligated to) accept non-cash consideration in connection with the sale or other disposition of the Collateral, whether the purchaser is Agent, an entity formed by Agent as described above or any other Person. Without limiting the generality of the powers of Agent, as set forth above, in the context of any bankruptcy or other insolvency proceeding involving Borrower, Agent is hereby authorized on behalf of any or all of the Lenders to (but shall not be

obligated to): (i) file proofs of claim and other documents, (ii) object or consent to the use of cash collateral, (iii) object or consent to any proposed debtor-in-possession financing, whether provided by one or more of the Lenders or any other Person and whether secured by Liens with priority over the Liens securing the Obligations or otherwise, (iv) object or consent to any sale of Collateral, including sales for non-cash consideration in satisfaction of a portion of the Obligations on behalf of all Lenders, (v) to be, or form an acquisition entity to be, the purchaser of any or all of such Collateral at any such sale under clause (iv) and to offset any of the Obligations against the purchase price payable by Agent (or such acquisition entity) at such sale or to otherwise consent to a reduction of the Obligations as consideration to Borrower in connection with such sale, and (vi) seek, object or consent to Borrower's provision of adequate protection of the interests of Agent and/or the Lenders in the Collateral.

Section 10.03. Limited Liability. None of Agent or any of its Related Parties shall (a) be liable to any Lender for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except to the extent resulting solely from willful misconduct or gross negligence of such Person as determined by a final, non-appealable judgment of a court of competent jurisdiction), or (b) be responsible in any manner to any Lender for any recital, statement, representation or warranty made by Borrower or Affiliate of Borrower or any officer thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document (or the creation, perfection or priority of any Lien or security interest therein), or for any failure of Borrower or any other party to any Loan Document to perform its obligations hereunder or thereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of Borrower or Affiliate of Borrower. The provisions of this Section 10.03 shall survive repayment of the Loans, cancellation of the Notes, any foreclosure under, or modification, release or discharge of, the Collateral Agreement or any or all of the Loan Documents, termination of this Agreement and the resignation or replacement of Agent.

Section 10.04. Reliance. Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex, electronic mail or telephone message, statement or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to Borrower), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document (a) unless it shall first receive such advice or concurrence of Required Lenders (or all Lenders, or such other Lenders, if expressly required hereunder) as it deems appropriate and, if it so requests, confirmation from Lenders of their obligation to indemnify Agent against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action, (b) if such action would, in the opinion of Agent, be contrary to Applicable Law or the terms of this Agreement or any other Loan Document, (c) if such action would, in the opinion of Agent, expose Agent to liabilities, or (d) if Agent shall not first be indemnified to its satisfaction against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of Required Lenders (or all Lenders, or such other Lenders, if expressly required hereunder) and such request and any action taken or failure to act pursuant thereto shall be binding upon each Lender. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Agent as a result of Agent's acting or refraining from acting hereunder or under any other Loan Document in accordance with the instructions of Required Lenders (or all Lenders, or such other Lenders, if expressly required hereunder).

Section 10.05. Notice of Default; Dissemination of Information. Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default or Default, unless Agent shall have received written notice from a Lender or Borrower referring to this Agreement, describing such Event of Default or Default and expressly stating that such notice is a "notice of default" or words of like import. Agent will endeavor to notify the Lenders of its receipt of any such notice; provided that Agent shall not have any liability whatsoever for failing to deliver any such notice. Agent shall take such action with respect to such Event of Default or Default as may be reasonably requested by Required Lenders in accordance with Section 7.02; provided that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default or Default as it shall deem advisable in its sole discretion. Agent and Lenders acknowledge that Borrower is required to provide certain financial statements and other financial information and reports to Agent and/or Lenders in accordance with the Loan Documents and agree that Agent shall not have any duty to provide the same to Lenders.

Section 10.06. Credit Decision. Each Lender acknowledges that Agent has not made any representation or warranty to it, and that no act by Agent hereafter taken, including any review of the affairs of Borrower, shall be deemed to constitute any representation or warranty by Agent to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of Borrower, and made its own decision to enter into this Agreement and to extend credit to Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial or other condition or creditworthiness of Borrower which may come into the possession of Agent.

Section 10.07. Indemnification. Whether or not the transactions contemplated hereby are consummated, each Lender shall indemnify (based on such Lender's Pro Rata Share) Agent and its Related Parties against (to the extent not reimbursed by or on behalf of Borrower and without limiting the obligation of Borrower to do so), and shall hold Agent and its Related Parties harmless from, any and all losses, claims, taxes (other than an Excluded Tax) damages and liabilities and related reasonable expenses (provided such "reasonable" qualifier shall not apply with respect to costs and expenses of Agent incurred during the existence of an Event of Default), including counsel fees and expenses, incurred by Agent or any of its Related Parties arising out of, in any way connected with, or as a result of: (a) the use of any of the proceeds of the Loans; (b) this Agreement or any other Loan Document, (c) the transactions contemplated by this Agreement or any other Loan Document, (d) the ownership and operation of Borrower's assets, including all Real Properties and improvements or any Contract or the performance by Borrower of its obligations under any Contract; (e) any finder's fee, brokerage commission of other such obligation payable or alleged to be payable in respect of the transactions contemplated by this Agreement or any other Loan Document which arises or is alleged to arise from any agreement, action or conduct of Borrower or any of its Affiliates, and/or (f) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not Agent, or any of its Related Parties are a party thereto; provided that such indemnity provided to any such Person shall not apply to any such losses, claims, damages, liabilities or related expenses to the extent arising solely from the willful misconduct or gross negligence of such Person as determined by a final, non-appealable judgment of a court of competent jurisdiction. All amounts due under this Section 10.07 shall be payable on written demand therefor. Without limitation of the foregoing, each Lender shall reimburse

Agent upon demand for its Pro Rata Share of any costs or out-of-pocket expenses (including legal costs and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrower. The undertaking in this Section 10.07 shall survive repayment of the Loans, cancellation of the Notes, any foreclosure under, or modification, release or discharge of, the Security Agreement or any or all of the Loan Documents, termination of this Agreement and the resignation or replacement of Agent.

Section 10.08. Agent Individually. Comvest and its Affiliates and Related Funds may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with Borrower, any other Person and any Affiliate of Borrower or any other Person as though Comvest were not Agent hereunder and without notice to or consent of any Lender. Each Lender acknowledges that, pursuant to such activities, Comvest or its Affiliates or its Related Funds may receive information regarding the Borrower, other Persons or their Affiliates (including information that may be subject to confidentiality obligations in favor of Borrower, such other Person or such Affiliate) and acknowledge that Agent shall be under no obligation to provide such information to them. With respect to their Loans (if any), Comvest and its Affiliates and Related Funds shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though Comvest were not Agent, and the terms "Lender" and "Lenders" include Comvest and its Affiliates and Related Funds, to the extent applicable, in their individual capacities.

Section 10.09. Successor Agent. Agent may (and, at the direction of Required Lenders, shall) resign as Agent at any time upon 30 days' prior notice to the Lenders and Borrower (unless such notice is waived by Required Lenders and Borrower). If Agent resigns under this Agreement, Required Lenders shall, appoint from among the Lenders a successor "Agent" for the Lenders and reasonably acceptable to Borrower. If no successor "Agent" is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with the Lenders and Borrower, a successor "Agent". Upon the acceptance of its appointment as successor "Agent" hereunder, such successor "Agent" shall succeed to all the rights, powers and duties of the retiring Agent and the term "Agent" shall mean such successor "Agent", and the retiring Agent's appointment, powers and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article X and Section 9.02 shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor "Agent" has accepted appointment as Agent by the date which is 30 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Agent hereunder until such time, if any, as Required Lenders appoint a successor "Agent" as provided for above.

Section 10.10. Collateral Matters. The Lenders consent and irrevocably authorize Agent, at its option and in its discretion, (a) to release any Lien granted to or held by Agent under the Security Agreement and/or any other collateral document (i) when all outstanding monetary Obligations owing with respect to the Loans have been paid in full and the Commitments have been terminated (it being understood and agreed to that Agent shall be under no obligation to account for any outstanding monetary Obligations owing to any Lender that have not been reported to Agent in writing by such Lender and Agent may assume that no such non-reported monetary Obligations owing to such Lender exist for purposes of this clause (i)); (ii) constituting property sold or to be sold or disposed of as part of or in connection with any sale or other disposition permitted under this Agreement (including by consent, waiver or amendment and it being agreed and understood that Agent may conclusively rely without further inquiry on a certificate of an officer of Borrower as to the sale or other disposition of property being made in compliance with this Agreement); or

(iii) subject to Section 11.01, if approved, authorized or ratified in writing by Required Lenders; or (b) to subordinate its interest in any Collateral to any holder of a purchase money (or its equivalent) Lien on such Collateral which is permitted by hereunder (it being understood that Agent may conclusively rely on a certificate from Borrower in determining whether the Indebtedness secured by any such Lien is permitted hereunder). Upon request by Agent at any time, the Lenders will confirm in writing Agent's authority to release, or subordinate its interest in, particular types or items of Collateral pursuant to this Section 10.10.

Section 10.11. [Reserved].

Section 10.12. Subordination Agreements. Each Lender hereby irrevocably appoints, designates and authorizes Agent to enter into any subordination or intercreditor agreement, if any, pertaining to any other Indebtedness permitted to be incurred by Borrower hereunder, on its behalf and to take such action on its behalf under the provisions of any such agreement, including, without limitation, the Subordination Agreement. Each Lender further agrees to be bound by the terms and conditions of any subordination or intercreditor agreement pertaining to any other such Indebtedness, including, without limitation, the Subordination Agreement, and each Lender hereby authorizes Agent to issue blockages notices in connection with any such Indebtedness.

Section 10.13. Actions in Concert. Each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of this Agreement, the Notes or any other Loan Document (including exercising any rights of setoff) without first obtaining the prior written consent of Agent, it being the intent of the Lenders that any such action to protect or enforce rights under this Agreement, the Notes and the other Loan Documents shall be taken in concert and at the direction or with the consent of Agent.

Section 10.14. No Fiduciary Relationship. It is understood and agreed that the use of the term "agent" herein or in any other Loan Document (or any other similar term) with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

XI. WAIVER; AMENDMENTS.

Section 11.01. General Terms. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement or any of the other Loan Documents shall in any event be effective unless the same shall be in writing and signed by (i) Borrower (with respect to Loan Documents to which Borrower is a party), (ii) Agent, and (iv) the Lenders having aggregate Pro Rata Shares of not less than the aggregate Pro Rata Shares expressly designated herein with respect thereto or, in the absence of such express designation herein, by Required Lenders (or by Agent at the direction of such Lenders or Required Lenders), and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that:

(a) no such amendment, modification, waiver or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and the Borrower (but, for the avoidance of doubt, without requiring the consent of any other Lender), do any of the following: (1) increase any of the Loan Commitments (provided, that only the Lenders participating in any such increase of the Loan Commitments shall be considered directly affected by such increase), (2) extend the date scheduled for payment (as opposed to any mandatory prepayment or the rescission of an election to accelerate) of any principal of or interest on the Loan or any fees or other amounts payable hereunder or under the other Loan Documents, (3) reduce the principal amount of any Loan, the amount or rate of interest thereon (provided, that Required Lenders may rescind an imposition of default interest pursuant to Section 2.02), or any fees or other amounts

payable hereunder or under the other Loan Documents or (4) amend the provisions of Section 2.05 or the pro rata sharing provisions thereof; and

(b) no such amendment, modification, waiver or consent shall, unless in writing and signed by all of the Lenders in addition to Agent and Borrower, do any of the following: (1) change the definition of Required Lenders, (2) change any provision of this Article XI, (3) amend the provisions of Section 2.05, or (4) reduce the aggregate Pro Rata Shares required to effect any amendment, modification, waiver or consent under the Loan Documents.

Notwithstanding the provisions of this Article XI to the contrary, any amendment, modification, waiver or consent to cure any ambiguity, omission, defect or inconsistency in any Loan Document shall only require the signature of Agent and Borrower.

Section 11.02. Agency Provisions. No amendment, modification, waiver or consent shall, unless in writing and signed by Agent, as applicable, in addition to the Borrower and Required Lenders (or all the Lenders directly affected thereby or all of the Lenders, as the case may be in accordance with the provisions above), affect the rights, privileges, duties or obligations of Agent (including without limitation under the provisions of Article X) under this Agreement or any other Loan Document.

Section 11.03. [Reserved].

Section 11.04. [Reserved].

Section 11.05. Inability to Determine Rates; Temporary Inability.

(a) Subject to Section 11.05(b), if, on or prior to the first day of any Interest Period, (i) Agent determines (which determination shall be conclusive and binding absent manifest error) that Term SOFR cannot be determined pursuant to the definition thereof, or (ii) Required Lenders determine that for any reason that Term SOFR for any requested Interest Period does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Loan, and Required Lenders have provided notice of such determination to Agent, Agent will promptly so notify Borrower and each Lender. Upon notice thereof by Agent to Borrower, any obligation of the Lenders to make a Loan shall be suspended (to the extent of the affected Loans or affected Interest Periods) until Agent (with respect to clause (ii), at the instruction of Required Lenders) revokes such notice. Upon receipt of such notice, Borrower may revoke any pending request for a Borrowing of Loans (to the extent of the affected Loans or affected Interest Periods).

(b) Benchmark Replacement Setting.

(i) Benchmark Replacement Setting. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any

amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising Required Lenders. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document..

(iii) Notices; Standards For Decisions and Determinations. Agent will promptly notify Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. Agent will notify Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 11.05(b)(iv) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 11.05(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 11.05(b).

(iv) any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (A) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, Borrower may revoke any pending request for a Loan to be made during any Benchmark Unavailability Period.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officer as of the day and year first written above.

CCP AGENCY, LLC,
as Agent

By: Comvest Capital Advisors LLC, its sole Member

By: /s/ Greg Reynolds
Name: Greg Reynolds
Title: Partner

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officer as of the day and year first written above.

CCP CALIFORNIA VI, LLC,
as a Lender

By: /s/ Greg Reynolds
Name: Greg Reynolds
Title: Partner

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officer as of the day and year first written above.

BORROWER:

SURF AIR MOBILITY INC.

By: /s/ Deanna White
Name: Deanna White
Title: Interim Chief Executive Officer

SCHEDULE A

COMMITMENTS AND PRO RATA SHARES

Lender	Initial Term Loan Commitment	Initial Term Loan Pro Rata Share	Delayed Draw Term Loan Commitment	Delayed Draw Term Loan Pro Rata Share
CCP California VI, LLC	$44,500,000.00	100.00%	$5,500,000	100.00%
TOTALS	**$44,500,000.00**	**100.00%**	**$5,500,000**	**100.00%**

108240302.15

Execution Version

REIMBURSEMENT AGREEMENT

dated as of

November 14, 2024

between

SURF AIR MOBILITY INC.,

as the Company,

the other Obligors party hereto,

and

PARK LANE INVESTMENTS LLC,

as the Credit Provider

TABLE OF CONTENTS

REIMBURSEMENT AGREEMENT, dated as of November 14, 2024 (the "Agreement") by and among Surf Air Mobility Inc., a Delaware corporation (the "Company"), the Subsidiaries of the Company listed on Schedule I hereto, (collectively, together with the Company and any Additional Guarantors, the "Obligors") and Park Lane Investments LLC, as procurer of certain credit support for the benefit of the Company (with its successors, the "Credit Provider"). The Obligors and the Credit Provider are sometimes referred to herein collectively as the "Parties" and individually as a "Party".

ARTICLE I
DEFINITIONS

Section 1.1Definitions. For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below.

"Account Control Agreement" shall mean a deposit account control agreement or securities account control agreement, as applicable, in form and substance satisfactory to the Credit Provider in its sole discretion executed by the applicable Obligor and the depositary or other financial institution maintaining a deposit account or securities account (in each case, other than an Excluded Account) for an Obligor, in favor of the Credit Provider and meeting the requirements set forth in Section 5.1(o).

"Affiliate" means, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

"Agreement" has the meaning provided for in the Preamble.

"Aircraft Related Assets" means aircraft, aircraft components, engines and related equipment and other assets.

"Aircraft Related Financing" means purchase money Debt or Debt consisting of finance leases the proceeds of which are used to finance the acquisition of Aircraft Related Assets.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in New York, New York are authorized or required by law to close.

"Cash Dominion Period" shall mean the period commencing upon the occurrence of a Liquidity Shortfall or an Event of Default, and ending when the aggregate amount of the Obligors' unrestricted cash has exceeded $20,000,000 for 20 consecutive Business Days, and no Event of Default continues to exist.

"Change of Control" means any event, transaction, or occurrence as a result of which any "person" (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act), other than (i) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or (ii) the Credit Provider or any Affiliate thereof, is or becomes a beneficial owner (within the meaning Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company, representing thirty-five percent (35%) or more of the combined voting power of the Company's then outstanding securities in a single transaction or a series of related transactions.

"Code" means the Internal Revenue Code of 1986, as amended from time to time and the regulations promulgated and rulings issued thereunder.

"Collateral" means, collectively, all of the real, personal and mixed property in which liens are purported to be granted pursuant to the Reimbursement Documents as security for the Obligations.

"Company" has the meaning provided in the Preamble.

"Comvest Credit Agreement" means that certain Credit Agreement, dated as of the date hereof, among the Company, CCP Agency, LLC, as agent, and the lenders parties thereto, as the same may be amended, restated, refinanced, replaced, supplemented or otherwise modified from time to time.

"Confidential Information" means information that any Obligor furnishes to the Credit Provider pursuant to any Reimbursement Document concerning the Obligors and their business, operations, assets and existing and contemplated business plans, but does not include any such information once such information has become, or if such information is, generally available to the public other than through a breach of the confidentiality provisions of this Agreement or other applicable confidentiality provisions.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative thereto.

"Debt" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services, (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases or finance leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit or similar extensions of credit, (g) all obligations of such Person in respect of hedging arrangements, (h) all Debt of others referred to in clauses (a) through (g) above or clause (i) below guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (1) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, and (i) all Debt referred to in clauses (a) through (h) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

"Default" means any event, occurrence or condition which is, or upon notice, lapse of time, or both, would constitute an Event of Default.

"Designated Facilities" means, collectively, (1) that certain Credit Agreement, dated as of even date herewith, among the Company, CCP Agency, LLC, as administrative agent and the lenders parties thereto from time to time, (2) this Agreement, (3) that certain Secured Promissory Note, dated as of even date herewith, among the Company, the other Obligors, and LamVen LLC as lender, and (4) that certain Convertible Note Purchase Agreement, dated as of June 21, 2023 and amended as of even date herewith, among the Company, the other Obligors, and Partners For Growth V, L.P. as lender.

"Dollars" or "$" or "USD" means the lawful money of the United States.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and

whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"Event of Default" means each of the events specified in Section 6.1(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Excluded Account" shall mean (i) any deposit account or securities account of any Obligor exclusively used for all or any of the following purposes: payroll, employee wages and benefits, withholding taxes or compliance with legal requirements, to the extent such legal requirements prohibit the granting of a Lien thereon, and (ii) deposit accounts of any Obligor with an average daily balance of unrestricted cash or cash equivalents in any month which does not exceed more than $10,000 at any time for any single account or $100,000 for all such accounts in the aggregate.

"Excluded Subsidiary" means any direct or indirect Subsidiary of the Company to the extent that such Subsidiary is prohibited from providing a guarantee in respect of the Guaranteed Obligations by restrictions in (i) applicable law, rule or regulation or which would require governmental authorization, unless such governmental authorization has been received or (ii) applicable Organizational Documents of such Subsidiary, or contractual obligations binding on such Subsidiaries, in each case as in effect on the date hereof and not entered into in contemplation of this Agreement.

"Financial Officer" of any Person means the chief executive officer, president, chief financial officer, any vice president, controller, assistant controller, treasurer or any assistant treasurer of such Person.

"GAAP" means U.S. generally accepted accounting principles, applied on a consistent basis.

"GEM Equity Purchase Facility" means the Second Amended and Restated Share Purchase Agreement, dated as of February 8, 2023, by and among the purchasers and the Obligors party thereto.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of equity interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, guarantee or assumption of Debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment at any time shall be the amount actually invested (measured at the time made), without adjustment for subsequent increases or decreases in the value of such Investment, less any returns in respect of such Investment (not to exceed the original amount invested).

"International Trade Laws" means all applicable (a) export controls, import controls and customs, antiboycott, and economic or financial sanctions laws and regulations of the United States, including, but not limited to, sanctions laws administered and enforced by the Office of Foreign Assets Control; the United States Export Administration Act of 1979, as amended, the Export Control Reform Act

of 2018, and implementing Export Administration Regulations; the Arms Export Control Act and implementing International Traffic in Arms Regulations; the anti-boycott regulations, guidelines, and reporting requirements under the Export Administration Regulations and Section 999 of the Code; U.S. customs laws enforced by U.S. Customs and Border Protection; and other potentially applicable regulations administered by the U.S. Department of Energy, U.S. Department of Commerce, and U.S. Nuclear Regulatory Commission; and (b) and any similar Laws in any other jurisdiction in which the Company or any of its Subsidiaries, or their respective agents and representatives when acting on behalf of the Company or any of its Subsidiaries, conduct business.

"LC Disbursement" means a payment or disbursement made by the Credit Provider with respect to a Letter of Credit under any agreement between the Credit Provider (or its Affiliates) and the LC Issuer of any Letter of Credit.

"LC Issuer" means the issuer of any Letter of Credit, or any Affiliate thereof.

"Letter of Credit" means any letter of credit, procured or arranged by the Credit Provider, for which the beneficiary is (i) a holder (at the time such letter of credit is procured, arranged or issued) of Debt of the Company or any Subsidiary thereof under the Comvest Credit Agreement, or (ii) an Affiliate of any such holder described in the foregoing clause (i); including, without limitation, that certain Irrevocable Standby Documentary Credit No. SDCMTN585910 issued by HSBC BANK USA, N.A. in favor of CCP AGENCY, LLC, as the same may be renewed or extended from time to time.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance or properties of the Borrower or of the Obligors, taken as a whole, or (b) the ability of the Borrower or of the Obligors, taken as a whole, to perform its obligations under any Reimbursement Document to which it is a party.

"Material Debt" means any Debt with an aggregate principal amount in excess of $500,000, which in any event shall exclude any Aircraft Related Financing.

"Obligations" means all obligations (including the Reimbursement Obligations), debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), premiums, liabilities, obligations (including indemnification obligations), fees, charges, costs, expenses (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, whether or not allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, covenants, and duties of any kind and description incurred and outstanding by the Company, the other Obligors or any of its or their subsidiaries to the Credit Provider pursuant to or evidenced by the Reimbursement Documents, and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all expenses that the Company or any Obligor is required to pay or reimburse by the Reimbursement Documents, by law, or otherwise. Any reference in this Agreement or in the other Reimbursement Documents to the Obligations shall include all extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"Obligor" has the meaning provided for in the Preamble.

"Organizational Documents" means articles of incorporation and bylaws or other governing documents of any Person (and any amendments to the same).

"Parties" has the meaning provided in the Preamble.

"Permitted Liens" means the following:

(i) Liens for taxes not yet payable;

(ii) Liens of materialmen, mechanics, warehousemen, carriers, or other similar liens arising in the ordinary course of business and securing obligations which are not delinquent;

(iii) Liens of carriers, warehouseman, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to inventory, securing liabilities in an aggregate amount not to exceed $100,000 and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(iv) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(v) Liens in favor of customs and revenue authorities which secure payment of customs duties in connection with the importation of goods;

(vi) Liens on Aircraft Related Assets securing Aircraft Related Financings incurred in the ordinary course of business; and

(vii) Liens securing the obligations enumerated in items 1 through 3 of Schedule 5.2(b).

"Person" means any natural person or any corporation, limited liability company, business trust, joint venture, joint stock company, trust, association, company, partnership, Governmental Authority or other entity.

"Preamble" means the introductory paragraph of this Agreement.

"Reimbursement Documents" means this Agreement, the Security Agreement, the Account Control Agreements and any other agreement, instrument, certificate or document entered into by the Company or any Subsidiary thereof in connection with the foregoing.

"Reimbursement Obligations" means the Company's obligations under Section 2.2 to reimburse LC Disbursements.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the direct and indirect equityholders, partners, directors, officers, employees, agents, co-agents, sub-agents, consultants, attorneys, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Requirements of Law" means, as to any person, collectively, any and all applicable requirements of any Governmental Authority including any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes or case law.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of the Company or any Subsidiary thereof, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to the Company's or any such Subsidiary's stockholders, partners or members (or the equivalent Person thereof).

"Sanctioned Jurisdiction" means a country or territory that is, or since April 24, 2019, has been, the subject or target of comprehensive U.S. sanctions (as of the date of this Agreement, Cuba; Iran; North Korea; Syria; and the Crimea, so-called Donetsk People's Republic, and so-called Luhansk People's Republic regions of Ukraine).

"Sanctioned Person" means any Person that is the subject or target of sanctions or restrictions under International Trade Laws, including: (a) any Person identified on any applicable U.S. or non-U.S. sanctions- or export-related restricted party list, including but not limited to the Specially Designated Nationals and Blocked Persons List, Sectoral Sanctions Identifications List, and Foreign Sanctions Evaders List maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control; the Denied Persons, Unverified, or Entity Lists, maintained by the U.S. Department of Commerce's Bureau of Industry and Security; the Debarred List or non-proliferation sanctions lists maintained by the U.S. State Department's Directorate of Defense Trade Controls; the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, maintained by the European Union; the Consolidated List of Assets Freeze Targets, maintained by His Majesty's Treasury (U.K.); the United Nations Security Council Consolidated List, maintained by the UN Security Council Committee; or any other similar list maintained by any other Governmental Authority having jurisdiction over the Agreement; and (b) any Person that is, in the aggregate, fifty percent (50%) or greater owned, directly or indirectly, or otherwise controlled by a Person or Persons described in clause (a) so as to subject the Person to sanctions; or (c) any Person that is organized, resident, or located in a Sanctioned Jurisdiction.

"Security Agreement" means that certain Security Agreement, dated as of November 14, 2024, by and among, the Company, the other grantors party thereto from time to time, Park Lane Investments LLC, as secured party and Park Lane Investments LLC, as collateral agent, as amended, restated, amended and restated, modified or supplemented from time to time.

"Subordination Agreement" means that certain Subordination and Intercreditor Agreement, dated as of November 14, 2024, by and among, CCP Agency, LLC, in its capacity as Tier 1 Agent (as defined therein), Park Lane Investments LLC, in its capacity as Tier 2 Agent (as defined therein), LamVen LLC, in its capacity as Tier 3 Agent (as defined therein), LamVen LLC, in its capacity as Tier 4 Agent (as defined therein) and Partners For Growth V, L.P, as amended, restated, amended and restated, modified or supplemented from time to time.

"Subsidiary" means, with respect to any person, any corporation or other entity of which more than 50% of (i) the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether or not at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) or (ii) other equity interest comparable to that described in the preceding clause (i) is at the time directly or indirectly owned by such person, by such person and one or more other Subsidiaries, or by one or more other Subsidiaries.

Section 1.2Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any person shall be construed to include such person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, and (e) any reference to any law or regulation herein shall refer to such law

or regulation as amended, modified or supplemented from time to time. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time.

ARTICLE II
LETTERS OF CREDIT

Section 2.1Letters of Credit

(a) General. In reliance on the terms and conditions set forth herein, the Credit Provider may (but is not obligated hereunder to) procure the issuance of one or more Letters of Credit. The Company hereby acknowledges that the issuance of such Letters of Credit is at the Company's request and that the Credit Provider would not procure the issuance of such Letters of Credit if the Company, and its Subsidiaries party hereto, were not to enter into this Agreement.

(b) Legal Opinion. As a condition to the Credit Provider procuring one or more of the Letters of Credit hereunder, the Credit Provider shall have received the favorable written opinions of Orrick, Herrington & Sutcliffe LLP, counsel for the Obligors, with respect to the Reimbursement Documents and the transactions contemplated thereby, and Company has requested that such opinion be rendered.

Section 2.2Reimbursement and Indemnity.

(a) If the Credit Provider shall make any LC Disbursement in respect of a Letter of Credit, the Company shall reimburse the Credit Provider in full not later than 3:00 p.m. (New York time) on the first (1st) Business Day immediately following receipt of written notice of such LC Disbursement.

(b) If the Credit Provider shall make any LC Disbursement, then, unless the Company shall reimburse such LC Disbursement in full on the date it is notified in writing that such LC Disbursement is made, the unpaid principal amount of such LC Disbursement shall bear interest and be payable on demand, for each day from and including the date such LC Disbursement is made to but excluding the date that Company reimburses such LC Disbursement in full, at a rate per annum on the unpaid principal amount equal to fifteen percent (15%) per annum (the "Compensation Rate"; provided, that upon the occurrence and during the continuation of any Event of Default, the Compensation Rate shall increase by an additional four percent (4%) per annum).

(c) The Reimbursement Obligations of the Company shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of, or any amendment, waiver or modification to, any Letter of Credit or this Agreement, or any agreement pursuant to which an LC Disbursement is made, or any term or provision therein; (ii) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.2, constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of the Company hereunder; (iii) the fact that a Default shall have occurred and be continuing; or (iv) any material adverse change in the business, property, results of operations, prospects or condition, financial or otherwise, of the Company or any of its Subsidiaries.

(d) The Company agrees to protect, indemnify and hold harmless the Credit Provider and its Affiliates, and the officers, directors, employees, partners, agents, advisors and other representatives of each of the foregoing and their respective successors (each, an "Indemnitee") from and against all claims, actions, suits and other proceedings, and all actual loss, damages and reasonable and documented out of pocket costs (including fees and expenses of counsel) which the Credit Provider or any such Indemnitee may suffer or incur by reason of the procurement or issuance of any Letter of Credit, the use of any Letter of Credit or the proceeds thereof, or any act or omission in respect of any Letter of Credit, except to the extent resulting from the bad faith, gross negligence or willful misconduct of the applicable Indemnitee.

Section 2.3Fees, Costs and Expenses. The Company agrees to pay to the Credit Provider the following fees and charges:

(a) A Letter of Credit charge equal to 1.00% per annum on the aggregate face amount of all outstanding Letters of Credit, payable monthly in arrears on the last Business Day of each month.

(b) Reimbursement of all other reasonable out-of-pocket charges, costs, fees and other amounts payable by the Credit Provider in connection with or as the consideration for (i) obtaining or procuring the Letters of Credit, and (ii) obtaining credit support from third-parties for the Letters of Credit or otherwise mitigating the Credit Provider's credit exposure in respect thereof, including by way of example and without limitation default or other insurance policies, in each case promptly upon Credit Provider's demand for payment thereof.

Section 2.4Cash Deposit.

(a) Concurrently with any sale or issuance by the Company of shares of common stock, or any preferred class of stock or any other equity interests, of the Company (excluding any sale of shares through the GEM Equity Purchase Facility or similar share purchase arrangement), the Company shall remit to the Credit Provider an amount in cash equal to 15% of the total net cash proceeds of such sale (any such amount, a "Cash Deposit Amount"), to be held by the Credit Provider in trust and applied in accordance with the terms of this Agreement.

(b) If any Event of Default occurs and is continuing, the Credit Provider may, without presentment, demand or other notice, all of which are hereby waived by the Company and each Obligor, at any time and from time to time apply any Cash Deposit Amounts held by it, in whole or in part, against any then outstanding Obligations.

(c) Upon the latest to occur of the full payment and performance of all Obligations hereunder (other than contingent indemnity obligations), the expiry or termination of all Letters of Credit, and the payment of all amounts payable hereunder, the Credit Provider shall remit to or at the direction of the Company any remaining Cash Deposit Amounts that have not been applied as set forth in clause (b) above.

Section 2.5Payments and Computations.

(a) The Company shall make or cause to be made each payment hereunder in lawful money of the United States of America by wire transfer of immediately available funds to the Credit Provider at HSBC Private Bank, ABA: 021001088, Acct Name: Park Lane Investments LLC, Acct # 153049642, Ref.: MRMDUS33, or at such other address as the Credit Provider may designate from time to time pursuant to a written notice delivered to the Company.

(b) Any payments of fees, commission or other amount (other than interest on any Reimbursement Obligation) not paid when due hereunder shall bear interest, payable on demand, for each day until payment in full at a rate per annum equal to the Compensation Rate. All computations of interest and fees shall be made on the basis of a year of 360 days, for the actual number of days elapsed (including the first day but excluding the last day). Notwithstanding anything to the contrary set forth herein, interest shall in no event accrue hereunder at a rate in excess of the maximum rate permitted under applicable law.

(c) All payments under this Agreement by the Company will be payable to the Credit Provider free and clear of any and all present and future United States Federal, state and local taxes, levies, imposts, duties, deductions, withholdings (including backup withholding, fees, liabilities, assessments, and similar charges including any interest, additions to tax or penalties applicable thereto other than those imposed on the overall net income of the Credit Provider that are imposed as a result of the Credit Provider being organized under the laws of, or having its principal office or, its applicable lending office located in, the jurisdiction imposing such tax (or any political subdivision thereof) ("Taxes"). Credit Provider (or its

successors and assigns, as applicable) shall deliver to the Company a properly completed and duly executed IRS Form W-9 as soon as reasonably practicable after the date hereof. If any Taxes are required by applicable law to be withheld or deducted from any amount payable under this Agreement, then the amount payable under this Agreement will be increased to the amount which, after such deduction or withholding (including such deductions and withholdings applicable to additional sums payable under this subsection (c)), will yield to the Credit Provider the amount stated to be payable under this Agreement had no such deduction or withholding been made. The Company will timely pay to the relevant governmental agency or taxing authority in accordance with applicable law and promptly provide to the Credit Provider tax receipts evidencing the payment of such Taxes. If any of the Taxes specified in this subsection (c) (including Taxes imposed or asserted on or attributable to amounts payable under this subsection (c)) are paid by the Credit Provider, the Company will, upon demand of the Credit Provider, indemnify the Credit Provider for such payments, together with any interest and penalties which may be imposed by the Governmental Authority and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. This subsection shall not be construed to require the Credit Provider to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Company or any other person. Each party's obligations under this subsection shall survive the assignment of rights by, or the replacement of, the Credit Provider, the termination, the expiration or cancellation of the Agreement and the repayment, satisfaction or discharge of all obligations under this Agreement, the Security Agreement or any other Reimbursement Document.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

Section 3.1Representations and Warranties of the Company. The Company, and each of the other Obligors party hereto, represents and warrants to the Credit Provider as follows:

(a) Such Obligor is duly formed in accordance with its Organizational Documents, validly existing and in good standing under the laws of its state of formation (other than as set forth in Section 5.1(q), is duly licensed or authorized under the laws of its state of formation and has the corporate power and authority to carry on its business as contemplated in the Organizational Documents.

(b) The execution, delivery and performance by such Obligor of the Reimbursement Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, are within such Obligor's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) such Obligor's charter or by-laws or (ii) law or any contractual restriction binding on or affecting such Obligor.

(c) No consent, authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other third party is required for the due execution, delivery and performance by such Obligor of any Reimbursement Document to which it is a party.

(d) This Agreement and the Security Agreement have been duly executed and delivered by such Obligor. This Agreement and the Security Agreement are the legal, valid and binding obligations of such Obligor enforceable against such Obligor in accordance with their respective terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally or by general equitable principles relating to enforceability.

(e) The Security Agreement is effective to create in favor of Credit Provider a legal, valid and enforceable security interest in the Collateral identified therein, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and, when UCC financing statements (or other appropriate notices) in appropriate form are duly filed at the location identified under each Obligor's signature hereto, the Security Agreement shall create a fully perfected first priority Lien on, and security interest in, all right, title and interest of such Obligor thereunder in such Collateral (to the extent such Liens may be perfected by the filing of a financing

statement or other appropriate notice), in each case prior and superior in right to any other Lien securing Debt for borrowed money (other than the Liens securing the obligations under the Comvest Credit Agreement).

(f) The Company and its Subsidiaries have filed all federal, state and other tax returns and reports required to be filed, and have paid all federal, state and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(g) The Company and its Subsidiaries have been since April 24, 2019 and continue to be in compliance with International Trade Laws and have not taken any action that violates, evades or avoids, or attempts to violate International Trade Laws. Neither the Company nor its Subsidiaries, nor any of their respective directors, executives, or employees, or, to the knowledge of the Company, any representative or agent acting on behalf of the Company or its Subsidiaries, since April 24, 2019: (i) is or has been a Sanctioned Person or has acted, directly or indirectly, on behalf of a Sanctioned Person; (ii) unlawfully conducted any business or engaged in making or receiving any contribution of funds, goods or services to or for the benefit of any Sanctioned Person, or (iii) unlawfully dealt in, or otherwise engaged in, any transaction relating to, any property or interests in property of any Sanctioned Person.

ARTICLE IV
GUARANTY

Section 4.1Guaranty. Each Obligor hereby jointly and severally with the other Obligors guarantees (this "Guaranty"), as a primary obligor and not as a surety to Credit Provider and its permitted successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of (i) Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code and (ii) any other debtor relief laws) on, or other amount owing under, this Agreement or any other Reimbursement Document from time to time owing to Credit Provider by any Obligor, in each case strictly in accordance with the terms hereof and thereof (such obligations, including any future increases in the amount thereof, being herein collectively called the "Guaranteed Obligations"). The Obligors hereby jointly and severally agree that if the Company or the other Obligor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Obligors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. The guarantee in this Article IV is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

Section 4.2Guaranty Absolute. The obligations of the Obligors under Article IV shall constitute a guaranty of payment and to the fullest extent permitted by applicable law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of the Company under this Agreement, or any other agreement or instrument referred to herein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Obligor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Obligors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above: (i) at any time or from time to time, without notice to the Obligors, to the extent permitted by law, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived; (ii) any of the acts mentioned in any of the provisions of this Agreement, or

any other agreement or instrument referred to herein, shall be done or omitted; (iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under this Agreement or any other agreement or instrument referred to herein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or (iv) the release of any other Obligor.

The Obligors hereby expressly waive (to the fullest extent permitted by law) diligence, presentment, demand of payment, protest and, to the extent permitted by law, all notices whatsoever, and any requirement that Credit Provider exhaust any right, power or remedy or proceed against the Company under this Agreement or any other agreement or instrument referred to herein, or against any other person under any other guarantee of any of the Guaranteed Obligations. The Obligors waive, to the extent permitted by law, any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by Credit Provider upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guaranty, and all dealings between the Company and Credit Provider shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty. This Guaranty shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Credit Provider, and the obligations and liabilities of the Obligors hereunder shall not be conditioned or contingent upon the pursuit by Credit Provider or any other person at any time of any right or remedy against the Company or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guaranty shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Obligors and the successors and assigns thereof, and shall inure to the benefit of Credit Provider and its successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

Section 4.3Reinstatement. The obligations of the Obligors under this Article IV shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Company or other Obligor in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. Each Obligor hereby agrees that until the payment in full in cash and satisfaction in full of all Guaranteed Obligations it shall subordinate any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Article IV, whether by subrogation, contribution or otherwise, against the Company or any other Obligor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

Section 4.4Acceleration. The Obligors jointly and severally agree that, as between the Obligors and Credit Provider, the obligations of the Obligors under this Agreement may be declared to be forthwith due and payable (or become automatically due and payable) as provided therein for purposes of Article IV, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Obligors and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Company) shall forthwith become due and payable by the Obligors for purposes of Article IV.

Section 4.5Reorganization. In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Obligor under Article IV would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Article IV, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Obligor or any other Person, be automatically limited and reduced to the highest amount (after giving effect to the liability under this Guaranty, but before giving effect to any other

guarantee) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

ARTICLE V
COVENANTS

Section 5.1Affirmative Covenants of the Company. The Company covenants and agrees that, until the latest to occur of the full payment and performance of all Obligations hereunder (other than contingent indemnity obligations), the expiry or termination of all Letters of Credit, and the payment of all amounts payable hereunder, unless otherwise consented to in writing (which may be in email form) by the Credit Provider, it will, and will cause each other Obligor to:

(a) Compliance with Laws, Etc. Comply with all applicable laws, rules, regulations and orders in all material respects.

(b) Payment of Taxes, Etc. Pay and discharge before the same shall become due or payable, all material taxes, assessments and governmental charges or levies imposed upon it or upon its property; provided, however, that the applicable Obligor shall not be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings diligently conducted and as to which appropriate reserves are being maintained, unless and until any Lien resulting there from attaches to its property and becomes enforceable against its other creditors.

(c) Maintenance of Insurance. Maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties (including customary self-insurance) in the same general areas in which the applicable Obligor operates.

(d) Preservation of Corporate Existence, Etc. Preserve and maintain its corporate existence, rights (charter and statutory) and franchises; provided, however, that the applicable Obligor shall not be required to preserve any right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the applicable Obligor and that the loss thereof is not disadvantageous in any material respect to the applicable Obligor or the ability of the Company or the applicable Obligor to meet its obligations hereunder.

(e) Visitation Rights. At any reasonable time and from time to time, permit the Credit Provider or any its agents or representatives to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the applicable Obligor, and to discuss the affairs, finances and accounts of the applicable Obligor with any of its officers or directors and with its independent certified public accountant.

(f) Keeping of Books. Keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the applicable Obligor in accordance with generally accepted accounting principles in effect from time to time.

(g) Maintenance of Properties, Etc. Subject to clause (d) above, maintain and preserve all of its properties that are used or useful in the conduct of their respective businesses in good working order and condition, ordinary wear and tear excepted.

(h) Additional Guarantors. Ensure that each Subsidiary of the Company (i) existing on the date hereof and that is not an Excluded Subsidiary on the date hereof, within 10 days of the date hereof, (ii) acquired or formed after the date hereof or ceasing to be an Excluded Subsidiary after the date hereof, within 10 days of such acquisition or formation or such ceasing to be an Excluded Subsidiary, or (iii) guaranteeing any debt obligations of the Company having an aggregate principal amount in excess of $500,000 (for the avoidance of doubt, whether or not such subsidiary is an Excluded Subsidiary), no later than the date such guarantee of such debt obligation becomes effective (or, if later, no later than the date

hereof), in each case, shall become party hereto as an Obligor by a joinder agreement in form and substance satisfactory to the Credit Provider (such subsidiaries becoming parties hereto, together with the Initial Additional Guarantors, collectively the "Additional Guarantors"), and shall be bound by the provisions hereof applicable to the Obligors (including, without limitation, Article IV). An Additional Guarantor that subsequently becomes an Excluded Subsidiary shall not thereby be released from its obligations hereunder.

(i) Reporting Requirements. Furnish to the Credit Provider:

(i) concurrently with the furnishing, pursuant to or in connection with any Material Debt of the Company or its Subsidiaries, of any financial statements, reports or other written information about the Company and its Subsidiaries to the holders of any such Debt (or to any representative thereof), a copy of each such statement, report or other written information, in each case other than such statement, report or other written information of a type that the Credit Provider has notified the Company in writing that it does not wish to receive;

(ii) as soon as possible and in any event within three Business Days after any Obligor provides to, or receives from, the holders of any Material Debt of any Obligor (other than this Agreement) or Debt that is secured by any portion of the Collateral, any notice relating to such Debt, a copy of each such notice, in each case other than such type of notice, or notices with respect to such items or types of Debt, that the Credit Provider has notified the Company in writing that it does not wish to receive;

(iii) as soon as possible and in any event within three Business Days after the occurrence of each Default continuing on the date of such statement, a statement of a Financial Officer of the Company setting forth details of such Default and the action that the Company has taken and proposes to take with respect thereto;

(iv) as soon as possible and in any event within three Business Days of receipt thereof, copies of any audit reports, management letters or recommendations submitted to the board of directors (or the audit committee thereof) of any Obligor by independent accountants in connection with the accounts or books of any Obligor, or any audit of any of them;

(v) (A) on November 15, 2024 and every eight weeks thereafter (on the last Business Day of the applicable week), (1) rolling eight (8) week projections (the "8-Week Cash Flow Forecast") which shall depict, on a weekly basis, projected cash revenues, receipts, expenses (including broken-out compensation expenses), professional fees and disbursements, net cash flows and other items as may be requested by the Credit Provider, for the period from the first Business Day of the next week commencing immediately following delivery of such projections through the end of such eight (8) week period, which 8-Week Cash Flow Forecast shall demonstrate (as determined by the Credit Provider in its good faith judgment) the Company's and its Subsidiaries' capacity to make in accordance with their terms all payments required under the Company's and its Subsidiaries' outstanding Debts and coming due during such 8-week period while maintaining adequate liquidity for ongoing operations, (2) a comparison of the actual metrics for such line items during the preceding week to the corresponding line items in the previously delivered 8-Week Cash Flow Forecast that included projections for such preceding week, showing variances for each line item, and (B) on November 15, 2024 and every week thereafter (on the last Business Day of the applicable week), (1) a liquidity report for each Obligor showing such Obligor's cash as of the first Business Day of such week, and (2) a cash burn report for each Obligor, in form reasonably acceptable to Credit Provider, showing such Obligor's cash usage during the preceding week; it being understood that that each 8-Week Cash Flow Forecast is based upon assumptions that are believed in good faith by the Company to be reasonable at the time delivered, is subject to uncertainties and contingencies which are beyond the Company's control, and may differ materially from actual results;

(vi) as soon as possible and in any event within one Business Day after any day on which the aggregate amount of the Obligors' unrestricted cash is less than $15,000,000 (such occurrence, a "Liquidity Shortfall"), written notice of the occurrence and amount of such Liquidity Shortfall and the reasons therefor; and

(vii) such other information respecting the Company and its Subsidiaries as the Credit Provider may from time to time reasonably request.

(j) Management Calls. At any reasonable time and from time to time, but no more frequently than monthly, make available senior management (including the Chief Financial Officer) of the Company for a call with the Credit Provider to discuss any 8-Week Cash Flow Forecast(s), and variances therefrom of actual performance, and the affairs, finances and accounts of the Obligors.

(k) Liquidity Shortfall. If a Liquidity Shortfall occurs, (i) promptly make available senior management of the Company for a call with the Credit Provider to discuss such Liquidity Shortfall and the Company's plan in respect thereof, and (ii) if requested by the Credit Provider, retain a consultant or financial advisor, at the Company's sole expense and on terms satisfactory to the Credit Provider in its sole discretion, to assist with liquidity-enhancing transactions including without limitation equity issuances and strategic sales, and/or to advise on and assist with preparations for a bankruptcy filing.

(l) Comvest Credit Agreement. (i) Comply strictly with the terms of the Comvest Credit Agreement, (ii) make all required cash payments of interest and administrative agent fees under the Comvest Credit Agreement (other than to the extent being made with proceeds of the Delayed Draw Term Loan under and as defined in the Comvest Credit Agreement) no later than five Business Days prior to the date due, and notify the Credit Provider concurrently with the making of each such cash payment, and (iii) not use any proceeds of the Comvest Credit Agreement, directly or indirectly, to satisfy (x) any debt obligations or (y) any other obligations (other than ordinary course working capital obligations), in each case, existing prior to the date hereof.

(m) Further Assurances. Execute and deliver such further documents and do such other acts and things as the Credit Provider may reasonably request in writing in order to effect fully the purposes of this Agreement and the other Reimbursement Documents and to provide for payment of the Obligations, in accordance with the terms of this Agreement. In furtherance and not in limitation of the foregoing, each Obligor shall take such actions as the Credit Provider may reasonably request from time to time to ensure that the Obligations are guaranteed by the Obligors and are secured by the Collateral. Each Obligor hereby agrees (i) that the Credit Provider may from time to time order such additional Uniform Commercial Code, United States Patent and Trademark Office, United States Copyright Office, tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports as the Credit Provider deems reasonably necessary or advisable in order to verify and maintain the priority and perfection of its security interest in the Collateral and (ii) to reasonably cooperate in connection therewith.

(n) Board Observer. Allow one person designated by the Credit Provider to attend all meetings of the board of directors of the Company and any committees thereof, in person or telephonically, as a non-voting observer (a "Non-Voting Observer"). The Credit Provider may from time to time change the Non-Voting Observer. The Non-Voting Observer shall be given copies of all materials distributed to the members of the board of directors (or such committee thereof) of the Company in connection with such meetings and shall be entitled to participate in discussions and consult with such board of directors, without voting. Notwithstanding the foregoing, the Company shall have the right to exclude the Non-Voting Observer from all or portions of any meeting of the board of directors of the Company and any committees thereof, or redact from, or withhold from providing the Non-Voting Observer with, certain information or materials in order to (i) preserve attorney-client, work product or similar privilege, or (ii) allow the board of directors of the Company to discuss material interests of the Company or any of its Subsidiaries that would pose actual conflicts of interest between the board of directors of the Company, any committee thereof or the Company, on the one hand, and the Non-Voting Observer or the Credit Provider, on the other hand; provided further, to the extent the Company determines that such disclosure or attendance would so result in loss of privilege or pose a conflict of interest, the Company shall use commercially reasonable efforts to provide such disclosure or attendance in a manner that would not so result in loss of privilege or pose a conflict of interest. The Non-Voting Observer shall be subject to the confidentiality obligations set forth in Section 7.10.

(o) Account Control Agreements. (i) Not later than the 30th day after the date hereof, enter into a "springing" Account Control Agreement in respect of each deposit account and securities account of each such Obligor (other than an Excluded Account), such that each such deposit account and securities account is under the sole dominion and "control" (as such term is defined in Section 8 106, 9 104 or 9 106 of the Uniform Commercial Code, as applicable) of the Credit Provider; and (ii) within 2 days of acquiring or establishing any deposit account or securities account after the date hereof (other than an Excluded Account), enter into such an Account Control Agreement in respect thereof.

(p) GEM Draws. In connection with each cash payment of interest, administrative agency fees and Letter of Credit charges payable under any Designated Facility, no later than 5 Business Days prior to the due date of such payment, draw under the GEM Equity Purchase Facility in cash an amount equal to the amount of such payment (or, if less, the maximum amount then available to be drawn thereunder in accordance with applicable law).

(q) Missouri Good Standing. Not later than five (5) Business Days after the date hereof, the Company shall deliver to the Credit Provider customary evidence that MULTI-AERO, Inc., a Missouri corporation, is in good standing with the Missouri Secretary of State.

Section 5.2Negative Covenants of the Company. The Company covenants and agrees that, until the latest to occur of the full payment and performance of all Obligations hereunder (other than contingent indemnity obligations), the expiry or termination of all Letters of Credit, and the payment of all amounts payable hereunder, unless otherwise consented to in writing (which may be in email form) by the Credit Provider, it will not, and will cause each other Obligor not to:

(a) Liens, Etc. Create, incur, assume or permit any liens, mortgages, security interests, pledges, charges, or encumbrances of any kind on any of its property or assets owned on the date hereof or thereafter acquired, or any interest therein or the proceeds thereof, in each case other than Permitted Liens.

(b) Debt. Create, incur, assume, guarantee, acquire, or, contingently or otherwise, enter into or become responsible for payment of any Debt or other obligations incurred or entered into in excess of $10,000 other than (1) the Debt and other obligations set forth on Schedule 5.2(b)[1] hereto, (2) Aircraft Related Financings incurred in the ordinary course of business, and (3) other Debt and other obligations in an aggregate principal amount not to exceed $100,000 at any time.

(c) Mergers, Etc. Merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, except for any transaction in which (i) the Company, if a party thereto, is the surviving or continuing entity or the transferee of the assets, as applicable, and (ii) if any Obligor is party thereto, then each surviving or continuing entity or transferee of assets, as applicable, is an Obligor.

(d) Change in Nature of Business. Make any material change in the nature of its business as carried on the date hereof.

(e) Accounting Changes. Make or permit any change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

(f) Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except: (1) payments made to an Obligor, (2) payments made by a Subsidiary of the Company that is not an Obligor to another Subsidiary that is wholly-owned by the Company, (3) payments made solely in common stock of the Company, (4) the

[1] NTD: Orrick/Company to list factoring facility and other relevant debt.

retirement of warrants in connection with the exercise thereof and (5) payment of nominal cash in lieu of fractional shares.

(g) Restricted Junior Debt Prepayments. (1) Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, directly or indirectly, whether or not in cash, any Debt that is (i) subordinated to the Obligations hereunder, (ii) secured by a Lien that is subordinated to the Lien securing the Obligations hereunder, or (iii) unsecured and in an amount in excess of $500,000, in each case other than Debt among the Obligors (all such Debt, collectively, "Junior Debt"), except (x) in the case of Junior Debt described in clauses (i) and (ii) of the definition thereof, in accordance with the subordination or intercreditor provisions relating thereto, (y) in the case of Junior Debt described in clause (iii) of the definition thereof, in an aggregate amount not exceeding $200,000 in any fiscal year of the Company, or (z) with the prior written consent of Credit Provider in its sole discretion.

(2) Amend, modify or change any term or condition of any documentation governing any Junior Debt in a manner that would (i) permit a payment not otherwise permitted by Section 5.2(g)(1), (ii) contravene any subordination or intercreditor provisions then in effect or (iii) otherwise be materially adverse to the interests of Credit Provider.

(h) Dispositions. Directly or indirectly, sell, issue, assign, lease, license, convey, transfer, abandon, or otherwise dispose of (each, a "Disposition") any of its assets to any other Person (other than to an Obligor), except Dispositions in an aggregate amount not to exceed $100,000 in any calendar quarter.

(i) Investments. Make or hold any Investments, except: (1) Investments in an Obligor and (2) other Investments in an aggregate amount not to exceed $100,000 in any calendar quarter.

(j) Budget Deviation. Make, directly or indirectly, expenditures in any week that, in the aggregate for any line item set forth in any 8-Week Cash Flow Forecast delivered pursuant to Section 5.1(i) that covers such week, exceed (i) by more than 10% the amount set forth for such line item for such week in such 8-Week Cash Flow Forecast, without prior consultation with Credit Provider, or (ii) by more than 20% the amount set forth for such line item for such week in such 8-Week Cash Flow Forecast, without Credit Provider's prior written consent.

(k) Incentive Plan. (i) Make, directly or indirectly, any payment (in cash or otherwise) under the Surf Air Mobility Inc. Incentive Bonus Plan or any successor/replacement to such plan, or (ii) agree to, or (unless expressly agreed pursuant to a binding contractual arrangement prior to the date hereof) pay, directly or indirectly, any incentive compensation in excess of $250,000 in the aggregate for any individual during any calendar year, or (iii) agree to, or (unless expressly agreed pursuant to a binding contractual arrangement prior to the date hereof) pay, directly or indirectly, in any single payment or any series of related payments, any amount in excess of $500,000 without Credit Provider's prior written consent.

(l) Non-Petition. To the extent such restriction is permitted by applicable law, dissolve or liquidate, in whole or in part, or institute insolvency proceedings against itself, or file a petition seeking or consenting to reorganization or relief under any applicable law relating to bankruptcy or insolvency, except after no less than 10 days' advance written notice to the Credit Provider.

ARTICLE VI
EVENTS OF DEFAULT; CASH DOMINION

Section 6.1Events of Default. (a) The following events which shall occur and be continuing shall be Events of Default hereunder:

(i) Any amount drawn under any Letter of Credit shall not be reimbursed when required; or

(ii) Any interest, fees or other amount (not described in clause (i) above) payable by the Company under this Agreement or any other Reimbursement Document shall not be paid within three Business Days after such interest, fees or other amounts described in this clause (ii) shall have become due; or

(iii) The Company shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal amount of at least $50,000 in the aggregate (but excluding Debt outstanding hereunder) of the Company, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(iv) The Company shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Company seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property (collectively, an "Insolvency Proceeding") and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company shall take any corporate action to authorize any of the actions set forth above in this subsection; or

(v) Any representation or warranty or written statement or written statement in connection with a request for a consent or financial reporting made by the Company (or any of its officers) in this Agreement or any other Reimbursement Document or any representation or warranty in any schedule, certificate or other document delivered pursuant to or in connection with this Agreement or the other Reimbursement Documents shall prove to have been incorrect in any material respect when made; or

(vi) The Company or any Obligor shall fail to perform or observe the covenants set forth herein or in any other Reimbursement Document, and, in the case of the covenants set forth in Section 5.1 (other than Section 5.1(c), (d) (in respect of corporate existence), (k), (l) or (p)), such failure has continued for five consecutive days; or

(vii) A final judgment or order for the payment of money of at least $100,000 shall be rendered against the Company or any Obligor and such judgment or order shall continue unsatisfied and in effect for a period of 30 consecutive days (excluding therefrom any period during which enforcement of such judgment or order shall be stayed, whether by pendency of appeal, posting of adequate security or otherwise); or

(viii) A Change of Control shall occur; or

(ix) Any provision of any of the Reimbursement Documents after delivery thereof shall for any reason cease to be valid and binding on or enforceable against the Company or any Obligor, or the Company or any Obligor shall so state in writing; or

(x) The Company or any Obligor becomes a Sanctioned Person.

(b) If an Event of Default occurs and is continuing, (A) the Credit Provider may by notice to the Company declare all obligations hereunder (together with accrued interest thereon) to be, and they shall thereupon become, immediately due without presentment, demand or other notice, all of which are hereby waived by the Company and each Obligor (provided that, in the case of an Event of Default referred to in clause (iv) of subsection (a) above with respect to the Company or any Obligor, the same shall occur with respect to the obligations hereunder automatically without any notice or any other act by the Credit Provider or any other Person), (B) the Credit Provider may exercise any and all of its rights and remedies under the Security Agreement, (C) the Credit Provider may require that the Company cash collateralize the Reimbursement Obligations (in an amount equal to 110% of the aggregate face amount of all Letters of Credit then outstanding) pursuant to terms satisfactory to the Credit Provider in its sole discretion, and/or (D) the Credit Provider may exercise any other rights or remedies it may have under this Agreement and any other Reimbursement Documents and take such other action as may be permitted at law or in equity.

(c) If a Cash Dominion Period has occurred and is continuing, (A) the Credit Provider may, pursuant to the Account Control Agreements, obtain exclusive control of all or some of the deposit accounts and securities accounts subject thereto, and exercise remedies in connection therewith, including without limitation applying all or a portion of the amounts deposited therein (i) to pay any obligations outstanding hereunder and/or (ii) to cash collateralize the Reimbursement Obligations (in an amount equal to 110% of the aggregate face amount of all Letters of Credit then outstanding) pursuant to terms satisfactory to the Credit Provider in its sole discretion, and (B) the Company shall promptly, at the written request of the Credit Provider (after consultation with the Company), draw under the GEM Equity Purchase Facility in cash the maximum amount then available to be drawn thereunder in accordance with applicable law (or such lesser amount as the Credit Provider may direct).

ARTICLE VII
MISCELLANEOUS

Section 7.1Amendments and Waivers. No failure or delay on the part of the Credit Provider in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder. No amendment or waiver of any provision of this Agreement or any other Reimbursement Document nor consent to any departure by the Company herefrom or therefrom (except as expressly provided for herein) shall in any event be effective unless the same shall be in writing and signed by the Credit Provider and the Company, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Company in any case shall, of itself, entitle the Company to any other or further notice or demand in similar or other circumstances.

Section 7.2Notices. Any communication, demand, or notice to be given hereunder will be duly given and deemed to have been received when actually delivered (or 72 hours after having been deposited in the mails with first class postage prepaid) to such party at the address specified below (or at such other address as such party shall specify to the other parties in writing) including delivery by any telecommunication device capable of transmitting or creating a written record or electronic mail.

(a) If to the Company or any other Obligor, 12111 S. Crenshaw Blvd.
Hawthorne, CA 90250
Attn: Oliver Reeves, Chief Financial Officer
Email: oliver.reeves@surfair.com

with a copy (which shall not constitute notice) to each of:

12111 S. Crenshaw Blvd.
Hawthorne, CA 90250

Attn: General Counsel
Email: legalnotices@surfair.com

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attn: J.T. Ho
Email: jho@orrick.com

Orrick, Herrington & Sutcliffe LLP
2100 Pennsylvania Avenue NW
Washington, DC 20037
Attn: Adam J. Ross
Email: adam.ross@orrick.com

(b) If to the Credit Provider, Park Lane Investments LLC
53 Greenwich Ave, 2nd Floor
Greenwich, CT 08630
Attn: James Holland; Michael Barker
Email: james.holland@parklaneinvestmentsllc.com;
mike.barker@parklaneinvestmentsllc.com

The Credit Provider may (but shall not be required to) accept and act upon oral, telephonic, faxed or other forms of notices or instructions hereunder that such Party believes in good faith to have been given by a person authorized to do so on behalf of the Company. The Credit Provider shall be fully protected and held harmless by the Company, and shall have no liability for, acting on any such notice or instruction that such Party believes in good faith to have been given by a person authorized to do so on behalf of the Company.

Section 7.3Set-off. If an Event of Default shall have occurred and be continuing and the Credit Provider shall have declared the obligations due and payable hereunder, the Credit Provider is hereby authorized to set-off against any amounts standing to the credit of, or obligations owed to, the Company or any other Obligor by the Creditor Provider or any of its Affiliates.

Section 7.4Successors and Assigns. This Agreement and each other Reimbursement Document shall inure to the benefit of, and shall be enforceable by, the Credit Provider and its respective successors and assigns. The Credit Provider may assign, or transfer by participation, any of its rights and/or obligations hereunder, in whole or in part, to any other office or affiliate of the Credit Provider or to any third party. If an assignment results in more than one person or entity having rights as Credit Providerr hereunder, then the Obligors and Credit Provider shall enter into appropriate modifications, as requested by Credit Provider in its reasonable discretion, to this Agreement to provide for multiple Credit Providers in respect of collective actions, voting, exercise of remedies and other applicable provisions. No Obligor may assign or otherwise transfer any of its rights or obligations under this Agreement or any other Reimbursement Document without the prior written consent of the Credit Provider in its sole discretion, and any purported assignment without such consent shall be void. The Credit Provider shall maintain, as a non-fiduciary agent of the Obligors, at one of its offices in the United States a register (the "Register") for the recordation of the names and addresses of the Credit Provider, the principal amount and stated interest of the Obligations owing to, the Credit Provider pursuant to the terms hereof. Subject to receipt of any required tax forms reasonably required by the Company, the Credit Provider shall record the applicable transfers, assignments and assumptions in the Register. The entries in such Register shall be conclusive absent manifest error, and each Obligor and the Credit Provider shall treat the Credit Provider whose name is recorded therein pursuant to the terms hereof as the Credit Provider hereunder for all purposes of this Agreement, notwithstanding notice to the contrary, and no assignment shall be effective for any purpose under the Reimbursement Documents unless and until recorded in the Register. The Register shall be available for inspection by each Obligor and the Credit Provider, at any reasonable time upon reasonable prior written notice to the Credit Provider. The requirement for the Register set forth in this Section 7.4 shall be construed so that the Reimbursement Obligations and/or other interests hereunder are at all times

maintained in “registered form” within the meaning of Treasury Regulation Sections 5f.103-1(c) and 1.871-14.

Section 7.5Costs, Expenses and Taxes. The Company agrees to pay all reasonable and documented out of pocket costs and expenses of the Credit Provider, including reasonable fees and expenses of counsel, in connection with the preparation, negotiation, execution, delivery and administration, as applicable, of this Agreement, each other Reimbursement Document and each Letter of Credit or any amendments, modifications or waivers of the provisions hereof or thereof, the enforcement against any Obligor of this Agreement, the Security Agreement or any other Reimbursement Document and the protection of the rights of the Credit Provider hereunder and thereunder, including any bankruptcy, insolvency, enforcement proceedings or restructuring with respect to the Company. In addition, the Company shall pay any and all present or future stamp, court or documentary, intangible, recording, filing and other taxes and fees payable or determined to be payable in connection with any payment made under, the execution, delivery, performance, enforcement, registration, filing, or recording of, from the receipt or perfection of a security interest under, or otherwise with respect to, this this Agreement, the Security Agreement or any other Reimbursement Document, and agrees to indemnify and save the Credit Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

Section 7.6Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES). Each of the Obligors and the Credit Provider hereby irrevocably submits to the non-exclusive jurisdiction of any U.S. federal or state court in the State of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement, any other Reimbursement Document or the Letter of Credit. Each of the Obligors and the Credit Provider hereby consents to the laying of venue in any such suit, action or proceeding in New York County, New York, and hereby irrevocably waives any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. Any process in any such action shall be duly served if mailed by registered mail, postage prepaid, to the Company (or other applicable Obligor) or the Credit Provider at its address designated pursuant to Section 7.2.

Section 7.7Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all signatures thereon were upon the same instrument. This Agreement shall become effective when it shall have been executed by the Credit Provider and when the Credit Provider shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 7.8WAIVER OF JURY TRIAL. EACH OBLIGOR AND THE CREDIT PROVIDER HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING RELATING TO THIS AGREEMENT, ANY OTHER REIMBURSEMENT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 7.9Subordination. This Agreement is subject to the Subordination Agreement, and in case of any conflict between the terms hereof and the terms of the Subordination Agreement, the terms of the Subordination Agreement shall control.

Section 7.10Confidentiality. The Credit Provider agrees that Confidential Information shall be treated by the Credit Provider in a confidential manner, used only in compliance with applicable law, including United States federal or state securities laws, and shall not be disclosed by Credit Provider to Persons who are not parties to this Agreement, except: (a) to the extent required by applicable law, statute, rule, regulation or judicial process or in connection with the exercise of any right or remedy under any Reimbursement Document, or as may be required in connection with the examination, audit or similar investigation of or by the Credit Provider or any of its Affiliates, (b) to examiners, auditors, accountants or any regulatory authority, (c) to Related Parties of the Credit Provider or any of its Affiliates, provided that

such Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential, (d) in connection with any litigation or dispute which relates to this Agreement or any other Reimbursement Document to which the Credit Provider is a party or is otherwise subject or in connection with the exercise or enforcement of any right or remedy under any Reimbursement Document by the Credit Provider, or the disclosure of the tax structure or tax treatment of the transactions contemplated hereby, (e) to any permitted assignee (or permitted prospective assignee) of the Credit Provider which agrees in writing to be bound by this Section 7.10, and (f) to any lender or other funding source of the Credit Provider provided that such Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential (each reference to the Credit Provider in the foregoing clauses shall be deemed to include (i) the actual and prospective assignees referred to in clause (e) above and the lenders and other funding sources referred to in clause (f) above, as applicable for purposes of this Section 7.10); provided further, that in no event shall the Credit Provider be obligated or required to return any materials furnished by or on behalf of the Company.

Section 7.11Release. FOR AND IN CONSIDERATION OF PARK LANE INVESTMENTS LLC'S AGREEMENTS CONTAINED HEREIN, THE COMPANY AND EACH OTHER OBLIGOR, TOGETHER WITH THEIR SUCCESSORS AND ASSIGNS (INDIVIDUALLY AND COLLECTIVELY, "RELEASORS") HEREBY VOLUNTARILY AND KNOWINGLY RELEASES AND FOREVER WAIVES AND DISCHARGES PARK LANE INVESTMENTS LLC AND EACH OF ITS RESPECTIVE PARENTS, DIVISIONS, SUBSIDIARIES, AFFILIATES (INCLUDING WITHOUT LIMITATION LIAM FAYED), MEMBERS, MANAGERS, PARTICIPANTS, PREDECESSORS, SUCCESSORS, AND ASSIGNS, AND EACH OF THEIR RESPECTIVE CURRENT AND FORMER DIRECTORS, OFFICERS, SHAREHOLDERS, MEMBERS, MANAGERS, PARTNERS, AGENTS, AND EMPLOYEES, AND EACH OF THEIR RESPECTIVE PREDECESSORS, SUCCESSORS, HEIRS, AND ASSIGNS (INDIVIDUALLY AND COLLECTIVELY, THE "RELEASED PARTIES") FROM ALL POSSIBLE CLAIMS, COUNTERCLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, DAMAGES, COSTS, EXPENSES AND LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, ANTICIPATED OR UNANTICIPATED, SUSPECTED OR UNSUSPECTED, FIXED, CONTINGENT OR CONDITIONAL, OR AT LAW OR IN EQUITY, IN ANY CASE ORIGINATING IN WHOLE OR IN PART ON OR BEFORE THE DATE HEREOF THAT ANY OF THE RELEASORS MAY NOW OR HEREAFTER HAVE AGAINST THE RELEASED PARTIES, IF ANY, IRRESPECTIVE OF WHETHER ANY SUCH CLAIMS ARISE OUT OF CONTRACT, TORT, VIOLATION OF LAW OR REGULATIONS, OR OTHERWISE, INCLUDING WITHOUT LIMITATION ARISING DIRECTLY OR INDIRECTLY FROM ANY PRIOR OR EXISTING TRANSACTIONS BETWEEN RELEASORS AND RELEASED PARTIES, ANY OF THE REIMBURSEMENT DOCUMENTS, OR THE EXERCISE OF ANY RIGHTS AND REMEDIES UNDER ANY OF THE REIMBURSEMENT DOCUMENTS. EACH OF THE RELEASORS WAIVES THE BENEFITS OF ANY LAW INCLUDING SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES IN SUBSTANCE: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY." EACH OF THE RELEASORS UNDERSTANDS THAT THE FACTS WHICH IT BELIEVES TO BE TRUE AT THE TIME OF MAKING THE RELEASE PROVIDED FOR HEREIN MAY LATER TURN OUT TO BE DIFFERENT THAN IT NOW BELIEVES, AND THAT INFORMATION WHICH IS NOT NOW KNOWN OR SUSPECTED MAY LATER BE DISCOVERED. EACH OF THE RELEASORS ACCEPTS THIS POSSIBILITY, AND EACH OF THEM ASSUMES THE RISK OF THE FACTS TURNING OUT TO BE DIFFERENT AND NEW INFORMATION BEING DISCOVERED; AND EACH OF THEM FURTHER AGREES THAT THE RELEASE PROVIDED FOR HEREIN SHALL IN ALL RESPECTS CONTINUE TO BE EFFECTIVE AND NOT SUBJECT TO TERMINATION OR RESCISSION BECAUSE OF ANY DIFFERENCE IN SUCH FACTS OR ANY NEW INFORMATION.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[SURF AIR MOBILITY INC.]

By: /s/ Deanna White
Name: Deanna White
Title: Interim Chief Executive Officer

Filing Office: Department of State of the State of Delaware

[SURF AIR GLOBAL LIMITED]

By: /s/ Oliver Reeves
Name: Oliver Reeves
Title: Chief Financial Officer

Filing Office: District of Columbia Office of the Recorder of Deeds

[PARK LANE INVESTMENTS LLC]

By: /s/ James Holland
Name: James Holland
Title: Vice President

Execution Version

THIS SECURED PROMISSORY NOTE AND THE INDEBTEDNESS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF NOVEMBER 14, 2024, AMONG CCP AGENCY, LLC, LAMVEN LLC, AND THE OTHER PARTIES FROM TIME TO TIME PARTY THERETO, AND EACH HOLDER OF THIS SECURED PROMISSORY NOTE, BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

SECURED PROMISSORY NOTE

$50,000,000

Dated and effective as of November 14, 2024

FOR VALUE RECEIVED, Surf Air Mobility Inc., a Delaware corporation (the "**Company**" or "**SAM**"), hereby promises to pay LamVen LLC ("**Lender**"), the aggregate principal amount of fifty million Dollars and 00/100 ($50,000,000) (the "**Loan**"), as the principal amount of the Loan may increase or decrease in accordance with the terms hereof (including without limitation through additional Advances) together with all accrued interest thereon, as provided in this secured promissory note (this "**Note**"). Lender has agreed to make the Loan to the Company in exchange for certain existing promissory notes of Surf Air Global Limited, a BVI business company ("**SAGL**"), a subsidiary of the Company, owing to Lender as set forth on Schedule 1, and for other good and valuable consideration. This Note is entered into by the Company and by SAGL and each other subsidiary of the Company signatory hereto (collectively, together with any Additional Guarantor, the "**Obligors**"). As of the date hereof, the Loan comprises two tranches, consisting of (1) obligations in a principal amount of $41,000,000 (the "**Tranche 1 Advances**") and (2) obligations in a principal amount of $9,000,000 (together with any Advances made hereafter in accordance with Section 4 below, the "**Tranche 2 Advances**").

1. INTEREST.

(a) Except as otherwise provided herein, the outstanding principal amount from time to time of the Loan made hereunder shall, subject to Section 6, bear interest at the Designated Interest Rate in respect of each Interest Period. Each determination of an interest rate by the Lender shall be conclusive and binding on Company and the Lender in the absence of manifest error. All computations of fees and interest payable under this Note shall be made on the basis of a 360-day year and actual days elapsed. Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof. In connection with the use or administration of Term SOFR, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Note Document. Lender will promptly notify Company of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

(b) Interest on the Loan shall be paid on each Interest Payment Date and computed from the date the Loan was made until the Loan is paid in full, whether at maturity, upon acceleration, by prepayment or otherwise.

(c) Designated Interest Rate for each Interest Period shall be determined as of two (2) Business Days prior to the first calendar day of each calendar month; provided that if such day is not a Business Day, such determination shall be made on the immediate succeeding Business Day. It is understood and agreed that the first Interest Period shall begin on the Closing Date and end on the last day of the same calendar month and shall bear interest at a rate equal to clause (i) of the definition of Designated Interest Rate.

2. MATURITY. The aggregate unpaid principal amount of the balance hereof and all accrued interest thereunder shall be due and payable on the earlier to occur of the following dates: (a) December 31, 2028 (the "**Maturity Date**") or (b) the date on which this Note is otherwise accelerated as provided for hereunder.

3. PAYMENT; PRE-PAYMENT. All payments shall be made in lawful money of the United States of America at the principal office of the Company, or at such other place as Lender may designate from time to time in writing to the Company. Payment in cash shall be credited first to accrued interest due and payable and any remainder applied to principal. All payments to be made by the Company shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. The Company may (and, as and to the extent set forth in Section 8(b), shall) prepay the Loan in whole or in part at any time or from time to time upon at least three (3) business days written notice to Lender, without penalty or premium, and accompanied by accrued unpaid interest on the principal amount prepaid; provided, that Lender may in its sole discretion apply such prepayment to outstanding Tranche 1 Advances or Tranche 2 Advances.

4. ADDITIONAL ADVANCES. The Company may from time to time request, and Lender in its sole and absolute discretion may agree, that Lender make additional advances of cash to the Company (each such advance, an "**Advance**"; each Advance constituting a Tranche 2 Advance). Each such Advance shall be made in such amount, on such date, and for such purpose as may be requested in writing by the Company and agreed by Lender, and upon the making of such Advance the amount of such Advance shall be added to the principal amount of the Loan and evidenced by this Note, and shall bear interest from and after the date made.

5. EVENTS OF DEFAULT. The occurrence of any of the following shall, unless otherwise consented to in writing (which may be in email form) in advance by Lender, constitute an Event of Default:

(a) the failure to pay any outstanding principal balance hereof in accordance with the terms of this Note; or

(b) the default under the terms of any other indebtedness of any Obligor or any subsidiary thereof that is outstanding in a principal amount of at least $50,000 in the aggregate, or failure to pay any amounts due under such other indebtedness of such Obligor or such subsidiary;

(c) the failure to perform or to comply with any other term or obligation contained in this Note;

(d) with respect to any Obligor or any subsidiary thereof, the commencement of an action (whether voluntary or involuntary) or other proceeding seeking liquidation, reorganization, assignment for the benefit of creditors or other relief under any bankruptcy, insolvency or other similar law, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official (an "**Insolvency Proceeding**"), or the consent to, or the taking of any action with respect to the authorization of, any such relief or the appointment of any such official in any Insolvency Proceeding;

(e) (i) any payments shall be made (in cash or otherwise) under the Surf Air Mobility Inc. Incentive Bonus Plan or any successor/replacement to such plan, or (ii) any Obligor or subsidiary thereof shall agree to, or (unless expressly agreed pursuant to a binding contractual arrangement prior to the date hereof) pay, directly or indirectly, any incentive compensation in excess of $250,000 in the aggregate for any individual during any calendar year; or

(f) there occurs any event, transaction, or occurrence as a result of which (1) any "person" (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Securities Exchange Act of 1934, as an amended (the "**Exchange Act**")), other than (i) a trustee or other fiduciary holding securities under an employee benefit plan of SAM or (ii) the Lender, Park Lane Investments LLC or any affiliate thereof, is or becomes a beneficial owner (within the meaning Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of SAM, representing thirty-five percent (35%) or more of the combined voting power of SAM's then outstanding securities in a single transaction or a series of related transactions, or (2) SAM shall cease to own 100% of the outstanding equity interests in SAGL.

6. DEFAULT RATE OF INTEREST. During any period of time that an Event of Default shall have occurred and be continuing, the outstanding principal balance of this Note shall (automatically, without any requirement for the giving of notice) accrue interest at the rate of fifteen and three-quarters percent (15.75%) per annum or at the highest contract rate permitted by law, which shall be paid in cash immediately upon Lender's demand from time to time.

7. RIGHTS AND REMEDIES. Upon the occurrence of any Event of Default, the entire outstanding principal balance hereof shall become immediately due and payable (i) in the case of an Event of Default arising from an Insolvency Proceeding, automatically without notice to the Company and (ii) otherwise, upon written notice from Lender to the Company. In addition, Lender shall have all rights and remedies available to it at law or in equity, including the rights and remedies provided in this Note and the other Note Documents, all of which shall be cumulative. If an Event of Default shall have occurred and be continuing, Lender is hereby authorized to set-off against any amounts standing to the credit of, or obligations owed to, the Company or any other Obligor by Lender or any of its Affiliates.

8. ADDITIONAL PROVISIONS.

(a) **Expenses**. The Company shall pay all costs, fees and expenses, including court costs and attorneys' fees and expenses, incurred by Lender in connection with the preparation, negotiation, execution, delivery and administration, as applicable, of this Note and the other Note Documents or any amendments, modifications or waivers of the provisions hereof or thereof, and in collecting, or attempting to collect, any amount that becomes due hereunder, in seeking legal advice with respect to such collection or an Event of Default, or in attempting to have any stay or injunction against the enforcement or collection of this Note lifted by any court, including a bankruptcy court.

(b) **Equity Issuances**. Concurrently with any sale or issuance by the Company of shares of common stock, or any preferred class of stock or any other equity interests, of the Company (excluding any sale of shares through the GEM Equity Purchase Facility or similar share purchase arrangement), the Company shall apply 15% of the total net cash proceeds of such sale to prepay the Loan in accordance with Section 3 of this Note.

(c) **Asset Sale Proceeds**. If the Company, any other Obligor, or any subsidiary thereof Disposes of any property or assets (other than any Disposition (x) to an Obligor, or (y) by a subsidiary that is not an Obligor to another subsidiary that is not an Obligor) and any transaction or series of related transactions described in this clause (c) results in the receipt in any fiscal year by the Company, the other Obligors and their subsidiaries of Net Cash Proceeds in excess of $250,000 in the aggregate for such transaction or series of related transaction (any such transaction or series of related transactions resulting in Net Cash Proceeds being a "**Relevant Transaction**"), the Company shall (1) give written notice to Lender thereof promptly after the date of receipt of such Net Cash Proceeds and (2) prepay an aggregate principal amount of the Loan, in accordance with Section 3 of this Note, in an amount equal to the Net Cash Proceeds received from such Relevant Transaction within fifteen (15) business days of receipt thereof by the Company, the other Obligors or their subsidiaries. Notwithstanding the forgoing, so long as any debt obligations remain outstanding under that certain Credit Agreement, dated as of the date hereof, among the Company, CCP Agency, LLC, as agent, and the lenders parties thereto (the "**Comvest Credit Agreement**"), any prepayment of such debt obligations pursuant to the mandatory prepayment terms of the Comvest Credit Agreement in respect of a Relevant Transaction (other than a Relevant Transaction consisting of a Disposition of Aircraft Related Assets) shall satisfy the Company's prepayment obligation under this clause (c) to the extent of the amount of such prepayment actually made (and, for the avoidance of doubt, not declined) under the Comvest Credit Agreement.

9. WAIVER. THE COMPANY HEREBY WAIVES PRESENTMENT, DEMAND, PROTEST AND NOTICE OF DISHONOR OR NONPAYMENT. THE COMPANY FURTHER WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH MAKER AND LENDER MAY BE PARTIES ARISING OUT OF, OR IN ANY WAY PERTAINING TO, THIS NOTE. THE COMPANY ACKNOWLEDGES AND AGREES THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS NOTE. THE COMPANY HEREBY REPRESENTS AND WARRANTS THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE.

10. SUCCESSORS AND ASSIGNS. All rights of Lender shall inure to the benefit of its successors, assigns and legal representatives. All obligations of the Company shall bind its successors, assigns and legal representatives. The Company may not assign its obligations hereunder, or cause or permit the assumption of this Note by any person or entity, without the prior written consent of Lender. Lender may assign all or a part of the Loan, the Obligations, and the other rights and obligations of Lender hereunder without notice to, or consent from, any other party hereto. If an assignment results in more than one person or entity having rights as Lender hereunder, then Company and Lender shall enter into appropriate modifications, as requested by Lender in its reasonable discretion, to this Note to provide for multiple Lenders in respect of collective actions, voting, exercise of remedies and other applicable provisions.

11. GOVERNING LAW. THIS NOTE SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

12. NOTICES. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery or delivery by courier, or on the first business day after transmission if sent by confirmed electronic mail transmission, or five business days after deposit in the United States first class mail, by registered or certified mail, postage prepaid, addressed as set forth below under the Company's or Lender's name, as applicable, on the signature page hereto, or at such other address as the Company or Lender may designate by ten (10) business days' advance written notice to the other party hereto.

13. GUARANTY.

(a) Each Obligor hereby jointly and severally with the other Obligors guarantees, as a primary obligor and not as a surety to Lender and its permitted successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of (i) the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code and (ii) any other debtor relief laws) on this Note from time to time owing to Lender by any Obligor, in each case strictly in accordance with the terms hereof and thereof (such obligations, including any future increases in the amount thereof, being herein collectively called the "**Guaranteed Obligations**"). The Obligors hereby jointly and severally agree that if the Company or the other Obligor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Obligors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. All payments to be made by any Obligor shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. The guarantee in this Section 13 is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

(b) The obligations of the Obligors under Section 13 shall constitute a guaranty of payment and to the fullest extent permitted by applicable law, are absolute,

irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of the Company under this Note, or any other agreement or instrument referred to herein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Obligor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Obligors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above: (i) at any time or from time to time, without notice to the Obligors, to the extent permitted by law, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived; (ii) any of the acts mentioned in any of the provisions of this Note, or any other agreement or instrument referred to herein, shall be done or omitted; (iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under this Note or any other agreement or instrument referred to herein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or (iv) the release of any other Obligor pursuant to Section 13.

The Obligors hereby expressly waive (to the fullest extent permitted by law) diligence, presentment, demand of payment, protest and, to the extent permitted by law, all notices whatsoever, and any requirement that Lender exhaust any right, power or remedy or proceed against the Company under this Note or any other agreement or instrument referred to herein, or against any other person under any other guarantee of any of the Guaranteed Obligations. The Obligors waive, to the extent permitted by law, any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by Lender upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guaranty, and all dealings between the Company and Lender shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty. This Guaranty shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Lender, and the obligations and liabilities of the Obligors hereunder shall not be conditioned or contingent upon the pursuit by Lender or any other person at any time of any right or remedy against the Company or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guaranty shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Obligors and the successors and assigns thereof, and shall inure to the benefit of Lender and its successors and assigns, notwithstanding that from time to time during the term of this Note there may be no Guaranteed Obligations outstanding.

(c) The obligations of the Obligors under this Section 13 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Company or other Obligor in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any

proceedings in bankruptcy or reorganization or otherwise. Each Obligor hereby agrees that until the payment in full in cash and satisfaction in full of all Guaranteed Obligations it shall subordinate any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 13, whether by subrogation, contribution or otherwise, against the Company or any other Obligor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

(d) The Obligors jointly and severally agree that, as between the Obligors and the Lender, the obligations of the Company under this Note may be declared to be forthwith due and payable (or become automatically due and payable) as provided therein for purposes of Section 13, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Company and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Obligors for purposes of Section 13.

(e) In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Obligor under Section 13 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 13, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Obligor or any other Person, be automatically limited and reduced to the highest amount (after giving effect to the liability under this Guaranty, but before giving effect to any other guarantee) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

14. RANKING. This Note is subject to the Subordination Agreement, and in case of any conflict between the terms hereof and the terms of the Subordination Agreement, the terms of the Subordination Agreement shall control.

15. CONVERSION. At the election of Lender from time to time, on one or more occasions, the outstanding principal amount of this Note (or any portion thereof), together with all accrued but unpaid interest thereon, shall convert into a number of shares of Common Stock, par value $0.0001 of the Company (the "**Common Shares**"), using a conversion price per Common Share equal to the Minimum Price, as defined in New York Stock Exchange Listed Company Manual Section 312.04(h) (the "**Minimum Price**"), calculated assuming the date of holder's election is the date the binding agreement to acquire the shares is signed; provided, however, that the Lender shall not be able to convert this Note if so doing would increase Lender's beneficial ownership interest in the Company to 10% or more than 10% of the outstanding Common Shares. In the event this Note (or any portion thereof) is transferred to any person who is not subject to New York Stock Exchange Listed Company Manual Section 312.03 (the "**Transferee**"), at the election of such person from time to time, on one or more occasions, then the outstanding principal amount of such Note (or any portion thereof), together with all accrued but unpaid interest thereon, shall convert into a number of Common Shares, using a conversion price per Common Share equal to the Minimum Price. If the conversion of this Note

(or such portion thereof) would result in the issuance of a fractional Common Share, the Company shall, in lieu of issuance of any fractional unit, pay Lender or Transferee a sum in cash equal to the product resulting from multiplying the then current fair market value of one Common Share by such fraction. In connection with exercising its election to convert this Note, Lender or Transferee shall surrender this Note to the Company (in the case of an exercise in respect of less than all of the outstanding amount of this Note, such surrender shall be made upon receipt of a new Note reflecting the reduced remaining amount, and otherwise having the same terms and conditions as this Note), and deliver to the Company and documentation reasonably required by the Company in order to complete its obligations to deliver Common Shares hereunder.

16. ADDITIONAL GUARANTORS; FURTHER ASSURANCES; INCENTIVE BONUS PLAN.

(a) Each subsidiary of the Company signatory hereto as of the date hereof (each, an "**Initial Additional Guarantor**") shall be an Obligor hereunder and bound by the provisions hereof applicable to the Obligors (including, without limitation, Section 13).

(b) The Company shall ensure that each subsidiary of the Company (i) existing on the date hereof and that is not an Excluded Subsidiary on the date hereof, within 10 days of the date hereof, (ii) acquired or formed after the date hereof or ceasing to be an Excluded Subsidiary after the date hereof, within 10 days of such acquisition or formation or such ceasing to be an Excluded Subsidiary, or (iii) guaranteeing any debt obligations of the Company having an aggregate principal amount in excess of $1,000,000 (for the avoidance of doubt, whether or not such subsidiary is an Excluded Subsidiary), no later than the date such guarantee of such debt obligation becomes effective (or, if later, no later than the date hereof), in each case, shall become party hereto as an Obligor by a joinder agreement in form and substance satisfactory to Lender (such subsidiaries becoming parties hereto, together with the Initial Additional Guarantors, collectively the "**Additional Guarantors**"), and shall be bound by the provisions hereof applicable to the Obligors (including, without limitation, Section 13). An Additional Guarantor that subsequently becomes an Excluded Subsidiary shall not thereby be released from its obligations hereunder.

(c) At any time or from time to time upon the request of Lender, the Company shall, and shall cause each other Obligor to, execute and deliver such further documents and do such other acts and things as Lender may reasonably request in writing in order to effect fully the purposes of this Note or the other Note Documents and to provide for payment of the Loan made hereunder, with interest thereon, in accordance with the terms of this Note. In furtherance and not in limitation of the foregoing, each Obligor shall take such actions as Lender may reasonably request from time to time to ensure that the Obligations are guaranteed by the Obligors and are secured by the Collateral. Each Obligor hereby agrees (i) that Lender may from time to time order such additional Uniform Commercial Code, United States Patent and Trademark Office, United States Copyright Office, tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports as Lender deems reasonably necessary or advisable in order to verify and maintain the priority and perfection of its security interest in the Collateral and (ii) to reasonably cooperate in connection therewith.

(d) The Company shall ensure that no payments shall be made (in cash or otherwise) under the Surf Air Mobility Inc. Incentive Bonus Plan or any successor/replacement to such plan.

17. DEFINITIONS. For purposes of this Note:

"**Aircraft Related Assets**" means aircraft, aircraft components, engines and related equipment and other assets.

"**Applicable Margin**" shall mean a rate of interest equal to 5.00% per annum.

"**Available Tenor**" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 19(b)(iv).

"**Benchmark**" means, initially, the Term SOFR Reference Rate; provided, that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 19(b)(i).

(a) "**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by Lender for the applicable Benchmark Replacement Date:

(b) the sum of (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment; or

(c) the sum of: (i) the alternate benchmark rate that has been selected by Lender and Company giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Note Documents.

"**Benchmark Replacement Adjustment**" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Lender and Company giving

due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(d) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(e) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(f) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Unavailability Period**" means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Note Document in accordance with Section 19(b), and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 19(b).

"**Closing Date**" means November 14, 2024.

"**Collateral**" means, collectively, all of the real, personal and mixed property in which liens are purported to be granted pursuant to the Note Documents as security for the Obligations.

"**Conforming Changes**" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of any breakage costs and other technical, administrative or operational matters) that Lender reasonably decides, after consultation with Company, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as Lender reasonably decides (after consultation with Company) is reasonably necessary in connection with the administration of this Note and the other Note Documents).

"**Daily Simple SOFR**" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Lender in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided, that if Lender decides that any such convention is not administratively feasible for Lender, then Lender may establish another convention in its reasonable discretion.

"**Designated Interest Rate**" means, for any Interest Period, the greater of (i) a rate of nine and three quarters percent (9.75%) per annum or (ii) Term SOFR, plus the Applicable Margin.

"**Disposition**" or "**Dispose**" means the sale, transfer, license, sublicense, lease or other disposition of any property by any person or entity (including any sale and leaseback transaction and any issuance of equity interests by a subsidiary of such person or entity), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith; provided, however, that "Disposition" and "Dispose" shall not be deemed to include any issuance by the Company of any of its equity interests to another person or entity.

"**Excluded Subsidiary**" means any direct or indirect subsidiary of the Company to the extent that such subsidiary is prohibited from providing a guarantee in respect of the Obligations by applicable law, rule or regulation or which would require governmental authorization, unless such governmental authorization has been received.

"**Floor**" means a rate of interest equal to 1.00% per annum.

"**Interest Payment Date**" shall mean, with respect to any Loan, (i) prior to the Maturity Date, the last calendar day of each calendar month and (ii) the Maturity Date.

"**Interest Period**" means the period commencing on the first day of the calendar month and ending on the earlier of (i) last day of the same calendar month and (ii) Maturity Date, provided that, the first Interest Period after the Closing Date, shall begin on the Closing Date and end on the last day of the same calendar month.

"**Net Cash Proceeds**" means, in respect of any Disposition of any asset or property by the Company, any other Obligor or any subsidiary thereof, the excess, if any, of (i) the sum of cash and cash equivalents received in connection with such Disposition (including any cash or cash equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over (ii) the sum of (A) the principal amount of any purchase money debt or finance lease that is secured by the asset subject to such Disposition and that is required to be repaid in connection with such Disposition, (B) the out-of-pocket expenses incurred by the Company, such Obligor or such subsidiary in connection with such Disposition (including attorneys' fees, accountants' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary or reasonable fees actually incurred in connection therewith), (C) taxes paid or reasonably estimated to be payable in connection with such Disposition, (D) any costs associated with unwinding any related hedging contracts in connection with such transaction, (E) any reserve for adjustment in respect of (x) the sale price of the property that is the subject of such Disposition established in accordance with GAAP and (y) any liabilities associated with such property and retained by the Company, such Obligor or such subsidiary after such Disposition, and (F) the pro rata portion of the net cash proceeds of any Disposition by any non-wholly owned subsidiary (calculated without regard to this clause (F)) attributable to minority interests and not available for distribution to or for the account of the Company or a wholly owned subsidiary as a result thereof, and it being understood that "Net Cash Proceeds" shall include, without limitation, any cash or cash equivalents (i) received upon the Disposition of any noncash consideration received by the Company, any other Obligor or any subsidiary thereof in any such Disposition and (ii) upon the reversal (without the satisfaction of any applicable liabilities in cash in a corresponding amount, or any offsetting other reserve) of any reserve described in clause (E) above.

"**Note Documents**" means this Note, the Security Agreement, and any and all other documents, agreements, or instruments that have been or are entered into by the Company or any Obligor, on the one hand, and Lender, on the other hand, in connection with the obligations evidenced by this Note and the other transactions contemplated hereby.

"**Obligations**" means all loans (including the Advances, the other Tranche 2 Advances and the Tranche 1 Advances), debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), premiums, liabilities, obligations (including indemnification obligations), fees, charges, costs, expenses

(including any portion thereof that accrues after the commencement of an Insolvency Proceeding, whether or not allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, covenants, and duties of any kind and description incurred and outstanding by the Company, the other Obligors or any of its or their subsidiaries to Lender pursuant to or evidenced by the Note Documents, and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all expenses that the Company or any Obligor is required to pay or reimburse by the Note Documents, by law, or otherwise. Any reference in this Note or in the other Note Documents to the Obligations shall include all extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"**Relevant Governmental Body**" means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

"**Security Agreement**" means that certain Security Agreement, dated as of even date herewith, among the Company and the other grantors party thereto from time to time, and LamVen LLC, Partners for Growth V, L.P. and the other secured parties party thereto from time to time.

"**SOFR**" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"**Subordination Agreement**" means that certain Subordination and Intercreditor Agreement, dated as of November 14, 2024, by and among, CCP Agency, LLC, in its capacity as Tier 1 Agent (as defined therein), Park Lane Investments LLC, in its capacity as Tier 2 Agent (as defined therein), LamVen LLC, in its capacity as Tier 3 Agent (as defined therein), LamVen LLC, in its capacity as Tier 4 Agent (as defined therein) and Partners For Growth V, L.P, as amended, restated, amended and restated, modified or supplemented from time to time.

"**Term SOFR**" means the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "**Periodic Term SOFR Determination Day**") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term SOFR Determination Day.

"**Term SOFR Administrator**" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Lender in its reasonable discretion).

"**Term SOFR Reference Rate**" means the forward-looking term rate based on SOFR.

"**U.S. Government Securities Business Day**" means any date except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

18. COUNTERPARTS. This Note may be executed in one or more counterparts, including by .pdf or other electronic signature, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

19. INABILITY TO DETERMINE RATES; TEMPORARY INABILITY.

(a) Subject to Section 19(b), if, on or prior to the first day of any Interest Period, (i) Lender determines (which determination shall be conclusive and binding absent manifest error) that Term SOFR cannot be determined pursuant to the definition thereof, or (ii) Lender determines that for any reason that Term SOFR for any requested Interest Period does not adequately and fairly reflect the cost to Lender of making and maintaining such Loan, and Lender has provided notice of such determination to Company. Upon notice thereof by Lender to Company, any obligation of the Lender to make a Loan shall be suspended (to the extent of the affected Loans or affected Interest Periods) until Lender revokes such notice. Upon receipt of such notice, Company may revoke any pending request for a borrowing of Loans (to the extent of the affected Loans or affected Interest Periods).

(b) Benchmark Replacement Setting.

(i) Benchmark Replacement Setting. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Note or any other Note Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lender without any amendment to, or further action or consent of any other party to, this Note or any other Note Document. If

the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Note Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Note or any other Note Document.

(iii) Notices; Standards for Decisions and Determinations. Lender will promptly notify Company of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. Lender will notify Company of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 19(b)(iv) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Lender pursuant to this Section 19(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Note or any other Note Document, except, in each case, as expressly required pursuant to this Section 19(b)

(iv) any other Note Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Lender in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then Lender may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (A) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then Lender may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor

(v) Benchmark Unavailability Period. Upon Company's receipt of notice of the commencement of a Benchmark Unavailability Period, Company may revoke any pending request for a Loan to be made during any Benchmark Unavailability Period.

[Signature Page Follows]

WITNESS the following signatures as of the day and year first above written.

SURF AIR MOBILITY INC.

By: /s/ Deanna White
Name: Deanna White
Title: Chief Execuitve Officer

SURF AIR GLOBAL LIMITED

By: /s/ Oliver Reeves
Oliver Reeves
Chief Financial Officer

Address: 12111 S. Crenshaw Boulevard
Hawthorne, CA 90250
Email: sudhin@surfair.com

With a copy to:

Address: c/o General Counsel
12111 S. Crenshaw Boulevard
Hawthorne, CA 90250
Email: legalnotices@surfair.com

[ADDITIONAL GUARANTOR]

By:
Name:
Title:

"**LENDER**"

LAMVEN LLC

By: /s/ Liam Fayed
Liam Fayed
President

Address: 240 Greenwich Avenue, 3rd Floor Greenwich, CT 06830
Email: liamfayed@gmail.com

[Signature Page to Secured Promissory Note]

SCHEDULE 1

Issuer	Issuance Date	Outstanding Principal Amount
Surf Air Global Limited	May 22, 2023	$4,610,000.00
Surf Air Global Limited	January 18, 2023 but effective as of December 14, 2022	1,000,000.00
Surf Air Global Limited	November 12, 2022 but effective as of October 31, 2022	$4,500,000.00
Surf Air Global Limited	June 15, 2023	$39,890,000.00

SCHEDULE 2

1. Southern Airways Corporation
2. Southern Airways Express, LLC
3. Southern Airways Pacific, LLC
4. Southern Airways Autos, LLC
5. Multi-Aero, Inc.
6. N107KA, Inc.
7. N208EE, Inc.
8. N803F, Inc.
9. Surf Air Global Limited
10. SURFAIR Holdings US, Inc.
11. Surf Air Sub 1, Inc.
12. Surf On Demand Inc.

EXHIBIT B

CONVERTIBLE NOTE PURCHASE AGREEMENT, DATED AS OF JUNE 21, 2023, BETWEEN SURF AIR MOBILITY INC. AND PARTNERS FOR GROWTH V, L.P.

Partners for Growth

Convertible Note Purchase Agreement
[conformed for Consent and Amendment dated as of November 14, 2024]

Borrower:	**Surf Air Mobility Inc., a Delaware corporation**
Address:	**12111 S. Crenshaw Boulevard, Hawthorne, CA 90250**
Date:	**June 21, 2023**

This **CONVERTIBLE NOTE PURCHASE AGREEMENT** (this "Agreement") is entered into as of the date specified above between PARTNERS FOR GROWTH V, L.P. ("PFG"), whose address is 1751 Tiburon Blvd., Tiburon, CA 94920, and the Borrower named above ("Borrower" or "Company"), whose principal office is located at the above address ("Borrower's Address"). The Schedule to this Agreement (the "Schedule") being signed by the parties concurrently, is an integral part of this Agreement. (Definitions of certain terms used in this Agreement are set forth in Section 7 below.)

1. PFG INVESTMENT.

1.1 Investments. PFG agrees to make the PFG Investment in Borrower in the amount shown in the Schedule in accordance with the terms of this Agreement.

1.2 Interest. The PFG Investment and all other monetary Obligations shall bear interest at the rate(s) shown in the Schedule, except where otherwise expressly set forth in this Agreement. Interest on the PFG Investment shall be paid on each Interest Payment Date. Interest payable from time to time on the principal amount of the PFG Investment will be determined by multiplying outstanding principal amount of the PFG Investment by the per annum interest rate set forth in Section 2 of the Schedule and dividing such product by 360 to render a daily interest amount, which daily interest amount will be multiplied by the actual number of days elapsed in each month (or other Billing Period) to derive the amount of interest due in such month (or other Billing Period). In computing interest, (i) all payments received after 12:00 p.m. U.S. Pacific time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of the PFG Investment shall be included and the date of payment shall be excluded; provided, however, that if the PFG Investment is repaid on the same day on which it is made, such day shall be included in computing interest on such PFG Investment. If any payment is due on a calendar day that is not a Business Day, then such payment will be due on the next Business Day.

1.3 Fees. Borrower shall pay PFG the fees shown in the Schedule, which are in addition to all interest, PFG Expenses and other sums payable to PFG, all of which are not refundable.

1.4 Late Fee. If any payment of principal or interest Obligation is not received by PFG by the end of the third Business Day after the later of (i) the date for such payment to be received by PFG as reflected in any PFG invoice that may be sent from time to time to Borrower and (ii) such Obligation's Due Date, then upon each such failure to timely pay Borrower shall pay PFG a late payment fee equal to 5% of the amount of the payment due and not timely paid. Notwithstanding the foregoing, however, Borrower shall not incur the afore-specified late payment fee in respect of an Obligation contemplated within clause (ii) of the definition of Due Date that is capable of being reasonably estimated (such as the interest portion of a monthly payment where an intervening principal payment has also been made) so long as Borrower pays the greater of the amount reasonably estimated and the last such monthly payment made. If Borrower has overpaid the amount due based on its reasonable estimation, PFG will credit any such overpayment to the next payment due. If Borrower has underpaid based on its reasonable estimation, then so long as Borrower pays the amount of such underpayment within three Business Days of PFG's notice of such underpayment, no late payment fee shall apply to such underpayment. Notwithstanding anything to the contrary set forth in this Agreement, the imposition of any late payment fee and Borrower's payment thereof shall not be construed as PFG's consent to Borrower's failure to pay any amounts when due, and PFG's acceptance of any late payment shall not

restrict PFG's exercise of any remedies arising out of any such failure, such as under Section 6 of this Agreement. Unless expressly waived in writing by PFG in its sole discretion, interest at the Default Rate shall commence to apply to all monetary Obligations not timely paid as from the Due Date.

1.5 Invoicing. PFG will send invoices to Borrower (i) prior to the end of each month reflecting amounts due from time to time under or in connection with this Agreement, including for interest that will fall due through the end of each such month and (as applicable) recurring or scheduled principal payments, and (ii) from time to time not less than three Business Days before the Due Date for other non-recurring monetary Obligations and monetary Obligations not having a specified date for payment. To the extent the applicable invoice is provided in accordance with this Section 1.5, the responsibility to make payments so that they are received by PFG on or prior to the Due Date rests solely with Borrower.

2. [RESERVED].

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER. In order to induce PFG to enter into this Agreement and to make the PFG Investment, Borrower represents and warrants to PFG as follows, as of the Effective Date and the Consent and Amendment Effective Date, except for representations expressly specified to be made as of a particular date or with respect to a particular Person. Notwithstanding anything to the contrary contained in this Agreement or in the other Note Documents, the information and disclosures contained in the Commission Documents shall be deemed to be disclosed and incorporated by reference as though fully set forth herein but only to the extent the relevance of such information is reasonably apparent on its face to apply to any representation or warranty made herein. Borrower will at all times comply with all of the following covenants applicable to each, throughout the term of this Agreement and thereafter until all Obligations (other than inchoate indemnity and expense reimbursement obligations) have been paid and performed in full:

3.1 Corporate Existence, Authority and Consents. Each Obligor is and will continue to be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and has in full force and effect all Governmental Authorizations required for Borrower to lawfully conduct its business as conducted on the date hereof, in each case except as would not reasonably be expected to result, either separately or in the aggregate, in any Material Adverse Change. Borrower shall provide PFG with at least thirty (30) days prior written notice of any change to an Obligor's jurisdiction or form or organization. Each Obligor is and will continue to be qualified and licensed to do business in all jurisdictions in which any failure to do so would result in a Material Adverse Change. The execution, delivery and performance by Borrower of this Agreement, and all other documents contemplated hereby (i) have been duly and validly authorized, (ii) are enforceable against it in accordance with their terms (except as enforcement may be limited by equitable principles and by bankruptcy, insolvency, reorganization, moratorium or similar Legal Requirements relating to creditors' rights generally), (iii) do not violate their respective Constitutional Documents, or violate in any material respect any Legal Requirement or any material agreement or instrument of either Person or relating to their respective property, (iv) do not require any action by, filing, registration or qualification with, or Governmental Authorization from, any Governmental Body (except such Governmental Authorizations which have already been obtained and are in full force and effect, and such actions, filings, registrations specifically listed in this Agreement or the documents contemplated hereby), and (v) do not constitute grounds for acceleration of any material Indebtedness or obligation under any agreement or instrument of Borrower or relating to their respective property, in each case except as would not reasonably be expected to result, either separately or in the aggregate, in any Material Adverse Change. Without limiting the foregoing, with respect to Borrower: (A) its Board has the authority under such Obligor's Constitutional Documents to enter into and cause it to perform, or to delegate such authority to a Responsible Officer to enter into and cause it to perform, its Obligations, and (B) other than the approval of the requisite members of its Board, no consent is required of any Person to make the representation set forth in clause (A) absolutely true in all respects (except for such consents that have already been obtained and are in full force and effect).

3.2 Name. As of the date hereof, the name of Borrower set forth in the heading to this Agreement is its correct name, as set forth in its Constitutional Documents. Borrower shall give PFG 30 days' prior written notice before changing its name.

3.3 Place of Business. As of the date hereof, the address set forth in the heading to this Agreement is Borrower's chief executive or registered office.

3.4 Books and Records. Borrower and each other Obligor have each maintained and will maintain at Borrower's Address complete and accurate books and records, comprising an accounting system in accordance with GAAP in all material respects.

3.5 Compliance with Law. Each Obligor has, to the best of its knowledge, complied, and will comply, in all material respects, with all provisions of all Legal Requirements applicable to such Obligor, including, but not limited to, those relating to each Obligor's ownership of real or personal property, the conduct and licensing of Borrower's business, and all environmental matters, in each case except as would not reasonably be expected to result, either separately or in the aggregate, in any Material Adverse Change.

3.6 Use of Proceeds. All proceeds of the PFG Investment shall be used solely for working capital, and any other lawful business purposes. Borrower is not purchasing or carrying any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System of the United States) and no part of the proceeds of the PFG Investment will be used to purchase or carry any "margin stock" or to extend credit to others for the purpose of purchasing or carrying any "margin stock."

4. ADDITIONAL DUTIES OF BORROWER. Borrower will, and will procure that each other Obligor, at all times complies with all of the following covenants throughout the term of this Agreement on an "as if applicable to Obligor" basis:

4.1 Covenants. Borrower (and the Group, as applicable) shall at all times comply with the covenants set forth in the Schedule.

4.2 Management Calls. Borrower shall make its senior management available for monthly calls with PFG, and, if requested by PFG, for weekly calls, in each case at times mutually and reasonably agreed by Borrower and PFG; provided, notwithstanding anything else herein to the contrary, that a failure to hold such a call shall not result directly or indirectly in an Event of Default.

4.3 Insurance. Borrower shall at all times insure all of the tangible personal property and carry such other business insurance, in such form and amounts as are customary and in accordance with standard practices for Borrower's industry and locations.

4.4 Reports. Borrower, at its expense, shall provide PFG with the written reports set forth in the Schedule, and such other written reports with respect to Borrower (including budgets, projections, operating plans and other financial documentation), as PFG shall from time to time reasonably specify in its good faith business judgment.

4.5 Access to Books and Records; Additional Reporting and Notices. At reasonable times, and on five (5) Business Days' notice, PFG, or its agents, shall have the right to audit and copy Borrower's books and records. The foregoing inspections and audits shall be at Borrower's expense and the charge therefor shall be $850 per person per day (or such higher amount as shall represent PFG's then current standard charge for the same), plus PFG Expenses, provided that so long as no Default or Event of Default has occurred and is then continuing and no prior inspection or audit has revealed material deficiencies or inaccuracies in Borrower's books and records, only one such inspection and audit shall be at Borrower's expense during any calendar year. Notwithstanding the foregoing, Borrower shall not be required to disclose to PFG any document or information (i) where disclosure is prohibited by applicable law, or (ii) is subject to attorney-client or similar privilege or constitutes attorney work product. If Borrower is withholding any information under the preceding sentence, it shall so advise PFG in writing, giving PFG a general description of the nature of the information withheld. Without limiting the scope of reporting under Section 6 of the Schedule, Borrower shall promptly disclose to PFG any efforts to sell Borrower, its business or assets or any material part thereof and shall disclose the salient details of any offers received from time to time in respect of the foregoing. At any time when a Default or Event of Default has occurred and is continuing (whether or not PFG has agreed to forbear), PFG shall be entitled to be briefed by Borrower as to such matters as PFG may require in its business discretion and, upon the occurrence and during the continuance of a Default or an Event of Default, (A) to receive advance notice of any and all Board meetings or written consents, together with the agendas for the foregoing, and (B) to observe any such Board meetings, whether or not formally constituted as such.

4.6 Negative Covenants. Except as may be permitted in the Schedule, neither Borrower nor any of its Subsidiaries shall, without PFG's prior written consent (which shall be a matter of its good faith business judgment and shall be conditioned on Borrower then being in compliance with the terms of this Agreement), do any of the following:

(a) incur or permit to exist any principal amount of Senior Priority Debt other than (i) Senior Priority Debt outstanding, or incurred pursuant to commitments in existence, on the Consent and Amendment Date, (ii) Senior Priority Debt consisting of reimbursement obligations pursuant to a New LC Reimbursement Agreement in effect on the Consent and Amendment Date, (iii) any Senior Priority Debt constituting a refinancing, extension or replacement of the foregoing clauses (i) and (ii), in a principal amount not greater than the principal amount of the Senior Priority Debt being so refinanced, extended or replaced plus unpaid accrued interest and premium thereon, plus upfront fees and original issue discount on such refinancing, extension or replacement, plus other reasonable and customary fees and expenses in connection with such refinancing, extension or replacement, (iv) other Senior Priority Debt in an aggregate principal amount not in excess of $2,500,000 at any time outstanding, and (v) capitalized interest on any of the foregoing clauses (i) through (iv).

(b) pay or declare any Dividends, or redeem, retire, purchase or otherwise acquire, directly or indirectly, any of Group Parent's equity (except for (A) Dividends payable by Subsidiaries to their owners, (B) Dividends payable solely in stock of Group Parent, (C) payment of cash in lieu of fractional shares, (D) as required in the ordinary course of business and consistent with past practice in connection with redeeming or purchasing equity of departing employees in the ordinary course of business, or (E) the retirement of warrants in connection with the exercise thereof);

(c) engage, directly or indirectly, in any business other than the businesses currently engaged in by Borrower or reasonably related thereto; or

(d) in the case of Borrower, liquidate or dissolve, or elect or resolve to liquidate or dissolve.

4.7 Litigation Cooperation. Should any third-party suit or proceeding be instituted by or instituted or threatened in writing against PFG with respect to, or relating to Borrower, Borrower shall, without expense to PFG, make available Borrower and its officers, employees and agents and Borrower's books and records, to the extent that PFG may reasonably deem them necessary in order to prosecute or defend any such suit or proceeding.

4.8 Further Assurances. Borrower agrees, at its expense, on reasonable request by PFG, to execute all documents and take all actions, as PFG, may, in its good faith business judgment, deem necessary or useful in order to fully consummate the transactions contemplated by this Agreement.

4.9 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to PFG, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to PFG, in the light of the circumstances when made, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not materially misleading (it being recognized by PFG that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5. TERM.

5.1 Maturity Date. This Agreement shall continue in effect until the Maturity Date of the PFG Investment as contemplated in Section 4 of the Schedule, subject to Sections 5.2, 5.3 and 5.4, below.

5.2 Early Termination. This Agreement may be terminated prior to the Maturity Date of the PFG Investment as follows: (i) if expressly permitted in the Schedule, by Borrower, effective three (3) Business Days after written notice of termination is given by Borrower to PFG and payment in full in cash of all Obligations (other than

inchoate indemnity and expense reimbursement obligations); or (ii) by PFG at any time after the occurrence and during the continuance of an Event of Default, with notice, effective immediately.

5.3 Payment of Obligations. On the Maturity Date, Borrower shall pay and perform in full all Obligations (subject to PFG's Conversion Right as set forth in the Schedule), whether evidenced by installment notes or otherwise, and whether or not all or any part of such Obligations are otherwise then due and payable. No termination shall in any way affect or impair any right or remedy of PFG, nor shall any such termination relieve Borrower of any Obligation to PFG, until all of the PFG Investment have been paid and otherwise performed in full. For the avoidance of doubt, at such time as all Obligations have been fully paid and performed under this Agreement, this Agreement shall terminate, with this Agreement surviving solely with respect to other than inchoate indemnity and expense reimbursement obligations and any other obligations which, by their terms, are to survive the termination of this Agreement and for construction (solely) of Note Documents that remain in effect between or among the parties.

5.4 Survival of Certain Obligations. Without limiting the survival of obligations otherwise addressed in this Agreement and notwithstanding any other provision of this Agreement, all covenants, representations and warranties made in this Agreement continue in full force until (i) the PFG Investment and all other monetary (other than inchoate indemnity and expense reimbursement obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) Obligations have been repaid, or (ii) the PFG Investment and all other monetary Obligations (other than inchoate indemnity and expense reimbursement obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been repaid or converted in accordance with the terms hereof. The obligation of Borrower in Section 8.9 to indemnify PFG shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

6. EVENTS OF DEFAULT AND REMEDIES.

6.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement regardless of whether notice thereof is given by PFG, and Borrower shall give PFG immediate written notice thereof, but in each case following the expiration of any specified cure periods:

(a) any warranty, representation, covenant, statement, report or certificate made or delivered to PFG by any Obligor or any of their respective officers, employees or agents, now or in the future shall be untrue or misleading in a material respect when made or deemed to be made; or

(b) (i) Borrower shall fail to repay the PFG Investment or pay any interest thereon or any other monetary Obligation within three (3) Business Days of its Due Date; provided, for the avoidance of doubt, interest at the Default Rate may be charged by PFG in its discretion as from the Due Date of such Obligation; or (ii) Borrower shall fail to convert any promissory note issued hereunder within three (3) Business Days of PFG's request therefor; or

(c) (i) there shall exist a default or event of default under the GEM Share Purchase Agreement, which is not cured within the time frame provided for therein, or (ii) any Obligor shall breach any of the provisions of Section 4.6 hereof (other than Section 4.6(b)), or (iii) any Obligor shall fail to perform any other material non-monetary Obligation which by its nature cannot be cured, or (iv) any Obligor shall fail to permit PFG to conduct an inspection or audit as provided in Section 4.5 hereof or shall fail to provide the notices, information, briefing and other rights set forth in Section 4.5 and does not cure same within ten (10) Business Days thereof, or (v) Borrower shall fail to provide PFG with a report under Section 6 of the Schedule within three (3) Business Days after the date due; or

(d) any Obligor shall fail to perform any other non-monetary Obligation (including Section 4.6(b)), which failure is not cured within ten (10) Business Days after the date due; provided that, if such failure is reasonably capable of cure but cannot reasonably be cured within such ten (10) Business Day period Borrower shall have an additional period of ten (10) Business Days to effectuate such cure, provided that Borrower shall promptly demonstrate that it has commenced its efforts to cure such failure and in fact diligently proceeds to cure such failure within such twenty (20) Business Day period; provided, further, however, if such failure results from a Default or an Event of Default for which there is a shorter cure period set forth in this Section 6.1, then the applicable cure period shall be such shorter period; or

(e) [reserved]; or

(f) [reserved]; or

(g) there is, under any Senior Priority Debt to which Borrower is a party with a third party or parties, any default resulting in such third party or parties having, and exercising, the right to accelerate the maturity of any such Senior Priority Debt (other than in connection with Aircraft Financings) in an amount individually in excess of $5,000,000; or

(h) (i) Dissolution or termination of existence of Borrower or any Guarantor (other than any liquidation or dissolution permitted pursuant to Section 4.6); or (ii) appointment of a receiver, trustee or custodian, for all or any substantial part of the property of, assignment for the benefit of creditors by, or the commencement of any Insolvency Proceeding (and in such case, as to an Insolvency Proceeding under clause (c) of its definition, only if a vote or consent is taken or given to proceed with an action set forth in said clause (c)) by, against or in respect of Borrower or any Guarantor under any reorganization, bankruptcy, insolvency, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, now or in the future in effect, in each above case that is not dismissed or stayed within 60 days; or (iii) [reserved]; or (iv) Borrower shall conceal, remove or Transfer any part of its property, with intent to hinder, delay or defraud its creditors; or

(i) revocation or termination of, or limitation or denial of liability upon, any guaranty of the Obligations or any written attempt by Borrower or any Guarantor to do any of the foregoing; or

(j) any Obligor makes any payment on account of any indebtedness or obligation which has been subordinated to the Obligations (other than as permitted in the applicable subordination agreement) if after giving pro forma effect to such payment, would result in a Default or Event of Default hereunder, or if any Person who has subordinated such indebtedness or obligations terminates or in any way repudiates or breaches the terms of his subordination agreement; or

(k) any Obligor shall, without the prior consent of PFG (which shall be a matter of its sole business discretion unless all Obligations (other than inchoate indemnity and expense reimbursement obligations) are to be repaid as a condition precedent to such Change in Control being consummated), effect or suffer a Change in Control; or

(l) a default or breach shall occur under any other Note Document which default or breach shall be continuing after the later of cure period expressly specified in such Note Document or five (5) Business Days. provided that, if such failure is reasonably capable of cure but cannot reasonably be cured within such five (5) Business Day period Borrower shall have an additional period of ten (10) Business Days to effectuate such cure.

6.2 Remedies. Upon the occurrence and during the continuance of any Event of Default, and at any time thereafter, PFG, at its option, and without notice or demand of any kind (all of which are hereby expressly waived by Borrower), may accelerate and declare all or any part of the Obligations to be immediately due, payable, and performable, notwithstanding any deferred or installment payments allowed by any instrument evidencing or relating to any Obligation. All PFG Expenses, liabilities and obligations incurred by PFG with respect to the foregoing shall be added to and become part of the Obligations, shall be due on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations. Without limiting any of PFG's rights and remedies, from and after the occurrence and during the continuance of any Event of Default, the interest rate applicable to the Obligations shall be the Default Rate.

6.3 [Reserved].

6.4 Power of Attorney. Upon the occurrence and during the continuance of any Event of Default, without limiting PFG's other rights and remedies, Borrower grants to PFG an irrevocable power of attorney coupled with an interest, authorizing and permitting PFG (acting through any of its employees, attorneys or agents) at any time, at its option, but without obligation, with or without notice to Borrower, and at Borrower's expense, to do any or all of the following, in Borrower's name or otherwise, but PFG agrees that if it exercises any right hereunder, it

will do so in good faith and in a commercially reasonable manner: (a) Instruct any third party having custody or control of any books or records belonging to, or relating to, Borrower to give PFG the same rights of access and other rights with respect thereto as PFG has under this Agreement; and (b) take any action or pay any sum required of Borrower pursuant to this Agreement and any other Note Documents. Any and all PFG Expenses incurred by PFG with respect to the foregoing shall be added to and become part of the Obligations, shall be payable on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations. In no event shall PFG's rights under the foregoing power of attorney or any of PFG's other rights under this Agreement be deemed to indicate that PFG is in control of the business, management or properties of Borrower.

6.5 Application of Payments. All payments received by PFG shall be applied by PFG *first* to PFG Expenses incurred in the exercise of its rights under this Agreement, *second* to the interest due upon any of the Obligations, and *third* to the principal of the Obligations, in such order as PFG shall determine in its sole discretion. Any surplus shall be paid to Borrower or other persons legally entitled thereto; Borrower shall remain liable to PFG for any deficiency.

6.6 Remedies Cumulative. In addition to the rights and remedies set forth in this Agreement, PFG shall have all the other rights and remedies under all other applicable laws, and under any other instrument or agreement now or in the future entered into between PFG and Borrower, and all of such rights and remedies are cumulative and none is exclusive. Exercise or partial exercise by PFG of one or more of its rights or remedies shall not be deemed an election, nor bar PFG from subsequent exercise or partial exercise of any other rights or remedies. The failure or delay of PFG to exercise any rights or remedies shall not operate as a waiver thereof, but all rights and remedies shall continue in full force and effect until all of the Obligations have been fully paid and performed.

7. DEFINITIONS. As used in this Agreement, the following terms have the following meanings:

"Account Debtor" means the obligor on an account receivable.

"Affiliate" means, with respect to any Person, a relative, partner, shareholder, director, officer, or employee of such Person, or any parent or Subsidiary of such Person, or any Person directly or indirectly through any other Person controlling, controlled by or under common control with such Person.

"Billing Period" means monthly, unless another period or date for payment is specified under this Agreement (such as the Maturity Date), or (ii) such other period as PFG as may result from monetary Obligations not being outstanding during the entire period for which interest is being calculated (such as partial months if the Effective Date is not the first day of a calendar month), or (iii) such other period as PFG may notify in writing to Borrower, or (iv) in the case of interest payments hereunder, each Interest Period. For the avoidance of doubt, under this Agreement, a "month" consists of 31 days in each January, March, May, July, August, October and December, 30 days in each other month except February, which consists of 28 days or, in a leap year, 29 days.

"Board" means the Board of Directors or other governing authority of any Obligor as authorized in its Constitutional Documents (which for the avoidance of doubt, includes a member or manager of a limited liability company).

"Borrower" means the entity identified on the first page of this Agreement and any other Person who may from time to time be joined as a borrower under this Agreement; a reference to "Borrower" means "each Borrower".

"Business Day" or "business day" means any weekday on which banks in California are generally open for business.

"BVI" means the British Virgin Islands.

"Change in Control" means any event, transaction, or occurrence as a result of which any "person" (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act, other than a trustee or other fiduciary holding securities under an employee benefit plan of Borrower, is or becomes a beneficial owner (within the meaning Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of Borrower, representing fifty percent

(50%) or more of the combined voting power of Borrower's then outstanding securities in a single transaction or a series of related transactions (other than by the sale of Borrower's equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to PFG the venture capital or private equity investors at least seven (7) Business Days prior to the initial closing of the transaction and provides to PFG a description of the material terms of the transaction and such other information as PFG may reasonably request).

"Code" means the Uniform Commercial Code as adopted and in effect in the State of California from time to time.

"Commission" means the U.S. Securities and Exchange Commission or any successor entity.

"Commission Documents" shall mean, as of a particular date, all reports, schedules, forms, statements and other documents filed by the Company with the Commission pursuant to the reporting requirements of the Exchange Act, including material filed pursuant to Section 13(a) or 15(d) of the Exchange Act, the Registration Statement, and shall include all information contained in such filings and all filings incorporated by reference therein.

"Commodity Account" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"Consent and Amendment" means that certain Consent and Amendment, dated as of the Consent and Amendment Effective Date, among PFG, the Borrower and the Initial Guarantors.

"Consent and Amendment Effective Date" means November 14, 2024.

"Constitutional Document" means for any Person, such Person's incorporation documents, as last certified by the Secretary of State (or equivalent Governmental Body) of such Person's jurisdiction of organization, if applicable, together with, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its certificate of incorporation, articles of association and/or limited liability company agreement (or operating or similar agreement), (c) if such Person is a partnership, its partnership agreement (or similar agreement), and (d) if such Person is a statutory joint venture company or similar entity, its joint venture (or similar) agreement, each of the foregoing with all current amendments or modifications thereto.

"Contingent Obligation" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, Dividend, letter of credit or other obligation of another such as an obligation, in each case directly or indirectly guaranteed, endorsed, co made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"continuing" and "during the continuance of" when used with reference to a Default or Event of Default means that the Default or Event of Default has occurred and has not been either waived in writing by PFG or cured within any applicable cure period.

"Conversion Right" means PFG's right to convert its Promissory Note into ordinary shares of the Group Parent as set forth Section 1 of the Schedule.

"Default" means any event which with notice or passage of time or both, would constitute an Event of Default.

"Default Rate" means the lesser of (i) the applicable rate(s) set forth in the Schedule, plus six percent (6%) per annum, and (ii) the maximum rate of interest that may lawfully be charged to a commercial borrower under applicable usury laws.

"Deposit Accounts" means all present and future "deposit accounts" as defined in the Code in effect on the Effective Date in the name of the Borrower or any Guarantor, with such additions to such term as may hereafter be made, and includes without limitation all general and special bank accounts, demand accounts, checking accounts, savings accounts and certificates of deposit, and as used in this Agreement, the term "Deposit Accounts" shall be construed to also include securities, commodities and other Investment Property accounts.

"Dividend" means a payment or other distribution in respect of an equity interest to an owner thereof, (A) whether or not (i) in respect of net profits, revenues or otherwise, (ii) declared by Borrower's (or other relevant party's) Board, (iii) previously paid, or (iv) authorized in its Constitutional Documents or otherwise, and (B) for the avoidance of doubt, including distributions to members of a limited liability company.

"Due Date" in relation to monetary Obligations payable from time to time by Borrower means (i) the date for payment specified in this Agreement (such as, on the first day of each calendar month for interest accrued during the prior month, as contemplated in Section 1.2) or in any other writing executed and delivered by PFG and Borrower from time to time, whether such payment is recurring, one-time or otherwise, or (ii) in the case of Obligations for which no date for payment is specified in this Agreement and which cannot be reasonably ascertained without an invoice from PFG, such as reimbursement of PFG Expenses, the date for payment specified in an invoice sent by or on behalf of PFG to Borrower, which date shall not be less than five (5) Business Days from delivery by electronic means.

"Effective Date" means June 21, 2023.

"Event of Default" means any of the events set forth in Section 6.1 of this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a recipient or required to be withheld or deducted from a payment to a recipient: (a) Taxes imposed on or measured by such recipient's net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such recipient being organized under the laws of, or having its principal office or, in the case of any investor, its applicable lending office located in, the jurisdiction imposing such Tax or (ii) that are Other Connection Taxes, (b) in the case of a investor, any U.S. federal withholding Taxes imposed pursuant to a law in effect on the date on which such investor becomes a party hereto or changes its lending office, except in each case to the extent that, pursuant to Section 8.21, additional amounts with respect to such Taxes were payable either to such investor's assignor immediately before such investor became a party hereto or to such investor immediately before it changes its lending office, (c) Taxes attributable to such recipient's failure to comply with Section 8.21 and (d) any Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official administrative interpretations thereof, any agreements entered into pursuant to current Section 1471(b)(1) of the Internal Revenue Code (or any amended or successor version described above) and any intergovernmental agreements implementing the foregoing (together with any laws implementing such agreements).

"Financial Statements" means financial statements of each of Group Parent, and it Subsidiaries including a balance sheet, income statement and cash flow and, in the case of monthly-required financial statements, showing data for the month being reported and a history showing each month from the beginning of the relevant fiscal year, together with any financial statements that have been prepared or are requested by PFG with respect to Group Members not within a consolidated financial statement of any of the foregoing.

"GAAP" means generally accepted accounting principles consistently applied.

"GEM Equity Purchase Facility" means the obligation of the GEM Purchasers to purchase equity of Surf Air Global Ltd. in an amount up to $400,000,000, subject to the terms and conditions set forth in the GEM Share Purchase Agreement.

"GEM Listing Day Purchase Agreement" means that certain Share Purchase Agreement by and among Group Parent and the GEM Purchasers dated as of June 15, 2023 pursuant to which GEM will purchase 1,000,000 shares of Common Stock for a purchase price of $25,000,000.

"GEM Share Purchase Agreement" means that certain Second Amended and Restated Share Purchase Agreement, dated February 8, 2023 by and among, Surf Air Global Ltd., GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (collectively, the "GEM Purchasers"), as in effect on the date hereof.

"good faith business judgment" means honesty in fact and good faith (as defined in Section 1201 of the Code) in the exercise of PFG's business judgment.

"Governmental Authorization" means any: (a) permit, license, certificate, franchise, concession, approval, consent, ratification, permission, clearance, confirmation, endorsement, waiver, certification, designation, rating, registration, qualification or authorization that is, has been issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement; or (b) right under any contract with any Governmental Body.

"Governmental Body" means any: (a) nation, principality, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (d) multi-national organization or body; or (e) individual, entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

"Group" means Borrower, each Guarantor, the direct or indirect Subsidiaries and controlled Affiliates of Guarantor or Borrower, and "Group Member" means any of such foregoing Persons.

"Group Parent" means Surf Air Mobility Inc., a Delaware corporation.

"Guarantor" means the Initial Guarantors and any Additional Guarantors.

"Guaranty" means the guaranty provisions of Section 10.

"including" means including (but not limited to).

"Indebtedness" means (a) indebtedness for borrowed money or the deferred purchase price of property or services (other than trade payables arising in the ordinary course of business), (b) obligations evidenced by bonds, notes, debentures or other similar instruments, (c) reimbursement obligations in connection with letters of credit, (d) capital lease obligations and (e) Contingent Obligations in respect of Indebtedness under clauses (a) through (c).

"Insolvency Proceeding" means (a) any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law in any jurisdiction, including winding-up procedures, assignments for the benefit of creditors, compositions, receiverships, administrations, extensions generally with its creditors, or proceedings seeking reorganization, arrangement or other relief; or (b) if any step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of a Person's creditors; (c) if a meeting of a Person's shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to make an application to or to file documents with a court or any registrar for, such Person's winding-up, administration or dissolution or any such resolution is passed; or (d) if an order is made for a Person's

winding-up, administration or dissolution, or any Person presents a petition, or makes an application to or files documents with a court or any registrar, for such Person's winding-up, administration or dissolution, or gives notice to PFG of an intention to appoint an administrator; or (e) if any liquidator, receiver, administrative receiver, administrator or similar officer is appointed in respect of a Person or any of such Person's assets; or (f) if a Person's shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, receiver, administrator or similar officer.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

"Investment Property" means all present and future investment property, securities, stocks, bonds, debentures, debt securities, partnership interests, limited liability company interests, options, security entitlements, securities accounts, commodity contracts, commodity accounts, and all financial assets held in any securities account or otherwise, and all options and warrants to purchase any of the foregoing, wherever located, and all other securities of every kind, whether certificated or uncertificated.

"LamVen Note" means that certain Senior Secured Promissory Note, dated as of November 14, 2024, by the Company in favor of LamVen LLC, as amended, restated, modified, replaced, refinanced, substituted or supplemented from time to time.

"Legal Requirement" means any written local, municipal, foreign or other law, statute, legislation, constitution, principle of common law, resolution, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, ruling, directive, pronouncement, requirement, specification, determination, decision, opinion or interpretation that is, has been issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Body.

"Lien" or "lien" is a security interest, claim, mortgage, deed of trust, levy, charge, pledge or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"Material Adverse Change" means any of the following: (i) a material adverse change in the business, operations, or financial or other condition of the Obligors taken as a whole, or (ii) a material impairment of the reasonable ability of the Obligors to repay the Obligations as they fall due.

"Maturity Date" means the relevant Maturity Date set forth in Section 4 of the Schedule.

"New Financing" means, collectively, any third-party debt financing obtained by the Borrower or any Guarantor, or any subsidiary thereof, on or after the Consent and Amendment Effective Date and designated in writing by the Borrower to PFG as "New Financing" hereunder, in each case as amended, restated, modified, replaced, refinanced, substituted or supplemented from time to time.

"New LC Reimbursement Agreement" means, collectively, any reimbursement agreement (or similar agreement) among the Borrower or any Guarantor, or any subsidiary thereof, and any provider of direct or indirect credit support for any New Financing (including, by way of example and without limitation, any party that obtains, directly or indirectly, a letter of credit or bank guaranty to provide credit support to the provider(s) of any such New Financing).

"Note Documents" means, collectively, this Agreement, the Promissory Note, and all other present and future documents, instruments and agreements between or among PFG, Borrower, and/or any Guarantor including, but not limited to those relating to this Agreement, and all amendments and modifications thereto and replacements therefor.

"Obligations" means all present PFG Investment and future investments, loans, advances, debts, liabilities, obligations, guaranties, covenants, duties and indebtedness at any time owing by Borrower to PFG, including obligations and covenants intended to survive the termination of this Agreement, whether evidenced by this Agreement or any note or other instrument or document related hereto, including obligations otherwise arising from any extension of credit, opening of a letter of credit, banker's acceptance, loan, guaranty, indemnification or otherwise,

whether direct or indirect (including, without limitation, those acquired by assignment and any participation by PFG in any Obligor's debts owing to others), absolute or contingent, due or to become due, including, without limitation, all interest, charges, expenses, fees, attorney's fees, expert witness fees, audit fees, collateral monitoring fees, closing fees, facility fees, commitment fees, contingent fees, back-end and performance-based fees, termination fees, minimum interest charges and any other sums chargeable to any Obligor under this Agreement or under any other Note Documents, provided for purposes of the termination of this Agreement under Section 5.3 (or repayment in full at the Maturity Date).

"Obligor" means Borrower and any Guarantor.

"Ordinary (or "ordinary") course of business" and derivatives shall apply to an action taken or an action required to be taken and not taken by or on behalf of a Borrower. An action will not be deemed to have been taken in the "ordinary course of business" *unless*: (a) such action is consistent with its past practices (if such type of action has been taken in the past and, if not, such action shall be deemed not in the ordinary course of business) and is similar in nature and magnitude to actions customarily taken by it; (b) such action is taken in accordance with sound and prudent business practices in its jurisdiction of organization; and (c) such action is not required to be authorized by its shareholders and does not require any other separate or special authorization of any nature.

"Other Connection Taxes" means, with respect to any recipient, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, or received payments under this Agreement).

"Other Property" means the following as defined in the Code in effect on the Effective Date with such additions to such terms as may hereafter be made, and all rights relating thereto: all present and future "commercial tort claims" (including without limitation any commercial tort claims identified to PFG in writing), "documents", "instruments", "promissory notes", "chattel paper", "letters of credit", "letter-of-credit rights", "fixtures", "farm products" and "money"; and all other goods and personal property of every kind, tangible and intangible, whether or not governed by the Code, provided that in no event shall Other Property be deemed to include any aircraft subleased by any Obligor.

"Payment" means all checks, wire transfers and other items of payment received by PFG for credit to Borrower's outstanding Obligations.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, government, or any agency or political division thereof, or any other entity.

"PFG Expenses" means, in each case without limitation as to type and kind: reasonable Professional Costs, and all filing, recording, search, title insurance, appraisal, audit, and other reasonable costs incurred by PFG, pursuant to, or in connection with, or relating to this Agreement (whether or not a lawsuit is filed), including, but not limited to, Professional Costs PFG pays or incurs in order to do the following: (i) prepare and negotiate this Agreement and all present and future documents relating to this Agreement; (ii) obtain legal advice in connection with this Agreement or Borrower; enforce, or seek to enforce, any of its rights or retain the services of consultants to do so; (iii) prosecute actions against, or defend actions by, Account Debtors; (iv) commence, intervene in, or defend any action or proceeding; (v) initiate any complaint to be relieved of the automatic stay in bankruptcy; (vi) file or prosecute any probate claim, bankruptcy claim, third-party claim, or other claim; (vii) examine, audit, copy, any of Borrower's books and records, subject to Section 4.5; (viii) [reserved]; and (ix) otherwise represent PFG in any litigation relating to Borrower.

"PFG Investment" has the meaning set forth in Section 1.1 to the Schedule hereto.

"PFG Warrants" means those certain warrants to purchase stock, issued by Surf Air Global Limited, to PFG or its affiliates from time to time prior to the date hereof.

"Principal Market" shall mean the U.S. national securities exchange on which the Common Shares are, or will be, traded.

"Professional Costs" means all reasonable fees and expenses of auditors, accountants, valuation experts, restructuring and other advisory services in connection with restructurings, workouts and Insolvency Proceedings, and reasonable fees and costs of attorneys.

"Public Listing" shall mean the public listing of Common Shares for trading on the Principal Market.

"Registration Statement" shall mean the registration statement on Form S-1 and Form S-4 under the Securities Act to be filed by the Group Parent with the Commission with respect to the registration of Common Shares, in advance of the Public Listing.

"Responsible Officer(s)" means Deanna White, Oliver Reeves, Douglas Sugimoto and any other person authorized to bind Borrower and notified to PFG in writing by a Responsible Officer as a new Responsible Officer.

"SAFE Note" means that certain Simple Agreement For Future Equity (SAFE), made on May 17, 2022, in favor of Partners for Growth V, L.P. for an issue price of $15,156,438.24.

"Securities Account" is any "securities account" as defined in the Code with such additions to such term as may hereafter be made.

"Senior Priority Debt" means any debt for borrowed money of Borrower to which the Obligations hereunder have been subordinated in right of payment by an agreement binding on PFG.

"Subsidiary" means, with respect to any Person, (i) any Person of which more than 50% of the voting stock or other equity interests is owned or (ii) a Person controlled, directly or indirectly, by such Person or one or more Subsidiary of such Person and which, for the avoidance of doubt, shall include a "sister" company to a Person under common direct or indirect ownership meeting the above specified percentage for being considered a "Subsidiary" or (iii) a subsidiary as defined in Section 1159 of the UK Companies Act 2006 or (iv) unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 1162 of the UK Companies Act 2006.

"Tax" means any tax (including any income tax, franchise tax, capital gains tax, estimated tax, gross receipts tax, value- added tax, surtax, excise tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, occupation tax, inventory tax, occupancy tax, withholding tax or payroll tax), levy, assessment, tariff, impost, imposition, toll, duty (including any customs duty), deficiency or fee, and any related charge or amount (including any fine, penalty or interest), that is, has been or may in the future be (a) imposed, assessed or collected by or under the authority of any Governmental Body, or (b) payable pursuant to any tax-sharing agreement or similar contract.

"Transfer" or "transfer" shall include any sale, assignment with or without consideration, encumbrance, hypothecation, pledge, or other transfer or disposition of any kind, including, but not limited to, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly.

"$" means United States dollars.

Other Terms. All accounting terms used in this Agreement, unless otherwise indicated, shall have the meanings given to such terms in accordance with GAAP, consistently applied. All other terms contained in this Agreement, unless otherwise indicated, shall have the meanings provided by the Code, to the extent such terms are defined therein.

8. GENERAL PROVISIONS.

8.1 Confidentiality. PFG agrees to use the same degree of care that it exercises with respect to its own proprietary information, to maintain the confidentiality of any and all proprietary, trade secret or other information

identified by Borrower as confidential provided to or received by PFG from Borrower, including business plans and forecasts, non-public financial information, confidential or secret processes, formulae, devices and contractual information, customer lists, and employee relation matters, provided that PFG may disclose such information (i) to its officers, directors, employees, attorneys, accountants, affiliates, and advisory boards (provided they are informed of the confidential nature of the information and have agreed to keep it confidential), (ii) subject to an agreement containing provisions substantially the same as this Section, to any participants, prospective participants, assignees and prospective assignees, (iii) to such other Persons to whom PFG shall at any time be required to make such disclosure in accordance with applicable law or legal process, and (iv) in its good faith business judgment in connection with the enforcement of its rights or remedies after an Event of Default, or in connection with any dispute with Borrower or any other Person relating to Borrower. The confidentiality agreement in this Section supersedes any prior confidentiality agreement of PFG relating to Borrower.

8.2 Interest Computation. In computing interest on the Obligations, all Payments received after 12:00 Noon, Pacific Time, on any day shall be deemed received on the next Business Day.

8.3 Payments. All Payments may be applied, and in PFG's good faith business judgment reversed and re-applied, to the Obligations, in such order and manner as PFG shall determine in its good faith business judgment.

8.4 Monthly Accountings. PFG may provide Borrower monthly with an account of advances, charges, expenses and payments made pursuant to this Agreement. Such account shall be deemed correct, accurate and binding on Borrower and an account stated (except for reverses and reapplications of payments made and corrections of errors discovered by PFG), unless Borrower notifies PFG in writing to the contrary within 60 days after such account is rendered, describing the nature of any alleged errors or omissions.

8.5 Notices. All notices to be given under this Agreement or any other Note Documents shall be in writing and shall be given either personally, or by nationally recognized overnight air courier, or by regular first-class mail, certified mail return receipt requested, or by fax to the most recent fax number a party has for the other party (and if by fax, sent concurrently by one of the other methods provided herein), or by electronic mail, addressed to PFG at the addresses shown in the heading to this Agreement, to Borrower or its Affiliates at the Borrower's Address, or at any other address designated in writing by one party to the other party. All notices shall be deemed to have been given upon delivery in the case of notices personally delivered, or at the expiration of one Business Day if sent by a nationally recognized overnight air courier, or four Business Days following the deposit thereof in the United States mail, with postage prepaid, or on the first business day of receipt during business hours in the case of notices sent by fax or electronic mail, as provided herein.

8.6 Authorization to Use Borrower Name, Etc. Borrower irrevocably authorizes PFG to: (i) use Borrower's logo on PFG's website and in its marketing materials to denote the lending relationship between PFG and Borrower; and (ii) use a "tombstone" to highlight the transaction(s) from time to time between PFG and Borrower, all of the above (i) through (ii), for marketing purposes.

8.7 Severability. Should any provision of this Agreement be held by any court of competent jurisdiction to be void or unenforceable, such defect shall not affect the remainder of this Agreement, which shall continue in full force and effect.

8.8 Integration. This Agreement and such other written agreements, documents and instruments as may be executed in connection herewith are the final, entire and complete agreement between Borrower and PFG and supersede all prior and contemporaneous negotiations and oral representations and agreements, all of which are merged and integrated in this Agreement. There are no oral understandings, representations or agreements between the parties which are not set forth in this Agreement or in other written agreements signed by the parties in connection herewith.

8.9 Waivers; Indemnity. The failure of PFG at any time or times to require an Obligor to strictly comply with any of the provisions of this Agreement or any other Note Document shall not waive or diminish any right of PFG later to demand and receive strict compliance therewith. Any waiver of any default shall not waive or affect any other default, whether prior or subsequent, and whether or not similar. None of the provisions of this Agreement or any other Note Document shall be deemed to have been waived by any act or knowledge of PFG or its agents or

employees, but only by a specific written waiver signed by an authorized officer of PFG and delivered to Borrower. Each Obligor waives the benefit of all statutes of limitations relating to any of the Obligations or this Agreement or any other Note Document, and each Obligor waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of any commercial paper, instrument, account, general intangible, document or guaranty at any time held by PFG on which an Obligor is or may in any way be liable, and notice of any action taken by PFG, unless expressly required by this Agreement. Each Obligor hereby agrees to indemnify PFG and its affiliates, subsidiaries, parent, directors, officers, employees, agents, and attorneys, and to hold them harmless from and against any and all claims, debts, liabilities, demands, obligations, actions, causes of action, penalties and PFG Expenses of every kind, which they may sustain or incur based upon or arising out of any of the Obligations, or any other matter, relating to any Obligor or the Obligations; provided that this indemnity shall not extend to damages determined by a court of competent jurisdiction in a final judgment to have been proximately caused by the indemnitee's own gross negligence or willful misconduct. Notwithstanding any provision in this Agreement to the contrary, the indemnity agreement set forth in this Section shall survive any termination of this Agreement and shall for all purposes continue in full force and effect.

8.10No Liability for Ordinary Negligence. Each party agrees that any and all claims it may have under this Agreement shall be limited to claims against another party and not its directors, officers, employees, agents, attorneys or any other Person affiliated with or representing such party. No party, nor any of its directors, officers, employees, agents, attorneys or any other Person affiliated with or representing such party shall be liable for any claims, demands, losses or damages, of any kind whatsoever, made, claimed, incurred or suffered by any Obligor or any other party through the negligence of such party, or any of its directors, officers, employees, agents, attorneys or any other Person affiliated with or representing such party, but nothing herein shall relieve such party from liability for its own gross negligence or willful misconduct.

8.11Amendment. The terms and provisions of this Agreement may not be waived or amended, except in a writing executed by Borrower and a duly authorized officer of PFG. No purported amendment or modification of any Note Document, or waiver, discharge or termination of any obligation under any Note Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Note Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver.

8.12Time of Essence. Time is of the essence in the performance by Borrower of each and every obligation under this Agreement.

8.13PFG Expenses. Borrower shall reimburse PFG for all PFG Expenses. All PFG Expenses to which PFG may be entitled pursuant to this Paragraph shall immediately become part of Borrower's Obligations, shall be due on demand, and if not paid within two (2) Business Days after demand, shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations.

8.14Benefit of Agreement. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, beneficiaries and representatives of Borrower, each other Obligor and PFG; provided, however, that no Obligor may assign or Transfer any of its rights under this Agreement without the prior written consent of PFG, and any prohibited assignment shall be void. No consent by PFG to any assignment shall release any Obligor from its liability for the Obligations.

8.15Joint and Several Liability. If Borrower consists of more than one Person, their liability shall be joint and several, and the compromise of any claim with, or the release of, any Borrower shall not constitute a compromise with, or a release of, any other Borrower.

8.16Limitation of Actions. Any claim or cause of action by any Obligor against PFG, its directors, officers, employees, agents, accountants or attorneys, based upon, arising from, or relating to this Agreement, or any other Note Document, or any other transaction contemplated hereby or thereby or relating hereto or thereto, or any

other matter, cause or thing whatsoever, incurred, done, omitted or suffered to be done by PFG, its directors, officers, employees, agents, accountants or attorneys, shall be barred unless asserted by such Obligor by the commencement of an action or proceeding in a court of competent jurisdiction by (a) the filing of a complaint within one year after the earlier to occur of (i) the first act, occurrence or omission upon which such claim or cause of action, or any part thereof, is based, or (ii) the date this Agreement is terminated, and (b) the service of a summons and complaint on an officer of PFG, or on any other person authorized to accept service on behalf of PFG, within ninety (90) days thereafter. Each Obligor agrees that such one-year period is a reasonable and sufficient time to investigate and act upon any such claim or cause of action. The one-year period provided herein shall not be waived, tolled, or extended except by the written consent of PFG in its sole discretion. This provision shall survive any termination of this Agreement or any other Note Document.

8.17Investment Monitoring. At reasonable times and upon reasonable advance notice to Borrower, PFG shall have the right to visit personally with Borrower up to two times per calendar year at its principal place of business or such other location as the parties may mutually agree, for the purpose of meeting with Borrower's management in order to remain as up-to-date with Borrower's business as is practicable and to maintain best practices in terms of investment monitoring and diligence. PFG Expenses incurred for travel, lodging and similar expenses for up to three PFG staff for such visits shall be at Borrower's expense and reimbursed in the same manner as other PFG expenses under this Agreement.

8.18Paragraph Headings; Construction; Counterparts. Paragraph headings are only used in this Agreement for convenience. Borrower and PFG acknowledge that the headings may not describe completely the subject matter of the applicable paragraph, and the headings shall not be used in any manner to construe, limit, define or interpret any term or provision of this Agreement. This Agreement has been fully reviewed and negotiated between the parties with the benefit of independent counsel and no uncertainty or ambiguity in any term or provision of this Agreement shall be construed strictly against PFG or Borrower under any rule of construction or otherwise. References to "Borrower" are construed to mean "each Borrower", unless otherwise expressly specified. Amounts set off in brackets or parentheses are negative. The word "shall" is mandatory, the word "may" is permissive, and the word "or" is not exclusive. The term "Agreement" includes the Schedule and (if not otherwise specified) any amendment, modification, restatement or other writing amending the terms of this Agreement. Obligations of a similar nature addressed in different sections of this Agreement shall be deemed supplemental to one another and not exclusive unless expressly set forth as such. Words and phrases expressing examples, including "for example" and "such as" are non-exclusive. References in this Agreement to obligations of an Obligor that is not a party to this Agreement shall be construed to mean obligations of Borrower to procure such action or procure that an action limited by this Agreement is not taken by such Obligor. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

8.19Correction of Note Documents. PFG may correct patent errors and fill in any blanks in the Note Documents consistent with the agreement of the parties so long as PFG provides Borrower with written notice of such correction and allows Borrower at least ten (10) days to object to such correction. In the event of such objection, such correction shall not be made except by an amendment signed by both PFG and Borrower.

8.20Governing Law; Jurisdiction; Venue. This Agreement and all acts and transactions hereunder and all rights and obligations of PFG and Borrower hereunder shall be governed by the laws of the State of California. As a material part of the consideration to PFG to enter into this Agreement, Borrower (i) agrees that all actions and proceedings relating directly or indirectly to this Agreement shall, at PFG's sole option, be litigated in courts located within California and that the exclusive venue therefor shall, at PFG's sole option, be Santa Clara County; (ii) consents to the jurisdiction and venue of any such court (or such other court and jurisdiction as PFG may elect to enforce the Note Documents) and consents to service of process in any such action or proceeding by personal delivery or by internationally-recognized commercial courier or overnight delivery service or by certified mail, return receipt requested, to the last known address for Borrower; and (iii) waives any and all rights Borrower may have to object to the jurisdiction of any such court, or to transfer or change the venue of any such action or proceeding. Notwithstanding anything to the contrary in the foregoing, (x) PFG may enforce the Obligations (including the obligations of each Guarantor), and the other Note Documents in any jurisdiction in which Borrower, Guarantor resides or is deemed to reside, including BVI, and (y) execution and delivery of this Note Agreement "as a deed" by non-U.S. Persons shall be construed under BVI and United Kingdom law, as appropriate.

8.21Withholding; Gross-up. Payments received by PFG from any Obligor under or arising out of this Agreement or the other Note Documents will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Body (including any interest, additions to tax or penalties applicable thereto) except as required by any Governmental Body, applicable law, regulation or international agreement. Specifically, however, if at any time any Governmental Body, applicable law, regulation or international agreement requires such Obligor to make any withholding or deduction for taxes other than Excluded Taxes ("Indemnified Taxes") from any such payment or other sum payable hereunder to PFG, Borrower shall procure that the amount due from such Obligor with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, PFG receives a net sum equal to the sum which it would have received had no withholding or deduction for Indemnified Taxes been required, and such Obligor shall pay the full amount withheld or deducted to the relevant Governmental Body. PFG shall deliver to Borrower a properly completed and duly executed Internal Revenue Service Form W-9, and such other documentation reasonably requested by Borrower, establishing that PFG is not subject to U.S. backup withholding Tax or withholding under FATCA with respect to payments received from any Obligor under this Agreement. Borrower will, upon request, furnish or procure for PFG proof reasonably satisfactory to PFG indicating that such Obligor has made any required withholding payment; provided, however, that such Obligor need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower in respect of itself in each other Obligor contained in this Section 8.21 shall survive the termination of this Agreement.

8.22Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Note Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

8.23Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this ***Agreement***. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

8.24Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

8.25Mutual Waiver of Jury Trial. **EACH OBLIGOR AND PFG EACH HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO, THIS AGREEMENT OR ANY OTHER PRESENT OR FUTURE INSTRUMENT OR AGREEMENT BETWEEN PFG AND BORROWER, OR ANY CONDUCT, ACTS OR OMISSIONS OF PFG OR BORROWER OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH PFG OR BORROWER, IN ALL OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY**, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, PFG

desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then PFG may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and order applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to the Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of PFG at any time to exercise self-help remedies, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

9. REPRESENTATIONS AND WARRANTIES OF PFG. PFG hereby represents and warrants to the Borrower, as follows:

9.1 Purchase for Own Account. PFG represents that it is acquiring the Promissory Note and the Conversion Shares (the "Securities") solely for its own account and beneficial interest for investment and not for sale or with a view to distribution of the Securities or any part thereof, has no present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the same, and does not presently have reason to anticipate a change in such intention.

9.2 Information and Sophistication. PFG hereby: (i) acknowledges that it has received all the information it has requested from the Borrower and it considers necessary or appropriate for deciding whether to acquire the Securities, (ii) represents that it has had adequate opportunity to ask questions and receive answers from the Borrower regarding the terms and conditions of the offering of the Securities and to obtain any additional information necessary to verify the accuracy of the information given to PFG and evaluate the merits of this investment, (iii) represents that it has been advised to and has been given ample opportunity to seek independent financial and legal counsel to evaluate the merits of this investment, and (iv) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

9.3 Ability to Bear Economic Risk. PFG acknowledges that investment in the Securities involves a high degree of risk, and represents that it is able, without materially impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

9.4 Restricted Securities. The Holder understands that the Promissory Note and the Conversion Shares may not be sold, transferred or otherwise disposed of without registration under the Exchange Act or exemption therefrom, and that in the absence of an effective registration statement covering such securities or an available exemption from registration under the Exchange Act, such securities must be held indefinitely. In particular, the Holder is aware that such securities may not be sold pursuant to Rule 144 promulgated under the Exchange Act unless all of the conditions of that rule are met. Among the conditions for use of Rule 144 may be the availability of current information to the public about the Company. Such information is not now available and the Company has no present plans to make such information available. Holder understands that such securities may bear the following legend or substantially similar language:

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD IN ACCORDANCE WITH RULE 144 UNDER SUCH ACT.

9.5 Accredited Investor Status. PFG is an "accredited investor" as such term is defined in Rule 501 under the Act, as amended.

10. GUARANTY.

10.1Each subsidiary of the Borrower signatory to the Consent and Amendment as of the Consent and Amendment Effective Date (each, an "Initial Guarantor") shall be an Obligor and Guarantor hereunder and bound by the provisions hereof applicable to the Obligors and Guarantors (including, without limitation, this Section 10). The Borrower shall ensure that each subsidiary of the Borrower that becomes a guarantor of the LamVen Note, no later than ten Business Days after the later of (i) the date such guarantee becomes effective and (ii) the Consent and Amendment Effective Date, in each case, shall become party hereto as an Obligor and Guarantor by a joinder agreement in form and substance satisfactory to PFG (such subsidiaries becoming parties hereto, collectively the "Additional Guarantors"), and shall be bound by the provisions hereof applicable to the Obligors and Guarantors (including, without limitation, this Section 10).

10.2Each Obligor hereby jointly and severally with the other Obligors guarantees, as a primary obligor and not as a surety to PFG and its permitted successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of (i) the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code and (ii) any other debtor relief laws) on this Agreement from time to time owing to PFG by any Obligor, in each case strictly in accordance with the terms hereof and thereof (such obligations, including any future increases in the amount thereof, being herein collectively called the "**Guaranteed Obligations**"). The Obligors hereby jointly and severally agree that if the Borrower or the other Obligor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Obligors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. All payments to be made by any Obligor shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. The guarantee in this Section 10 is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

10.3The obligations of the Obligors under Section 10 shall constitute a guaranty of payment and to the fullest extent permitted by applicable law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of the Borrower under this Agreement, or any other agreement or instrument referred to herein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Obligor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Obligors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above: (i) at any time or from time to time, without notice to the Obligors, to the extent permitted by law, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived; (ii) any of the acts mentioned in any of the provisions of this Agreement, or any other agreement or instrument referred to herein, shall be done or omitted; (iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under this Agreement or any other agreement or instrument referred to herein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or (iv) the release of any other Obligor pursuant to Section 10.

10.4The Obligors hereby expressly waive (to the fullest extent permitted by law) diligence, presentment, demand of payment, protest and, to the extent permitted by law, all notices whatsoever, and any requirement that PFG exhaust any right, power or remedy or proceed against the Borrower under this Agreement or any other agreement or instrument referred to herein, or against any other person under any other guarantee of any of the Guaranteed Obligations. The Obligors waive, to the extent permitted by law, any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by PFG upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guaranty, and all dealings between the Borrower and PFG shall likewise be conclusively presumed to have been had or consummated in reliance upon this

Guaranty. This Guaranty shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by PFG, and the obligations and liabilities of the Obligors hereunder shall not be conditioned or contingent upon the pursuit by PFG or any other person at any time of any right or remedy against the Borrower or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guaranty shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Obligors and the successors and assigns thereof, and shall inure to the benefit of PFG and its successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

10.5 The obligations of the Obligors under this Section 10 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower or other Obligor in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. Each Obligor hereby agrees that until the payment in full in cash and satisfaction in full of all Guaranteed Obligations it shall subordinate any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 10, whether by subrogation, contribution or otherwise, against the Borrower or any other Obligor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

10.6 The Obligors jointly and severally agree that, as between the Obligors and the PFG, the obligations of the Borrower under this Agreement may be declared to be forthwith due and payable (or become automatically due and payable) as provided therein for purposes of Section 10, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Obligors for purposes of Section 10.

10.7 In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Obligor under Section 10 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 10, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Obligor or any other Person, be automatically limited and reduced to the highest amount (after giving effect to the liability under this Guaranty, but before giving effect to any other guarantee) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

10.8 If, in compliance with the terms and provisions of this Agreement, any Guarantor ceases to guarantee the LamVen Note, then such Guarantor shall, upon the cessation of its guarantee of the LamVen Note, be automatically released from its obligations under this Agreement (including under this Section 10) and the other Note Documents.

11. RANKING.

11.1 This Agreement and the other Note Documents are subject to the Subordination Agreement, and in case of any conflict between the terms hereof or of any other Note Document and the terms of the Subordination Agreement, the terms of the Subordination Agreement shall control.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first written above.

PFG:		BORROWER:	
PARTNERS FOR GROWTH V, L.P.		SURF AIR MOBILITY INC.	
By: Partners for Growth V, LLC, Its General Partner			
By:	/s/ Andrew Kahn	By:	/s/
Name:	Andrew Kahn	Name:	
Title:	Manager	Title:	

Partners For Growth

Schedule to
Convertible Note Purchase Agreement

Borrower:	**Surf Air Mobility Inc., a Delaware corporation**
Address:	**12111 S. Crenshaw Boulevard, Hawthorne, CA 90250**
Date:	**June 21, 2023**

This Schedule forms an integral part of the Convertible Note Purchase Agreement between PARTNERS FOR GROWTH V, L.P. and the above-referenced Borrower dated the date hereof.

1. PFG INVESTMENT (Section 1.1):

PFG Investment: Subject to the terms and conditions set forth in this Agreement and the other Note Documents, within two Business Day after the conditions set forth in Section 9 of this Schedule have been satisfied, waived in writing by PFG or deferred as a condition subsequent by PFG, each in its sole discretion, Borrower shall borrow from PFG, and PFG shall invest in Borrower, the aggregate principal sum of Eight Million and 00/100 Dollars ($8,000,000.00) (the "PFG Investment"). Such indebtedness shall be evidenced by, and repaid according to, the terms of a secured convertible promissory note (the "Promissory Note"), substantially in the form attached hereto as Exhibit A. The PFG Investment shall be made by wire transfer of immediately available funds to an account owned by Borrower, specified by Borrower at least one Business Day prior to the date hereof.

Principal payments on the PFG Investment may not be reborrowed. The entire unpaid principal amount of the PFG Investment shall be due and payable on the Maturity Date together with any and all accrued and unpaid interest thereon (unless earlier converted pursuant to the terms of this Agreement or the Promissory Note. Prepayments of principal shall be permitted at any time in whole or in part, shall not be subject to any penalty or premium, and shall be accompanied by all accrued and unpaid interest thereon.

Accrued interest on the PFG Investment shall be paid monthly as provided in Section 1.2 of this Agreement.

Note Conversion: Any date on or after the date hereof and through the later of (i) the Maturity Date or (ii) the date that the Obligations hereunder are repaid in full, PFG, at its sole desertion, shall have the right (but not the obligation), at any time, to convert the Promissory Note into Common Stock at a conversion price equal to (x) the principal amount of the PFG Investment plus any accrued and unpaid interest thereon, divided by (y) the amount that is one-hundred and twenty percent (120%) of the initial listing price of the Common Stock, per share, immediately after the opening trade on the date of completion of the Group Parent's public listing on New York Stock Exchange (collectively, the "Conversion Shares").

Upon conversion, Group Parent shall issue in the name of PFG or its Affiliate, a certificate, certificates or other evidence of the Conversion Shares to which PFG is entitled upon such conversion and such certificate(s) (or other evidence of issuance satisfactory to PFG) shall be promptly delivered to PFG.

Group Parent shall reserve and keep available out its authorized but not unissued share capital such number of Conversion Shares as shall from time to time be sufficient to effect conversion of the Promissory Note. Group Parent will not, by amendment of its charter documents, shareholders or other agreements with investors or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of

securities, dividend or other distribution of cash or property, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by Group Parent but will at all times in good faith assist in the carrying out of all the provisions hereof, and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of PFG as set forth herein against impairment.

Upon conversion of the Promissory Note, (a) the Group Parent shall have no further obligations under the Promissory Note other than to deliver such Common Stock and (b) PFG and Group Parent hereby agree to execute and deliver all transaction documents reasonably necessary to effect such conversion and the Note Agreement and the Note Documents shall be deemed terminated.

2. INTEREST.

Interest Rate (Section 1.2): The PFG Investment shall bear interest at a per annum rate equal to the Designated Interest Rate.

In connection with the use or administration of Term SOFR, PFG will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Note Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Note Document. PFG will promptly notify Company of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

Designated Interest Rate for each Interest Period shall be determined as of two (2) Business Days prior to the first calendar day of each calendar month; provided that if such day is not a Business Day, such determination shall be made on the immediate succeeding Business Day. It is understood and agreed that the first Interest Period shall begin on the Consent and Amendment Effective Date and end on the last day of the same calendar month and shall bear interest at a rate equal to clause (i) of the definition of Designated Interest Rate.

As used herein:

"Applicable Margin" shall mean a rate of interest equal to 5.00% per annum.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to this Section 2.

"Benchmark" means, initially, the Term SOFR Reference Rate; provided, that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the

applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to this Section 2.

(a) "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by PFG for the applicable Benchmark Replacement Date:

(b) the sum of (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment; or

(c) the sum of: (i) the alternate benchmark rate that has been selected by PFG and Company giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Note Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by PFG and Company giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(d) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(e) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an

entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(f) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Note Document in accordance with this Section 2, and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Note Document in accordance with this Section 2.

"Conforming Changes" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of any breakage costs and other technical, administrative or operational matters) that PFG reasonably decides, after consultation with Company, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by PFG in a manner substantially consistent with market practice (or, if PFG decides that adoption of any portion of such market practice is not administratively feasible or if PFG determines that no market practice for the administration of any such rate exists, in such other manner of administration as PFG reasonably decides (after consultation with Company) is reasonably necessary in connection with the administration of this Note and the other Note Documents).

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by PFG in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided, that if PFG decides that any such convention is not administratively

feasible for PFG, then PFG may establish another convention in its reasonable discretion.

“Designated Interest Rate” means, for any Interest Period, the greater of (i) a rate of nine and three quarters percent (9.75%) per annum or (ii) Term SOFR, plus the Applicable Margin.

“Floor” means a rate of interest equal to 1.00% per annum.

“Interest Payment Date” shall mean, (i) prior to the Maturity Date, the last calendar day of each calendar month and (ii) the Maturity Date.

“Interest Period” means the period commencing on the first day of the calendar month and ending on the earlier of (i) last day of the same calendar month and (ii) Maturity Date, provided that, the first Interest Period after the Closing Date, shall begin on the Closing Date and end on the last day of the same calendar month.

“Relevant Governmental Body” means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

“Security Agreement” means that certain Security Agreement, dated as of even date herewith, among the Company and the other grantors party thereto from time to time, and LamVen LLC, Partners for Growth V, L.P. and the other secured parties party thereto from time to time.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“Subordination Agreement” means that certain Subordination and Intercreditor Agreement, dated as of November 14, 2024, by and among, CCP Agency, LLC, in its capacity as Tier 1 Agent (as defined therein), Park Lane Investments LLC, in its capacity as Tier 2 Agent (as defined therein), LamVen LLC, in its capacity as Tier 3 Agent (as defined therein), LamVen LLC, in its capacity as Tier 4 Agent (as defined therein) and Partners For Growth V, L.P, as amended, restated, amended and restated, modified or supplemented from time to time.

“Term SOFR” means the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding

Business Day is not more than three (3) Business Days prior to such Periodic Term SOFR Determination Day.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by PFG in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"U.S. Government Securities Business Day" means any date except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

3. [INTENTIONALLY OMITTED].

4. MATURITY DATE

(Section 5.1): December 31, 2028.

5. FINANCIAL COVENANTS.

None.

6. REPORTING

(Section 4.4) Borrower shall provide PFG with the following:

(a) Annual Financial Statements, as soon as available, and in any event within 150 days following the end of Borrower's fiscal year, certified by, and with an opinion containing no material qualifications (other than in respect of upcoming maturity of any indebtedness or in respect of actual or anticipated breach of any financial covenants) of, independent certified public accountants of national or regional standing. If Borrower is required to file and is current in its filings with a securities regulatory agency and the same information is generally available to the public within said period through such agency (such as, through EDGAR with respect to US public companies), this requirement will be deemed satisfied.

(b) Such other reports and information as PFG may reasonably request and that Borrower may provide without undue burden or cost.

7. ADDITIONAL PROVISIONS

1. Borrower shall cause the New Financing to be consummated on or before December 31, 2024. Failure to comply with this provision shall result in an immediate Event of Default hereunder and PFG, at its option and without limitation of all of its rights and remedies hereunder, may apply the Default Rate as permitted by this Agreement.

2. Concurrently with any sale by Borrower of shares of common stock, or any preferred class of stock, of Borrower (but excluding any sale of shares through the GEM Equity Purchase Facility or similar share purchase arrangement), if no Senior Obligations under the LamVen Note are then outstanding, Borrower shall apply 15% of the total net cash proceeds of such sale to prepay the Obligations in accordance with Section 1, supra, of this Schedule.

8. SUBORDINATION

Anything in this Agreement to the contrary notwithstanding, the Obligations and all other obligations of the Obligors under this Agreement and the other Note Documents (collectively the "Subordinated Obligations") shall be subject to the Subordination Agreement.

Additionally, PFG and each other holder of Subordinated Obligations agree to enter into such intercreditor agreement as the holders of the Senior Obligations may reasonably request to further evidence the subordination provisions above and to establish lien priority in favor of the liens securing the Senior Obligations over the liens securing the Subordinated Obligations (the "Subordination Agreement").

"Senior Obligations" shall mean (i) all obligations under the New Financing, (ii) all obligations under the New LC Reimbursement Agreement, (iii) all obligations in respect of the "Tranche 2 Advances" under the LamVen Note, and (iv) all other obligations identified as "Senior Obligations" in respect of this Agreement (or a term to similar effect) in the Subordination Agreement.

Each holder of Subordinated Obligations and each Obligor hereby agree that the subordination provisions set forth in this Agreement and the Subordination Agreement are for the benefit of the holders of Senior Obligations and constitute a "subordination agreement" within the meaning of Section 510(a) of the United States Bankruptcy Code or any comparable provision of any other applicable bankruptcy law. The holders of Senior Obligations are obligees under this Agreement to the same extent as if their names were written herein as such and may proceed to enforce the subordination provisions set forth herein in accordance herewith.

9. CONDITIONS PRECEDENT

In addition to any other conditions to the PFG Investment set out in this Agreement, this Agreement is subject to PFG's receipt of the following, in form and substance satisfactory to PFG, including such additional documents and completion of such other matters as PFG may reasonably deem necessary or appropriate. Without limiting the foregoing, Borrower shall provide:

(i) duly executed original signatures of Borrower and each other Obligor to this Agreement (which may be in electronic form as set forth elsewhere in this Agreement);

(ii) the Constitutional Documents of each such relevant Obligor and, where applicable, a good standing certificate of each Obligor certified by the Secretary of State or other Governmental Body of the jurisdiction of formation of such Obligor, as of a date no earlier than thirty (30) days prior to the date hereof, together with a foreign qualification certificate,

in the case of Obligor, from any State in which such new Borrower or Obligor is required to be qualified;

(iii) a certificate for each Obligor signed by a Responsible Officer (in the case of Borrower) or a Person authorized to lawfully act on behalf of each Guarantor (in the case of Guarantor) in respect of obligations, appending copies of: (A) its Constitutional Documents, (B) its register of members or capitalization table, (C) its register of charges, and (D) the written resolutions or minutes of its board of directors and if applicable, of its shareholders, authorizing the execution, delivery and performance of the Note Documents to which such Obligor is a party including, and authorizing the Responsible Officer(s), and certifying that such documents are true, correct and in full force and effect on the date of this Agreement;

(iv) evidence that of the insurance policies pursuant to Section 4.3 are in full force and effect, in addition to the receipt of any endorsements required by Section 4.3, naming PFG as additional insured;

(v) payment of PFG Expenses incurred in connection with this Agreement;

(vi) any third party consents required in order for Borrower to enter into and perform the Note Documents;

(vii) the Registration Statement shall have been declared effective and shall include for registration of [ ] shares of Common Stock held by PFG (after giving effect to the conversion of the PFG Warrants (other than the PFG Warrant for Class B-4 Preferred Stock, which will remain unconverted) (the "PFG Shares")) and instruct its transfer agent to issue such PFG Shares no later than the market day after the effectiveness of the Registration Statement and direct the transfer agent to transfer such shares by DWAC on such day to PFG's broker (Morgan Stanley or another broker that is a DTC participant). For the avoidance of doubt, the Registration Statement shall not include Common Stock issuable upon conversion of the SAFE Note or the Conversion Shares;

(viii) the Common Stock shall have been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

(ix) confirmation that Borrower has waived the lock-up provisions contained in Article [__] of the Amended and Restated Bylaws to be adopted in connection with the Direct Listing Process such that PFG will be deemed an "Excluded Person" for all purposes therein;

(x) the Borrower has received all representations and other documentation necessary (including opinions of counsel) to allow the legend on the Common Stock issued pursuant to the SAFE Note to be removed and enable PFG to sell such shares under Rule 144; and

(xi) the conditions to the closing of the transaction contemplated by the GEM Listing Day Purchase Agreement shall have been satisfied and the purchase price received by the Group Parent.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Schedule to be duly executed on the date first written above.

PFG:		BORROWER:	
PARTNERS FOR GROWTH V, L.P.		SURF AIR MOBILITY INC.	
By:	Partners for Growth V, LLC, Its General Partner		
By:	/s/ Andrew Kahn	By:	/s/ Sudhin Shahani
Name:	Andrew Kahn	Name:	Sudhin Shahani
Title:	Manager	Title:	Chief Executive Officer

Annex A

List of Deposit Account, Securities Account and Commodity Account:
(to be provided under separate cover)

Existing Indebtedness: See Commission Documents

Existing Liens: See Commission Documents

Exhibit A
Promissory Note

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSTION HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD IN ACCORDANCE WITH RULE 144 UNDER SUCH ACT.

SECURED CONVERTIBLE PROMISSORY NOTE

$8,000,000.00 Dated: June 21, 2023

FOR VALUE RECEIVED, the undersigned, Surf Air Mobility Inc., a Delaware corporation (the "***Company***"), hereby unconditionally promises to pay to PARTNERS FOR GROWTH V, L.P., a Delaware limited partnership ("***Holder***") the principal amount set forth above ($8,000,000.00) together with accrued and unpaid interest as calculated hereunder, or such greater or lesser balance as represents the total unpaid principal amount of all of the outstanding PFG Investment made by Holder to Company under that certain Convertible Note Purchase Agreement dated June 20, 2023 between Company and Holder (together with all Exhibits and Schedules thereto, as the same may be subsequently amended, extended, restated or otherwise modified, the "***Note Agreement***"). Unless defined herein, capitalized terms shall have the meanings given such terms in the Note Agreement.

This document shall be referred to herein as the "***Promissory Note***".

1. The entire unpaid principal balance of this Promissory Note, all accrued and unpaid interest thereon, all fees, costs and expenses payable in connection with the PFG Investment, and all other sums due hereunder and under the Note Documents in connection with the PFG Investment, shall be due and payable in cash **IN FULL** on the Maturity Date or on any earlier date provided in the Note Agreement or converted into common stock of the Group Parent, at Holder's election.

2. Company shall pay interest on the outstanding principal amount of this Promissory Note to Holder until all Obligations with respect to this Promissory Note and the PFG Investment have been finally and indefeasibly paid to Holder in cash and performed in full, or converted in full, in each case, in the manner set forth in the Note Agreement.

3. All repayments and prepayments of principal, all payments of interest, all payments of fees, costs and expenses payable, and all issuances of the Conversion Shares, in connection with the PFG Investment shall be made by Company pursuant to the terms of the Note Agreement. Company may prepay the indebtedness evidenced by this Promissory Note in whole pursuant to, and subject to, the applicable provisions of the Note Agreement and Note Documents.

4. This Promissory Note evidences the PFG Investment and is entitled to the benefit of all of the terms and conditions set forth in the Note Agreement, and all of the other Note Documents including, without limitation, supplemental provisions regarding mandatory and/or optional prepayment rights and premiums.

5. The entire unpaid Obligations evidenced by this Promissory Note shall become due and payable, upon the occurrence of any Event of Default, as provided in the Note Agreement. After an Event of Default, Holder shall have all of the rights and remedies available to Holder as set forth in the Note Documents, including but not limited to those relating to the enforcement of this Promissory Note and collection of the Obligations owing in connection with this Promissory Note and the PFG Investment.

6. The agreements, covenants, indebtedness, liabilities and Obligations of Company set forth in this Promissory Note shall continue to be effective, or be reinstated, as the case may be, if at any time any payment in

respect of the PFG Investment is rescinded or must otherwise be restored or returned by Holder by reason of any bankruptcy, reorganization, arrangement, composition or similar proceeding or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Company or any other Person, or any property of Company or any other Person, or otherwise, all as though such payment had not been made.

7. Whenever any payment to be made under this Promissory Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of any interest then due and payable hereunder.

8. Company and all other parties who, at any time, may be liable hereon in any capacity waive presentment, demand for payment, protest and notice of dishonor of this Promissory Note. This Promissory Note and any provision hereof may not be waived, modified, amended or discharged orally, but only by an agreement in writing which is signed by the holder and the party or parties against whom enforcement of any waiver, change, modification, amendment or discharge is sought.

9. This Promissory Note shall be binding upon Company, its successors and assigns, and shall inure to the benefit of Holder, its successors and assigns. Holder shall have the right, without the necessity of any further consent of or other action by Company, to sell, assign, securitize or grant participations in all or a portion of Holder's interest in this Promissory Note to other financial institutions of Holder's choice and on such terms as are acceptable to Holder in Holder's sole discretion. Company shall not assign, exchange or otherwise hypothecate any Obligations under this Promissory Note or any other rights, liabilities or obligations of Company in connection with this Promissory Note, in whole or in part, without the prior written consent of the Holder, and any attempted assignment, exchange or hypothecation without such written consent shall be void and be of no effect.

10. This Promissory Note and all acts, transactions, disputes and controversies arising hereunder or relating hereto, and all rights and obligations of the parties shall be governed by, and construed in accordance with, the internal laws (and not the conflict of laws rules) of the State of California. All disputes, controversies, claims, actions and other proceedings involving, directly or indirectly, any matter in any way arising out of, related to, or connected with, this Promissory Note or the relationship between the parties, and any and all other claims of Company against Holder of any kind, shall be brought only in a court located in Santa Clara County, California, and each party consents to the jurisdiction of an such court and the referee referred to below, and waives any and all rights the party may have to object to the jurisdiction of any such court, or to transfer or change the venue of any such action or proceeding, including, without limitation, any objection to venue or request for change in venue based on the doctrine of *forum non conveniens*; provided that, notwithstanding the foregoing, nothing herein shall limit the right of Holder to bring proceedings against Company in the courts of any other jurisdiction. Company consents to service of process in any action or proceeding brought against it by Holder, by personal delivery, or by mail addressed as set forth in this Promissory Note or by any other method permitted by law.

11. Any controversy, dispute or claim between the parties based upon, arising out of, or in any way relating to this Promissory Note or any supplement or amendment thereto shall be resolved exclusively by judicial reference as provided in Section 8.26 of the Note Agreement.

12. **EACH OF COMPANY AND HOLDER (BY ITS ACCEPTANCE OF THIS PROMISSORY NOTE) ACKNOWLEDGES THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED. EACH OF THE PARTIES, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT, WITH COUNSEL OF THEIR CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS PROMISSORY NOTE OR ANY RELATED INSTRUMENT OR AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS PROMISSORY NOTE OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), ACTION OR INACTION OF ANY OF THEM. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY ANY PARTY HERETO, EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY EACH OF THEM. IF FOR ANY REASON THE PROVISIONS OF THIS SECTION ARE VOID, INVALID OR UNENFORCEABLE, THE SAME SHALL NOT AFFECT ANY OTHER TERM OR PROVISION OF THIS PROMISSORY NOTE, AND**

ALL OTHER TERMS AND PROVISIONS OF THIS PROMISSORY NOTE SHALL BE UNAFFECTED BY THE SAME AND CONTINUE IN FULL FORCE AND EFFECT.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note on the day and year first above written.

SURF AIR MOBILITY INC.

By: _____

Name: _____

Title: _____

FIFTH AMENDMENT TO
DATA LICENSE AGREEMENT

THIS FIFTH AMENDMENT TO DATA LICENSE AGREEMENT (this "Amendment") is made and entered into as of September 26, 2024 (the "Amendment Date"), by and between Textron Aviation Inc. ("TAI") and Textron Innovations Inc. ("TII" and, together with TAI, "Licensor"), on the one hand, and Surf Air Mobility Inc. ("Licensee" and, together with Licensor, each a "Party" and collectively, the "Parties"), on the other hand, with reference to the following facts:

A. Licensor and Licensee are parties to that certain Data License Agreement dated as of September 15, 2022, as amended by that certain First Amendment to Data License Agreement dated as of May 24, 2023, that certain Second Amendment to Data License Agreement dated as of June 30, 2023, that certain Third Amendment to Data License Agreement dated September 18, 2023 and that certain Fourth Amendment to Data License Agreement dated December 8, 2023 (as amended, the "Original Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed.

B. The Parties now wish to amend the Original Agreement in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. The second sentence of the paragraph captioned "License Initiation Fee" on Schedule A of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"The License Initiation fee shall be due and payable in accordance with the following schedule:

Date	Amount
September 29, 2023	$5,000,000
December 1, 2023	$5,000,000
December 22, 2023	$2,500,000
September 1, 2024	$3,000,000
December 1, 2024	$9,500,000
Total	$25,000,000

These payments are not subject to the cure period set forth in Section 12.2(f)."

2. Except as expressly amended herein, the terms of the Original Agreement shall remain in full force and effect and the Original Agreement is hereby ratified and confirmed. In the event of a conflict between a provision of the Original Agreement and this Amendment, the provisions of this Amendment shall control.

3. This Amendment may be executed and delivered by facsimile, PDF or other electronic signature and in two or more counterparts, each of which shall be deemed original, but all of which together shall constitute one and the same instrument.

IN WITESS WHEREOF, the Parties hereto have duly executed this Amendment effective as of the Amendment Date.

SURF AIR MOBILITY INC.

By:
Deanna White
CEO

TEXTRON AVIATION INC.

By:
Lannie O'Bannion
Sr. VP Sales and Flight Operations

TEXTRON INNOVATIONS INC.

By:
James Runstadler
President and Executive Director

Exhibit 31.1

CERTIFICATIONS

I, Deanna White, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Surf Air Mobility 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 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 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.

Date: November 14, 2024

/s/ Deanna White

Deanna White
Interim Chief Executive Officer and Chief Operating Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Oliver Reeves, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Surf Air Mobility 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 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 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.

Date: November 14, 2024

/s/ Oliver Reeves

Oliver Reeves
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATIONS
PURSUANT TO 18 U.S.C. 1350

Solely for the purposes of complying with 18 U.S.C. 1350, I, the undersigned Principal Executive Officer and Principal Financial and Accounting Officer of Surf Air Mobility Inc. (the "Company") hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) of 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Deanna White

Deanna White, Interim Chief Executive Officer and Chief Operating Officer

(Principal Executive Officer)

November 14, 2024

/s/ Oliver Reeves

Oliver Reeves, Chief Financial Officer

(Principal Financial and Accounting Officer)

November 14, 2024