FLEXJET TO BECOME A PUBLIC COMPANY VIA BUSINESS COMBINATION WITH HORIZON ACQUISITION CORPORATION II

News / Business aviation, Finance

Flexjet and Horizon Acquisition Corporation II announced a definitive businesscombination agreement that will result in Flexjet becoming a publicly listed company. Upon the closing of the transaction, Flexjet is expected to be listed on the NYSE under the ticker symbol "FXJ". Flexjet as a leader in the private aviation sector with a full breadth of market offerings that reach private jet users through various branded storefronts that target specific private flying needs. These storefronts include: Flexjet, which focuses on fractional jet ownership and leasing; Sentient Jet, which focuses on jet cards; FXAIR and PrivateFly, which offer on-demand charter programs; as well as Sirio, which focuses on full aircraft ownership.

The Company's subscription-based recurring revenue model provides the basis for predictable revenue and cash flow. This subscription-based recurring revenue comes from a large, committed customer base of ultra-high-net-worth individuals and Fortune 500 corporations through

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approximately 10,000 committed contracts. Flexjet's customers are highly loyal, demonstrated through a 97% retention rate and long-tenured relationships. Over 35% of Flexjet's fractional customers have been with the Company for more than 10 years and 55% have been with the Company for more than five years.

For over 25 years, Flexjet has set the standard in private aviation with exceptional service and award- winning safety programs, providing its loyal and growing customer base with precise, efficient, and personalized experiences on every trip. Today, the Company delivers unrivaled travel experiences with a fleet of over 250 aircraft and helicopters and a global aviation infrastructure network. The Company's unique pilot operating model referred to as "Dedicated Crewing" is one that assigns pilots to one specific

airplane N-number. This provides an extremely comfortable and safe environment for the Company's flight crews and the familiarity with their aircraft increases dispatch reliability over similar aircraft not flown with dedicated crews. In conjunction with its dedicated crews, Flexjet has made a commitment to maintainingthe highest compensation among its pilot peer group as well as attractive work rules, making Flexjet an employer of choice and reducing pilot attrition during an extremely competitive pilot hiring environment.Flexjet's average pilot new hire has more than twice the flight hour minimum required for application and 36% of our pilots have been with the Company for more than 15 years.

Flexjet's distinctive business model, innovative and unique service delivery, proven subscription-based model with consistent profitability, and world-class management team, set it apart from its private aviation industry peers. The Company's global reach consists of 3,100 employees, including 1,000 nonunion pilots and 450 licensed maintenance technicians across nine office locations in the United States, United Kingdom, and Italy.

Flexjet's maintenance infrastructure and capabilities are the largest of any private aircraft operator and are a foundational element to all aircraft operations. Competent, timely and coordinated servicing has a crucial impact on fleet readiness and dispatch availability. Flexjet achieves this through a network of 20 mobile maintenance support units that are based throughout the United States and a network of partner facilities across the globe. This unique and innovative investment in one of the most robust maintenance infrastructure networks in the industry ensures consistent and exemplary service and safety, and the integrity of key revenue streams through a relentless focus on aircraft dispatch reliability.

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Management Commentary

“Having capital and currency will position us to expand market share at an accelerated pace in an opportunistic environment,” said Kenneth Ricci, Chairman of Flexjet. “We will parlay our existing profitability and use that as a launch pad to accelerate our growth into the next chapter. We are making this decision at a time when we believe the marketplace is expanding at a more aggressive rate. Additionally, the collective infrastructure necessary to operate this model would be very difficult to replicate. Accumulating the aircraft, customer base, global infrastructure, technology, and most importantly, the culture, would take years, if not decades.”

Continued Ricci, “We place a tremendous focus on capital deployment and return on invested capital, and we have an extremely talented management team that has built this company in a very capital-efficient way. We have the infrastructure, we have tremendous depth and commitment from our employee group, and we have a vision.”

“Flexjet’s global presence, aircraft network, and proprietary technology have established the Company as a category leader in private aviation. Eldridge has a long-tenured partnership with this world-class management team and believe that the scale and breadth of Flexjet’s solutions will enable it to continue to capture share in a large and accelerating market,” said Todd Boehly, CEO, CFO and Chairman of Horizon. “I’ve known Kenn and the team for nearly a decade, and their ability to profitably grow Flexjet to what is estimated to be over $2 billion in revenue through an unrivaled product offering and desirable subscription-based business model sets the team apart. We believe this transaction provides Flexjet with ample capital to execute Flexjet’s long-term vision, the ability to continue to serve its loyal customer base, and positions the Company for success in the public markets.”

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Transaction Overview

The transaction values the combined company at a pro forma enterprise value of $3.1 billion, representing 10.8x projected 2022 Adjusted Management EBITDA of approximately $288 million. The majority of proceeds in the business combination are expected to be held on the Company's balance sheet.

The transaction is backstopped with an up to $300 million common equity capital commitment from Eldridge Industries (an affiliate of Horizon's sponsor) and Horizon's sponsor, which consists of $155 million in non-redemption agreements and an up to $145 million redemption back-stop. Upon the closing of the transaction and assuming the full redemption back-stop is utilized, existing Flexjet shareholders (which includes affiliates of Eldridge Industries who are current investors in Flexjet) are expected to own 89% of the combined company. In the event there are fewer redemptions from Horizon's trust account, such ownership percentage would be reduced by existing Horizon public shareholders.

The boards of directors for both Flexjet and Horizon have approved the proposed business combination, which is expected to be completed in the second quarter of 2023, subject to shareholder approvals and other customary closing conditions, as well as successful completion of the pending solicitation of shareholders to extend Horizon's period to complete a business combination transaction.

11 OCTOBER 2022

ARTICLE LINK:
https://ut.50skyshades.com/news/business-aviation/flexjet-to-become-a-public-company-via-business-combination-with-horizon-acquisition-corporation-ii

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