



Jet.AI Reports First Quarter 2024 Financial Results

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- *Increase in total revenues of 105% year-over-year*
- *17% point increase in net margin, adjusted for stock option expense*
- *Cash and cash equivalents of \$2.1 million as of April 1st, unchanged from December 31st, 2023*

LAS VEGAS, May 15, 2024 (GLOBE NEWSWIRE) -- **Jet.AI Inc. (the "Company") (Nasdaq: JTAI)**, an innovative private aviation and artificial intelligence ("AI") company, today announced financial results for the first quarter ended March 31, 2024.

First Quarter 2024 and Recent Operational Highlights

- [Released](#) the National Jet Card Program using third party aircraft
- [Announced](#) partnership with FL3XX to integrate its DynoFlight carbon removal platform making it an easy option for thousands of FL3XX customers
- [Launched](#) Reroute AI, a web-based software tool designed to transform the way empty flight legs are utilized
- As previously disclosed, raised a \$16.5 million convertible preferred from Ionic Ventures LLC
- Added a King Air 350i to its managed fleet

First Quarter 2024 Financial Results

Revenues were \$3.8 million, an increase of \$1.9 million compared to the same period last year. The primary reason for this increase was due to significant increases in Software App and Management and Other Services revenue.

Software App and Cirrus Aviation Charter Revenue, the gross amount of charters booked through CharterGPT and Cirrus Aviation, was \$2.4 million compared to \$1.0 million in the same period last year. The increase primarily reflects increased utilization of the Company's Citation CJ4 managed aircraft during the first quarter of 2024 compared to 2023 as well as more than a 200% increase in bookings through the CharterGPT app.

Management and Other Services revenue, which is comprised of revenues generated from managing and chartering our customer aircrafts, totaled \$800,000 compared to \$334,000 in the same period last year.

Jet Card and Fractional Programs revenue, which is generated from the sale and use of jet cards and service revenue related to ongoing utilization by the Company's fractional customers, totaled \$677,000 compared to \$548,000 in the same period last year.

Cost of revenues totaled \$4.0 million compared to \$2.0 million in the same period last year. The increase is primarily due to an increase in fleet utilization, third-party charter costs, and merchant fees and federal excise tax relating to charter flights.

Operating expenses excluding stock option expense totaled \$1.8 million compared to \$1.2 million in the same period last year. The increase was primarily due to increased sales and marketing expenses. Option expense in the period related to amortization of prior period grants.

Operating loss was approximately \$3.1 million compared to \$2.7 million in the same period last year. The increase was primarily due to increased professional services expense and D&O insurance costs as a result of being public.

Cash and cash equivalents including gross proceeds from the release of a tranche of a convertible preferred with Ionic Ventures, LLC was approximately \$2.1 million as of April 1st, 2024, unchanged when compared to \$2.1 million as of December 31, 2023. **Cash and cash equivalents** of approximately \$0.6 million at March 31st, 2024 rose to \$2.1 million the next day on April 1st as a **Subscription Receivable** attributable to the Ionic private placement was collected and booked to Cash.

Management Commentary

"Last quarter we doubled sales year over year and substantially improved bottom line margin, up 17% points adjusted for option expense. In addition, we closed on the \$16.5 million sale of convertible preferred shares to Ionic Ventures LLC, with the goal of positioning the company well financially for the foreseeable future," said Mike Winston, Executive Chairman and Founder of Jet.AI. "On the software side, we launched Reroute AI for operators and did a key integration deal for DynoFlight with a major software provider to the private jet industry (FL3XX). Challenger 3500 fleet financing conversations remain ongoing.

"Looking ahead, we just announced a national jet card program that allows Jet.AI to address hundreds of millions of dollars of market potential with little or no incremental capital outlay. In our regional jet card program, we're limited by the number of planes we control and their range, with the national program we don't have those limitations because we use off-fleet jets from safety vetted operators. That frees us to use our regional jet card sales and management capability on a larger scale. In addition, next week we expect to launch a new version of Reroute AI geared toward the tens of thousands of charter brokers who routinely search for value on behalf of their customers. Overall, we're headed in the right direction and staying disciplined."

About Jet.AI

Jet.AI operates in two segments, Software and Aviation, respectively. The Software segment features the B2C CharterGPT app and the B2B Jet.AI Operator platform. The CharterGPT app uses natural language processing and machine learning to improve the private jet booking experience. The Jet.AI operator platform offers a suite of stand-alone software products to enable FAA Part 135 charter providers to add revenue, maximize efficiency, and reduce environmental impact. The Aviation segment features jet aircraft share ownership, jet card, on-fleet charter, management, and buyer's brokerage. Jet.AI is an official partner of the Las Vegas Golden Knights, 2023 NHL Stanley Cup® champions. The Company was founded in 2018 and is based in Las Vegas, NV and San Francisco, CA.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the federal securities laws with respect to the products and services offered by Jet.AI and the markets in which it operates, and Jet.AI's projected future results. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties that could cause the actual results to differ materially from the expected results. As a result, caution must be exercised in relying on forward-looking statements, which speak only as of the date they were made. Factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements can be found in the Registration Statement and the amendments thereto on Form S-4 filed with the Securities and Exchange Commission (File No. 333-270848) and other documents filed by the Company from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements, and Jet.AI assumes no obligation and does not intend to update or revise these forward-looking statements, whether because of new information, future events, or otherwise.

Jet.AI Investor Relations:

Gateway Group, Inc.

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JET.AI, INC. CONSOLIDATED BALANCE SHEETS

	March 31, 2024	December 31, 2023
	<u>(unaudited)</u>	<u></u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 595,555	\$ 2,100,543
Accounts receivable	162,962	96,539
Other current assets	104,657	190,071
Prepaid offering costs	800,000	800,000
Subscription receivable	1,500,025	-
Total current assets	<u>3,163,199</u>	<u>3,187,153</u>
Property and equipment, net	6,967	7,604
Intangible assets, net	53,577	73,831
Right-of-use lease asset	1,442,884	1,572,489
Investment in joint venture	100,000	100,000
Deposits and other assets	798,111	798,111
Total assets	<u>\$ 5,564,738</u>	<u>\$ 5,739,188</u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 1,386,436	\$ 1,656,965
Accrued liabilities	2,444,004	2,417,115
Deferred revenue	1,395,285	1,779,794
Operating lease liability	513,869	510,034
Note payable	-	321,843
Notes payable - related party	-	266,146
Total current liabilities	<u>5,739,594</u>	<u>6,951,897</u>
Lease liability, net of current portion	891,415	1,021,330
Redeemable preferred stock	1,702,000	1,702,000
Total liabilities	<u>8,333,009</u>	<u>9,675,227</u>
Commitments and contingencies (Note 2 and 5)	-	-
Stockholders' Deficit		
Preferred Stock, 4,000,000 shares authorized, par value \$0.0001, 0 issued and outstanding	-	-
Series B Convertible Preferred Stock, 5,000 shares authorized, par value \$0.0001, 150 and 0 issued and outstanding, respectively	-	-
Common stock, 55,000,000 shares authorized, par value \$0.0001, 12,555,144 and 9,754,364 issued and outstanding, respectively	1,255	975

Subscription receivable	(6,724)	(6,724)
Additional paid-in capital	39,738,635	35,342,098
Accumulated deficit	(42,501,437)	(39,272,388)
Total stockholders' deficit	(2,768,271)	(3,936,039)
Total liabilities and stockholders' deficit	\$ 5,564,738	\$ 5,739,188

JET.AI, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended	
	March 31,	
	2024	2023
Revenues	\$ 3,848,598	\$ 1,875,508
Cost of revenues	3,972,954	1,950,526
Gross loss	(124,356)	(75,018)
Operating Expenses:		
General and administrative (including stock-based compensation of \$1,199,318 and \$1,407,044, respectively)	2,546,294	2,488,018
Sales and marketing	446,600	120,167
Research and development	32,546	36,319
Total operating expenses	3,025,440	2,644,504
Operating loss	(3,149,796)	(2,719,522)
Other expense (income):		
Interest expense	79,314	-
Other income	(61)	-
Total other expense	79,253	-
Loss before provision for income taxes	(3,229,049)	(2,719,522)
Provision for income taxes	-	-
Net Loss	\$ (3,229,049)	\$ (2,719,522)
Less cumulative preferred stock dividends	29,728	-
Net Loss to common stockholders	\$ (3,258,777)	\$ (2,719,522)
Weighted average shares outstanding - basic and diluted	11,441,443	3,902,489
Net loss per share - basic and diluted	\$ (0.28)	\$ (0.70)

JET.AI, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended	
	March 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (3,229,049)	\$ (2,719,522)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	33,813	33,596
Amortization of debt discount	80,761	-
Stock-based compensation	1,199,318	1,407,044
Non-cash operating lease costs	129,605	125,884
Changes in operating assets and liabilities:		
Accounts receivable	(66,423)	-
Other current assets	85,414	(98,571)
Accounts payable	(270,529)	22,105

Accrued liabilities	26,889	(192,625)
Deferred revenue	(384,509)	352,401
Operating lease liability	<u>(126,080)</u>	<u>(122,359)</u>
Net cash used in operating activities	<u>(2,520,790)</u>	<u>(1,192,047)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(4,339)
Purchase of intangible assets	(12,922)	(4,294)
Investment in joint venture	-	(100,000)
Deposits and other assets	-	15,000
Net cash used in investing activities	<u>(12,922)</u>	<u>(93,633)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments - notes payable	(371,250)	-
Repayments - related party notes payable	(297,500)	-
Offering costs	(155,000)	(436,969)
Exercise of warrants	742,474	-
Proceeds from sale of Common Stock	<u>1,110,000</u>	<u>1,588,695</u>
Net cash provided by financing activities	<u>1,028,724</u>	<u>1,151,726</u>
Decrease in cash and cash equivalents	(1,504,988)	(133,954)
Cash and cash equivalents, beginning of period	<u>2,100,543</u>	<u>1,527,391</u>
Cash and cash equivalents, end of period	<u>\$ 595,555</u>	<u>\$ 1,393,437</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 79,314</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non cash financing activities:		
Subscription receivable from sale of common and preferred stock	<u>\$ 1,500,025</u>	<u>\$ 9,935</u>