



Brightline Florida
Monthly Revenue and Ridership Report
June 2024



Brightline Florida Passenger Rail Project

Brightline Florida is a privately-owned passenger rail system comprising 235 miles of track, connecting Miami and Orlando, Florida, with additional stations located in the downtown centers of Aventura, Fort Lauderdale, Boca Raton and West Palm Beach.

Operations

+49%

**Ridership
vs. June 2023**

+263%

**Total Revenue
vs. June 2023**

91%

**On Time
Performance**

Key Updates

Monthly Performance Summary

- Long haul ridership of 139,307 in June set a new record
- June total ridership was up 49% year over year to 223,369 passengers and total revenue was up 263% to \$15.2 million
- Total revenue per passenger was \$68.10, an increase of 143% year over year

Other Highlights

- We will be adding additional passenger cars to our trains. We have ten trainsets and we plan to add an additional car per train this summer, one additional car in late 2024, and a final additional car in the summer of 2025, ultimately forming seven car long trains. Each set of ten additional train cars that we add to our fleet increases seating capacity per month by approximately 75,000 seats for Smart cars and 60,000 for Premium cars. We believe the combination of capacity additions and the successful implementation of several initiatives described below will have a meaningful positive impact on ridership over the near term

Commercial Overview

Revenue Activities

We provide intercity rail service in Florida, connecting many of the largest population centers and most active economic centers in the state. We initially opened service in South Florida in 2018, with three stations located in Miami, Fort Lauderdale and West Palm Beach. In December 2022, we opened two additional stations in South Florida in Aventura and Boca Raton. In September 2023, we commenced long-distance intercity rail service with the opening of our newest station at the Orlando International Airport and now provide sixteen daily roundtrips between South Florida and Orlando. We earn revenue through ticket sales from our short-distance service (within South Florida between Miami and West Palm Beach), long-distance service (travel between our South Florida stations and our Orlando station) and by selling ancillary products and services, such as food and beverage, parking, merchandise, baggage handling, advertising, naming rights, and sponsorships.

June Update

June ridership was 223,369 at an average fare of \$55. Our long haul ridership increased month over month to a new record of 139,307 passengers due to growing repeat customers as our service to Orlando ramps up. Short haul ridership of 84,062 compared to 149,536 in June 2023 reflects ongoing seat capacity constraints and the discontinuation of our commuter pass product in June as we restrict short haul ridership in favor of building our higher fare long haul business. Capacity constraints will roll off as we add 20 additional Smart class passenger coaches and 10 additional Premium class coaches to our fleet in batches, with the Smart cars coming over the next several months.

Our market penetration is at an early stage as the over nine million residents in the travel market served by our stations still comprise the majority of our new customers each month. Our database of Florida residents who have tried our long haul service has consistently grown over 10% month over month since the opening of our Orlando station in September 2023 and we expect monthly high single digit growth or more to continue through 2024 and into 2025.

We expect our ridership to grow meaningfully in the coming months as a result of the additional seat capacity coming online, ongoing organic growth, and a series of key initiatives outlined below. We believe the combination of capacity additions and the successful implementation of these initiatives positions us to carry in excess of 400,000 passenger per month initially and approach our stabilized goal of approximately 650,000 passengers per month (or 8 million per year) in 2026.

Additional Seat Capacity

At present, we operate ten trainsets, each with four passenger cars for a total capacity of 240 seats per trainset. For comparison, European high speed rail operators typically utilize trainsets with six to ten passenger coaches and significantly higher total seat capacity. Our current seat capacity constraints have led to regular sold-out trains and, year to date in 2024, approximately one in three of our trains have reached max load factors.

To address this capacity limitation, we have on order 20 additional Smart class passenger coaches to be delivered in sets over the next several months and another 10 Premium class coaches to be delivered in mid-2025. Every 10 Smart class coaches enable a total monthly increase in seats offered of approximately 75,000 given our 36 daily departures, or 150,000 for all 20 new Smart class coaches. Since each seat can be sold more than once (for example to one person traveling from Miami to Fort Lauderdale and a second person traveling from Fort Lauderdale to Orlando), we expect the two additional Smart cars per trainset to enable us to generate approximately 100,000 trips per month in the near term and more over time as load factors increase across the system.

Marketing, Distribution and Partnerships

Currently, our direct-to-consumer channel accounts for 95% of our bookings, with only 5% coming from indirect channels such as travel agents and corporate accounts. Travel companies, including other intercity passenger rail systems, receive, on average, an estimated 15% of their bookings through the Global Distribution System ("GDS"), which allows high volume sellers such as Travel Agents and Wholesalers to distribute their product. Beginning in August and continuing through the end of 2024, we will be opening up connectivity of Brightline inventory to Access Rail and the three main GDS systems (Amadeus, Sabre and Travelport) to obtain better access to travel sellers who also sell and package airfare, cruises, hotel stays and theme park tickets. To further facilitate distribution through travel agents, starting in August we will begin implementing a new dedicated website for travel agents to book our tickets, removing friction from the process for our current 2,000+ travel agency distributors. We expect to complete the phased implementation to be completed by October. There are approximately 50,000 travel agencies in the United States and this will allow us to expand our reach within that market more efficiently. Once our GDS connectivity and new travel agent website are in place and established, we expect indirect channels to comprise the typical 15% of our overall bookings and to enhance sales related to partnerships with key travel partners in Florida.

Based on customer surveys, we estimate approximately 20% of current ridership comes from people traveling to take a cruise, visit a theme park or connect to a flight. Currently, the large majority of these trips are booked through our direct-to-consumer channel as people learn about our service independently. To increase capture rates in these customer segments, we are establishing partnerships with key market participants that allow us to share intellectual property for marketing purposes, cross-market services and promote vacation packages that include Brightline service. We expect these partnerships, combined with GDS capability, to add 60,000 rides per month in the short-term and grow over time.

Cruise Lines: There are approximately 12 million annual cruise guests departing from Port Everglades and PortMiami. We estimate that 25% of these passengers originate by car from points north of our system and could use our service, for a total addressable market of 3 million roundtrips annually, or 500,000 one-way trips per month. We currently have co-marketing partnerships with Royal Caribbean, Celebrity, and Princess Cruise lines in place, with several others in discussion. Our partnership with Princess Cruise lines also includes baggage service for their cruise passengers arriving through the Orlando airport, at which point Princess Cruise coordinates with Brightline to take the passengers baggage and deliver it directly to their cruise cabin. We plan to offer bundled Brightline service / cruise vacation products to further appeal to the travel industry distribution channel.

Theme parks: The top three primary theme park companies enjoy 90 million gate visits per year, with an estimated 4.9 million one-way annual trips originating from South Florida (approximately 400,000 one-way trips per month). We are in discussions with all major Orlando theme park companies on co-marketing agreements. These co-marketing agreements involve the theme park promoting us directly to their customers through website, email and social media. In addition, high volume sellers who sell and package theme park tickets through GDS will soon be able to package Brightline tickets for their customers, opening a new channel for this important business source.

Airlines: Both the Orlando and Miami Airports see in excess of 50 million passengers annually each and Fort Lauderdale now serves over 35 million passengers. We estimate based on survey and U.S. Department of Commerce data that 1-2% of these passengers are international and domestic visitors who will visit both Central and South Florida on the same trip. In addition, a number of international and domestic airlines serve only the Orlando airport in Florida and a partnership with Brightline would allow them to offer their customers a convenient "interline" connection to our 5 stations in South Florida. To facilitate this business, we have recently secured International Air Transport Association (IATA) appointment of Location Codes for all our stations in addition to the Orlando Airport (MCO) station.

Loyalty Program

In June, repeat customers booked over 60,000 long haul trips, a 7% ratio of our marketable database of approximately 860,000 individuals as of June 1. While we anticipate this ratio will vary with seasonality and decline over time as our database grows and matures, we estimate a loyalty program can improve this ratio by at least 1%. We have selected Antavo as our loyalty program technology solution and will be rolling out the program to customers in stages during the fourth quarter of 2024 and first quarter of 2025. The program is designed to encourage incremental ridership by repeat customers in order to achieve and maintain status perks and to obtain discounted travel awards. Once established, we estimate the loyalty program will help us generate an incremental 15,000 a month, increasing over time as our customer database grows.

Expansion Activity

New Stations

On March 4th, the Company announced it selected Martin County and the City of Stuart as the site for its next intercity passenger rail station. The station is planned to be located in Downtown Stuart and supported by a \$45 million dollar contribution from the City of Stuart and Martin County. We anticipate the Stuart station to open in late 2026 and based on the success of our Aventura and Boca Raton stations, we expect the Stuart station to immediately generate additional operating cash flow for the company once passenger service to the station commences.

Separately, our affiliate, Brightline Tampa LLC, is developing a project to extend the rail system from Orlando to Tampa. Brightline Trains Florida has the right to repurchase the rights to the project once fully permitted.

June 2024 Ridership and Revenue Results

For the month ended June 30, 2024, we carried 223,369 passengers and generated total revenue of \$15.2 million. Ticket revenue in June 2024 was \$12.3 million, an increase of 355% compared to June 2023, with ridership up 49% in June 2024 compared to June 2023. The year over year increase in revenue reflects 139,307 long-distance rides in June 2024 and continued year over year growth in ancillary revenues such as food and beverage and advertising revenues. There is also seasonality to the business and to travel patterns in Florida, which contribute to month-over-month differences in ridership and revenue.

To meet demand for our more profitable long-distance segments, in certain instances we continue to restrict available capacity for short-distance trips. As our long-distance trips increase, we are, relatedly, seeing a decrease in short-distance trips. June 2024 short-distance trips were 84,062 compared to 149,536 in June 2023 due to these capacity limits. We expect to receive additional new passenger cars in summer 2024 to help address capacity needs. Ancillary revenue totaled \$2.9 million in June 2024 compared to \$1.5 million in June 2023.

Brightline Florida						
June 2024 Ridership and Revenue						
<i>(in millions of dollars, except ridership and average fare per passenger)</i>						
	Month End			Year to Date		
	June 30			June 30		
	<u>2024</u>	<u>2023</u>	<u>% Δ</u>	<u>2024</u>	<u>2023</u>	<u>% Δ</u>
Ridership						
Short-Distance	84,062	149,536	(44)%	635,967	956,120	(33)%
Long-Distance	139,307	--	NM	765,110	--	NM
Total	223,369	149,536	49%	1,401,077	956,120	47%
Average Fare per Passenger						
Short-Distance	\$28.03	\$18.10	55%	\$30.74	\$22.51	37%
Long-Distance	\$71.46	--	NM	\$75.12	--	NM
Total	\$55.11	\$18.10	205%	\$54.97	\$22.51	144%
Ticket Revenue						
Short-Distance	\$2.4	\$2.7	(13)%	\$19.5	\$21.5	(9)%
Long-Distance	9.9	-	NM	57.5	-	NM
	12.3	2.7	355%	77.0	21.5	258%
Ancillary Revenue						
	2.9	1.5	96%	17.8	8.7	104%
Total Revenue	<u>\$15.2</u>	<u>\$4.2</u>	263%	<u>\$94.8</u>	<u>\$30.2</u>	214%

Forward Looking Statements

Certain statements in this filing may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are generally identified by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "target," "projects," "contemplates" or the negative version of those words or other comparable words. The inclusion of any forward-looking information should not be regarded as a representation by the Company or Brightline that the future plans, estimates, or expectations contemplated by the Company or Brightline will be achieved. Forward-looking statements are not historical facts, but instead represent only the Company's or Brightline's belief as of the date of this filing regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's or Brightline's control. Furthermore, new risks and uncertainties arise from time to time, some of which may be beyond the Company's or Brightline's control, and it is not possible for the Company or Brightline to predict those events or how they may affect the Company or Brightline. Except as may be required by law, the Company, Brightline and their affiliates assume no duty to update or revise its forward-looking statements based on new information, future events or otherwise.