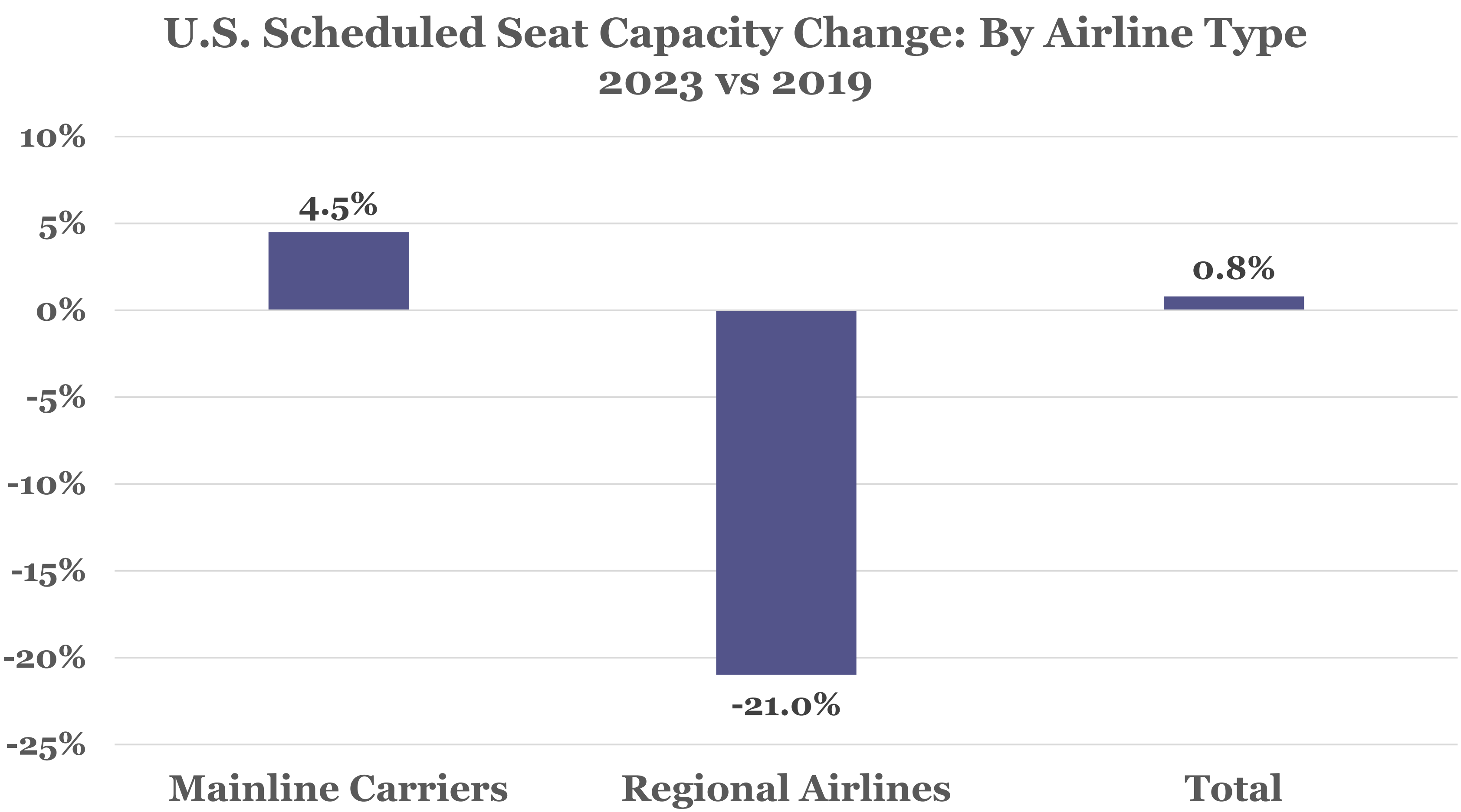
Minot International Airport: Industry and MOT Update February 2024

Presentation Today

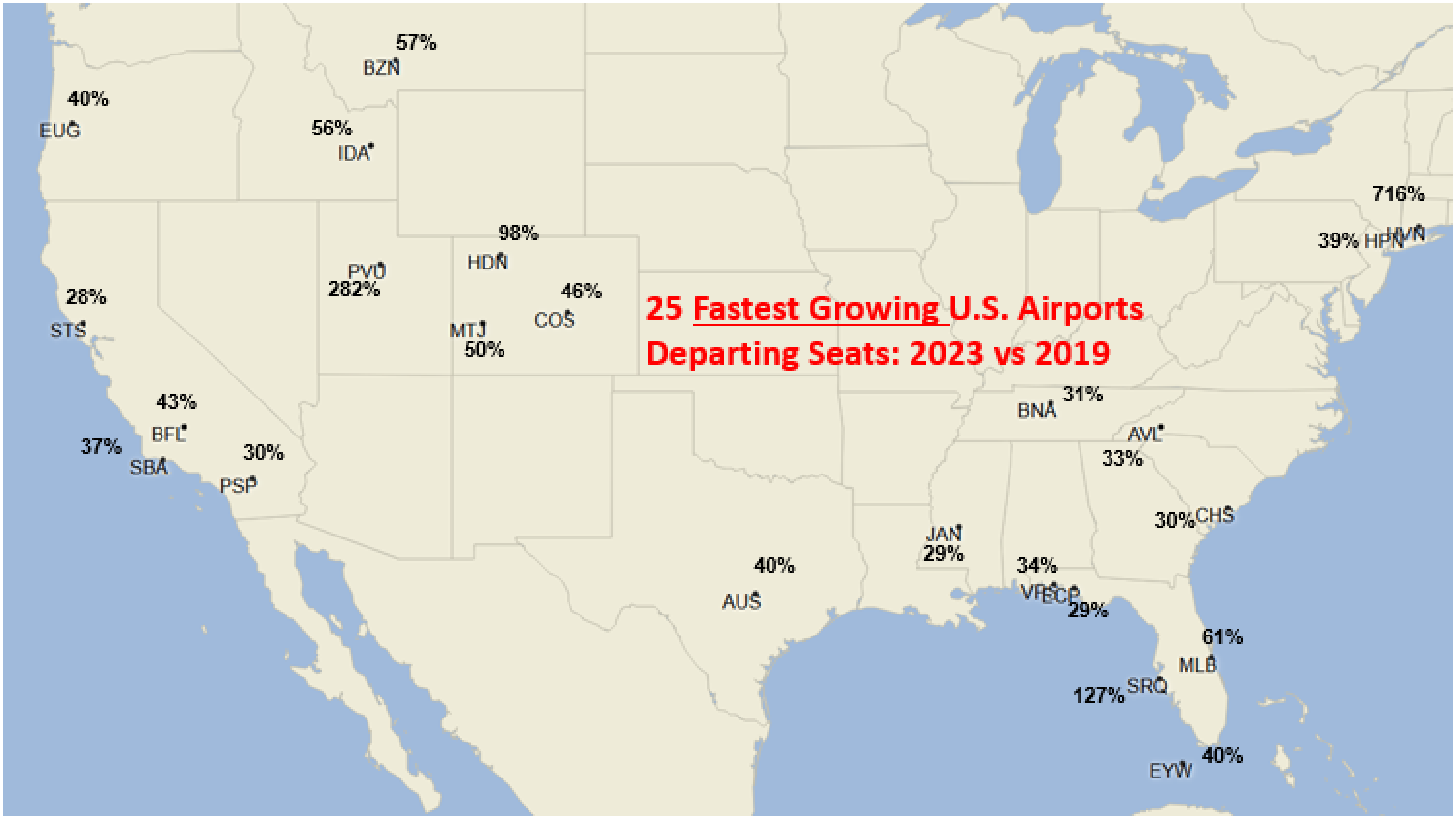
- Key Industry Trends and Impact upon Smaller U.S. Airports
- MOT Air Service Overview
- Next Steps

Post-Pandemic: Key Industry Trends

#1 Trend: Regional airline pilot shortages that mostly serve smaller markets are driving traffic declines

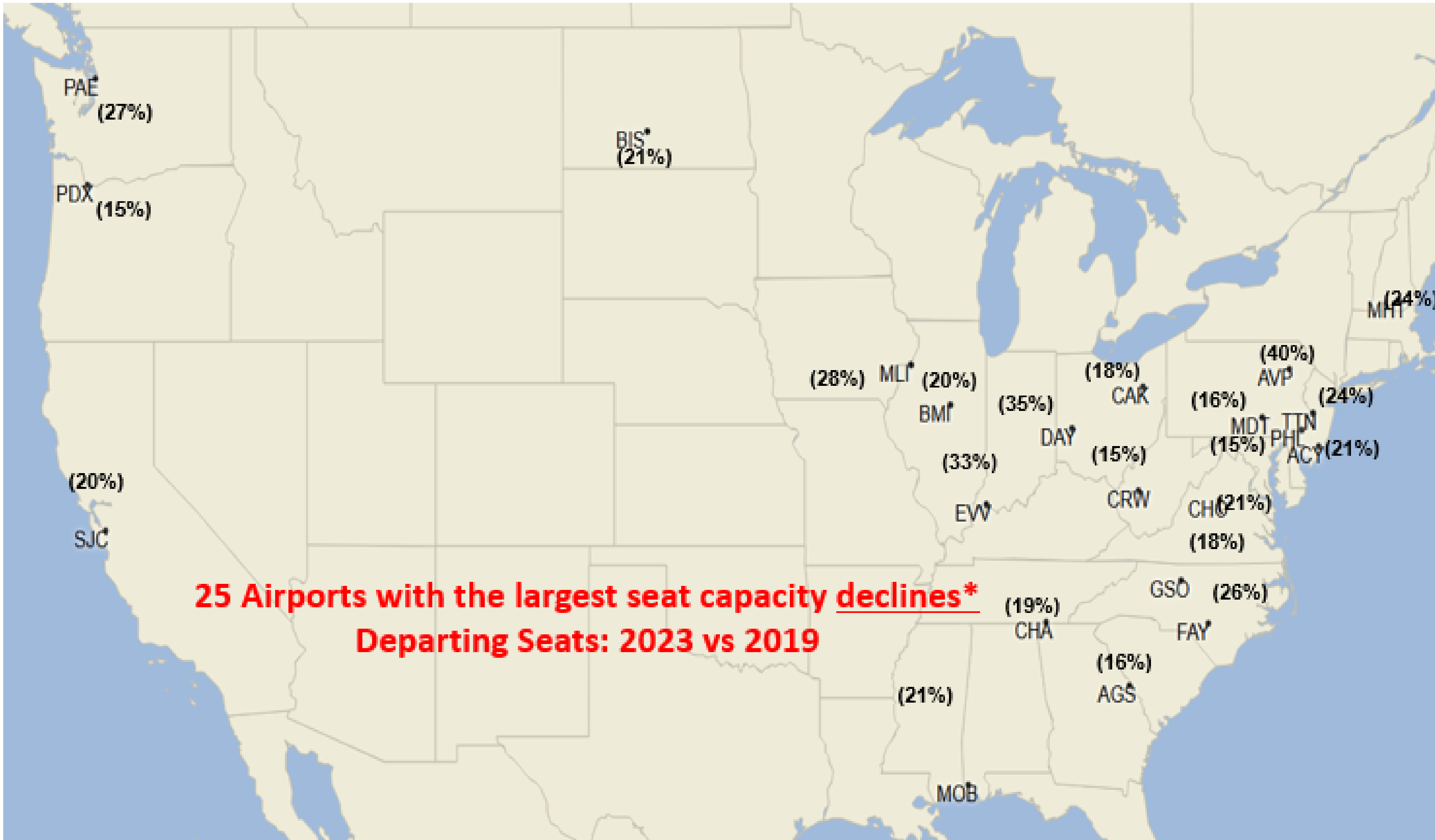


#2 Trend: Shifting of traffic to markets that are growing & generally leisure-oriented



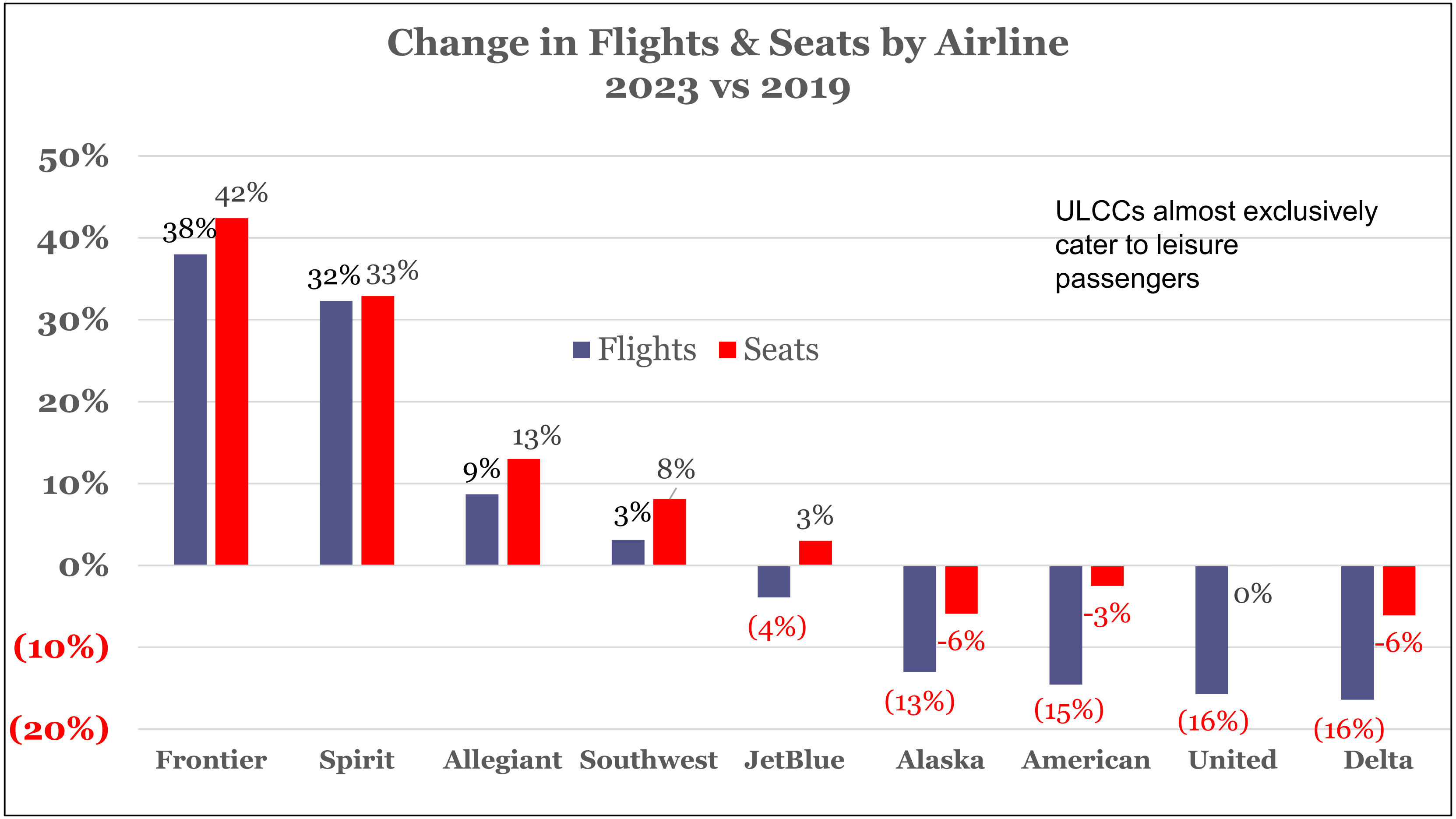
*Not labeled on map SJU-28% & ITO-28%; for top 200 U.S. airports

…away from airports that are typically more business-oriented



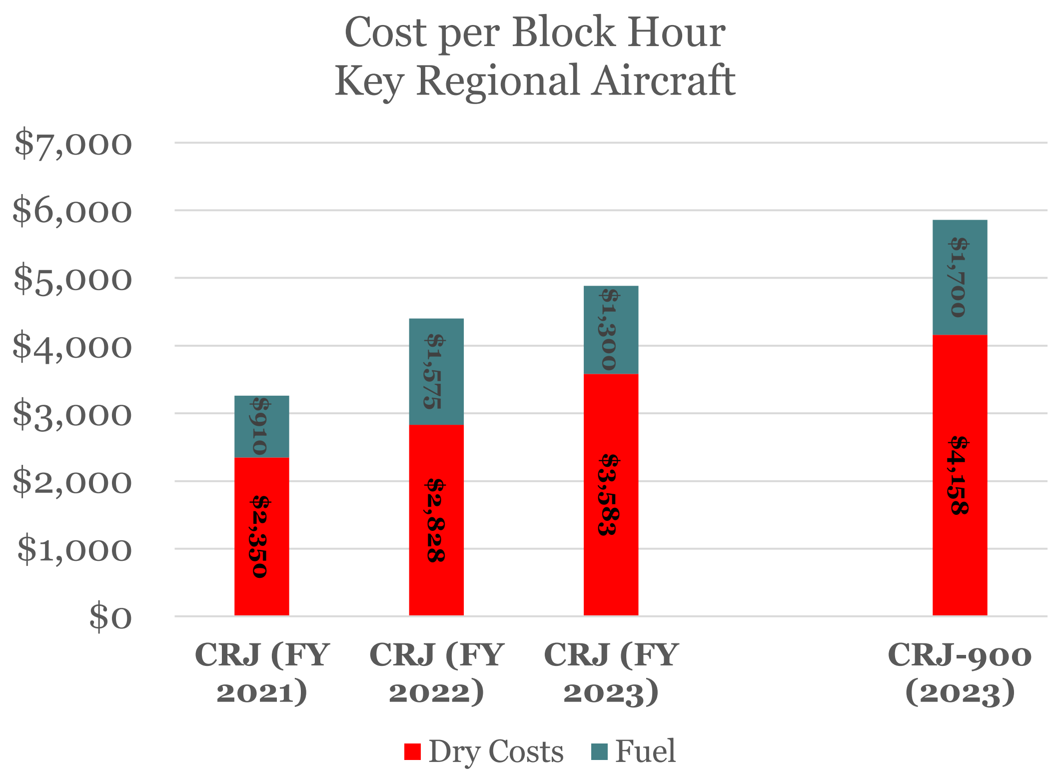
*Not labeled on map BET-(32%), STX-(20%), & FAI-(17%); top 200 U.S. airports

#3 Trend: ULCCs growing much faster than network airlines

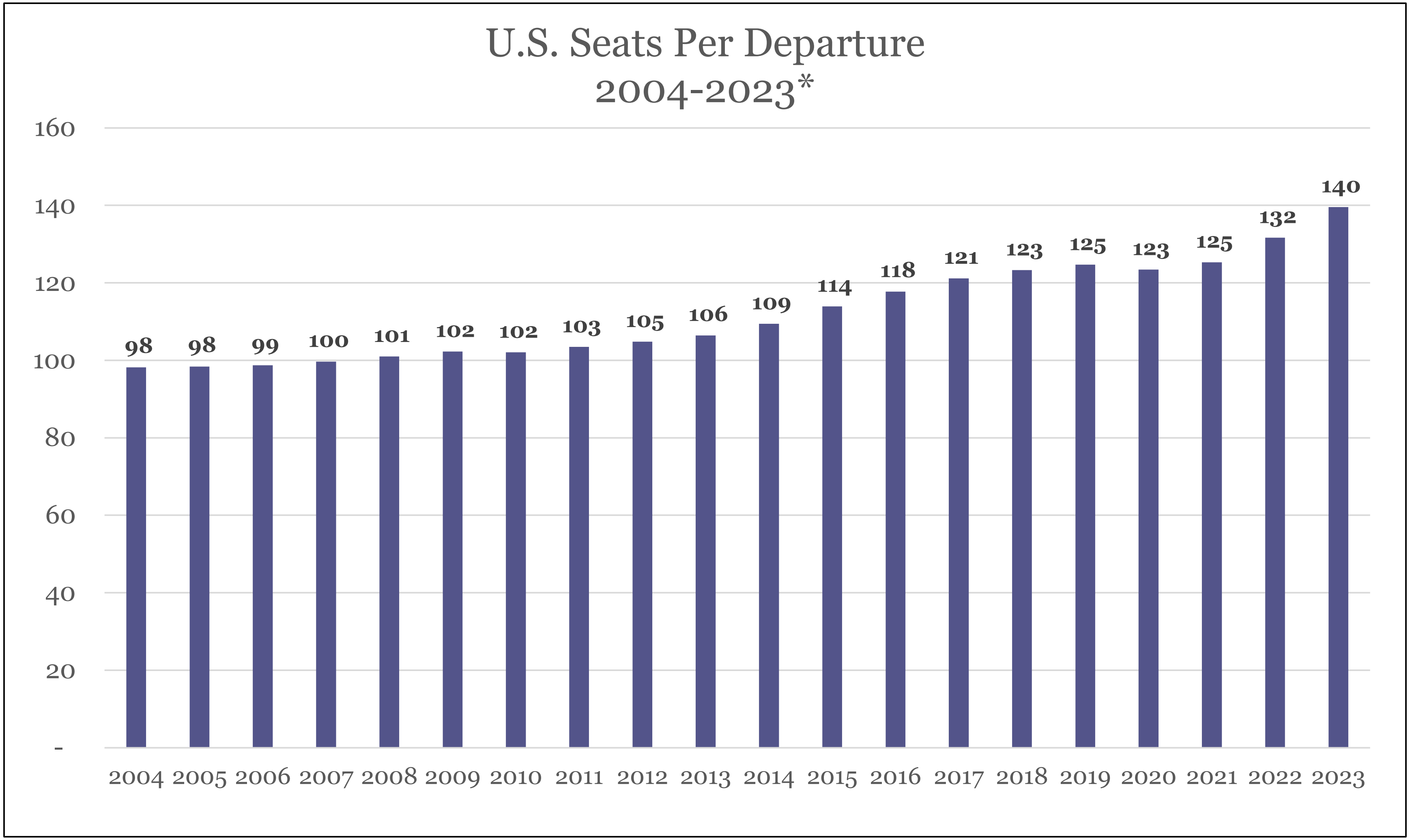


#4 Trend: Significant airline operating cost increases

- Pilot salaries: Roughly 40% growth
- Oil prices also higher
- It will also result in generally larger aircraft
- Even larger RJ aircraft will be more challenged
- Air fares will have to go and stay higher



#5 Trend: Shifting towards larger aircraft



Where industry is headed over next 5+ years

- Air fares will likely go materially higher due to much higher airline cost structures
- Leisure travel continues to outpace business travel
- ULCCs will likely continue to grow much faster relative to network airlines; mainline airlines will grow much faster than regionals
- The result will be that relatively smaller communities will likely experience constrained/reduced air service (& relatively higher air fares)

MOT Air Service Review & Outlook

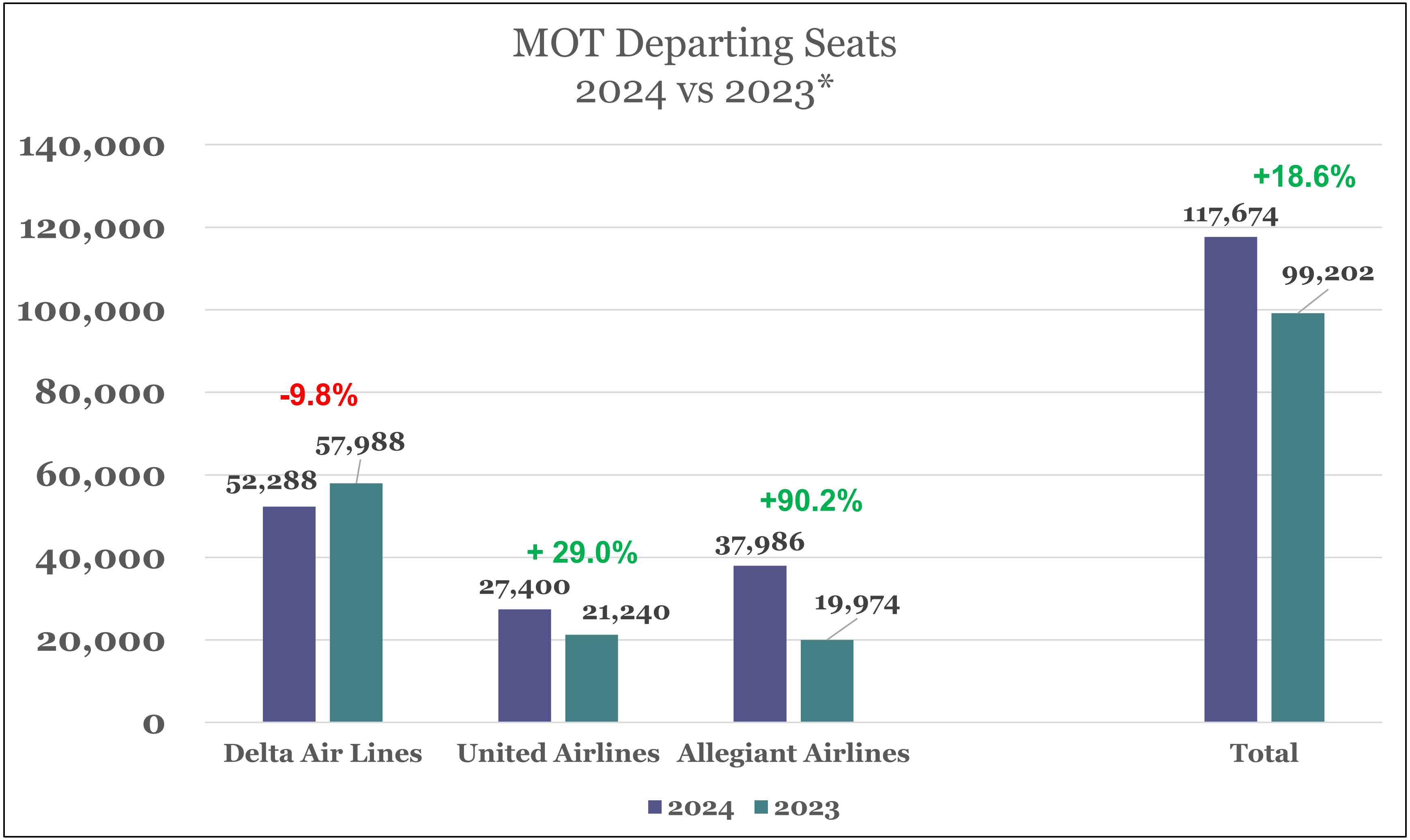
MOT in 2023: Full airplanes & High yields

MOT Traffic & Capacity: 2023

Airline	Route	Departures	Daily Departs	Onboards	Seats	Load Factor
Delta	MSP	1,257	3.4	78,901	95,233	82.9%
Allegiant	AZA	77	0.2	12,971	14,295	90.7%
Allegiant	LAS	104	0.3	15,368	17,268	89.0%
United	DEN	694	1.9	31,570	35,760	88.3%
Total		2,132	6.0	139,542	164,831	85.0%

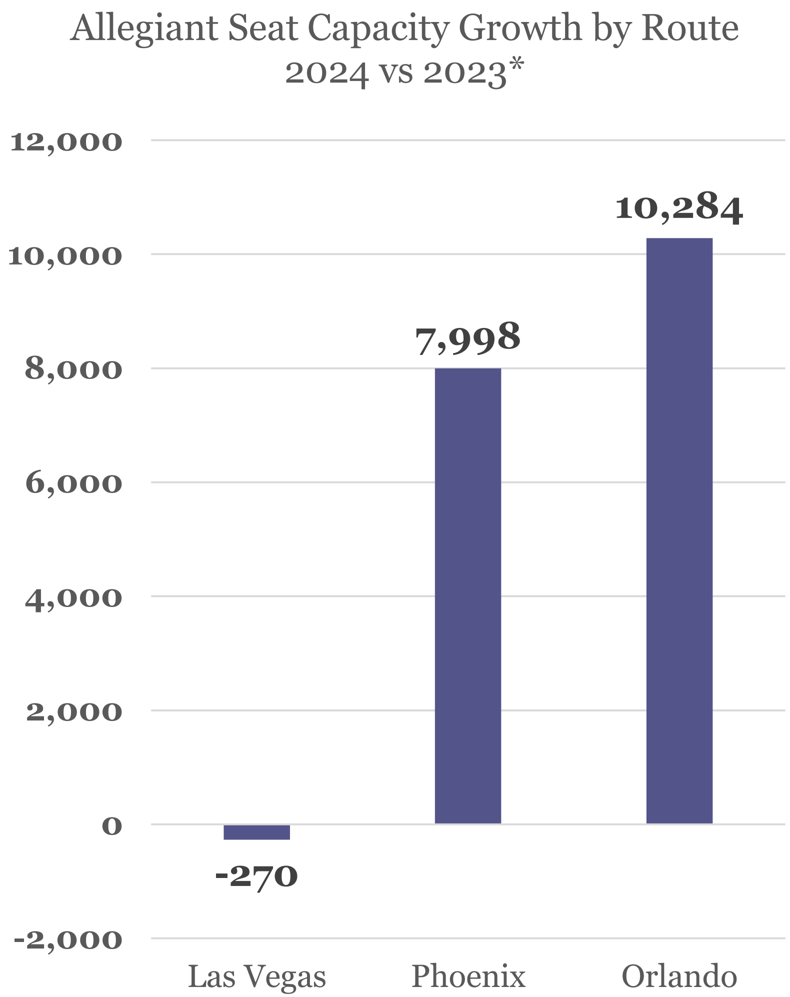
- 2023 was nearing 2019 levels by year-end
- Reductions mostly due to Allegiant cutbacks on AZA & LAS
  - AZA down 46% due in large part to off-season reductions
  - LAS down 28% due to frequency declines
  - This will change in 2024
- DL was up 2%, with UA down 14%; pilot shortages were issues

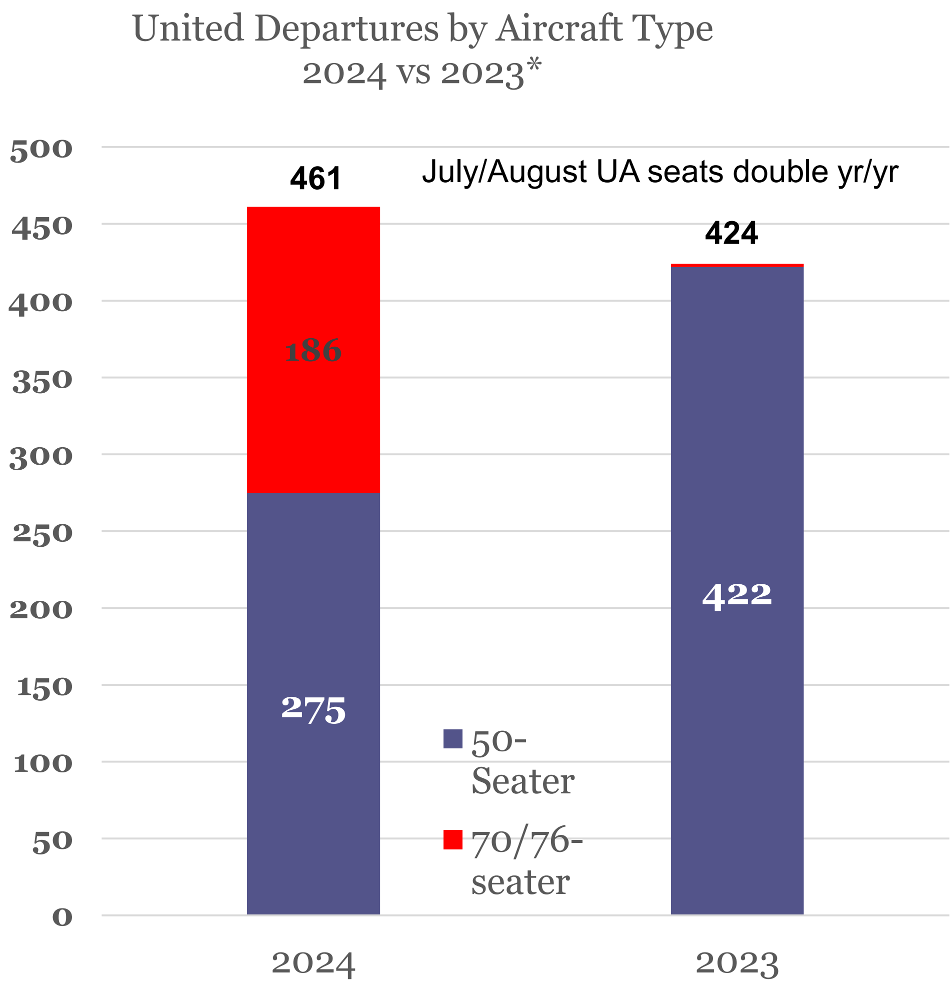
MOT in 2024: Seat capacity will be up 18.6% through summer; driven by Allegiant & United



* Source: Diio; for January-July (some airlines have only loaded 2024 schedules through early August)

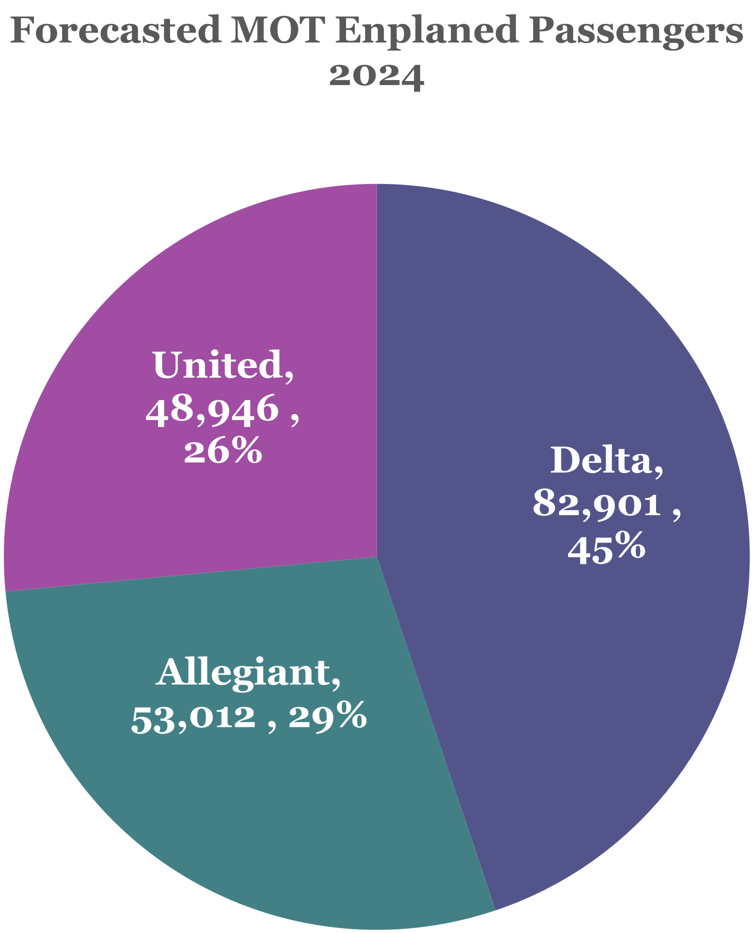
Allegiant growth driven by growing Phoenix & new Orlando service; UA – mostly from bigger aircraft





* Source: Diio; for January-July (some airlines have only loaded 2024 schedules through early August)

MOT Enplanements in 2024 could approach 185k; best year since 2015



- Based upon preliminary schedules through year-end 2024
- Estimated Allegiant results based upon prior year (for August-December)
- Load Factors used from prior year
- Allegiant traffic breakdown by route:
  - Phoenix 22,264
  - Las Vegas 16,227
  - Orland 14,521

Closing: Next Steps

- Over next 30 days, planning meetings with Delta, United & possibly Allegiant
- In late May, will meet with all incumbent airlines, in addition to American Airlines & possibly others (TBD)
- In September, will meet with Allegiant Airlines at in Las Vegas