

Sky Harbour Capital
Quarterly Financial Report
(Unaudited)
Quarter Ending December 31, 2024

Prepared by:
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SKY HARBOUR CAPITAL LLC AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

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SKY HARBOUR CAPITAL LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
<u>Assets</u>		
Restricted cash	\$ 52,514	\$ 11,445
Restricted investments	13,816	88,213
Receivables from affiliates	472	207
Prepaid expenses and other assets	3,762	3,239
Cost of construction	138,743	64,269
Constructed assets, net	76,727	77,283
Right-of-use assets	53,851	53,932
Long-lived assets, net	1,786	1,356
Total assets	\$ 341,671	\$ 299,944
<u>Liabilities and members' equity</u>		
Accounts payable, accrued expenses and other liabilities	\$ 15,117	\$ 8,250
Accrued interest payable	3,470	3,470
Accounts payable to affiliates	6,623	2,401
Operating lease liabilities	54,283	52,587
Bonds payable, net of debt issuance costs and premiums	162,621	162,420
Total liabilities	242,114	229,128
Commitments and contingencies		
Members' equity	99,557	70,816
Total liabilities and members' equity	\$ 341,671	\$ 299,944

SKY HARBOUR CAPITAL LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)
(UNAUDITED)

	Three months ended December 31, 2024 (Actual)	Three months ended December 31, 2024 (Budget)	Variance	Variance %
Revenues:				
Rental revenue	\$ 3,044	\$ 2,503	\$ 411	15.6 %
Total revenue	\$ 3,044	\$ 2,503	\$ 411	15.6 %
Expenses:				
Operating	\$ 1,767	\$ 1,733	\$ 34	2.0 %
Depreciation and amortization	550	529	21	4.0 %
General and administrative	210	49	161	328.6 %
Total expenses	\$ 2,527	\$ 2,311	\$ 216	9.3 %
Other expense	14	-	14	100.0 %
Net income (loss)	\$ 503	\$ 322	\$ 181	56.2 %

	Twelve months ended December 31, 2024 (Actual)	Twelve months ended December 31, 2024 (Budget)	Variance	Variance %
Revenues:				
Rental revenue	\$ 11,426	\$ 9,597	\$ 1,829	19.1 %
Total revenue	\$ 11,426	\$ 9,597	\$ 1,829	19.1 %
Expenses:				
Operating	\$ 7,141	\$ 6,985	\$ 156	2.2 %
Depreciation and amortization	3,614	2,114	20	0.9 %
General and administrative	396	197	199	101.0 %
Total expenses	\$ 9,671	\$ 6,296	\$ 375	4.0 %
Other expense	14	-	14	100.0 %
Net income (loss)	\$ 1,741	\$ 301	\$ 1,440	478.4 %

SKY HARBOUR CAPITAL LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN MEMBER'S EQUITY
(in thousands)
(UNAUDITED)

	Twelve months ended December 31, 2024
Balance, December 31, 2023	\$ 70,816
Contributions ¹	27,000
Net income	1,741
Balance, December 31, 2024	\$ 99,557

¹ Contributions include approximately \$27.0 million of cash contributed by Sky Harbour LLC (the “Member”) to Sky Harbour Capital LLC in March 2024.

SKY HARBOUR CAPITAL LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)
(UNAUDITED)

	Twelve months ended December 31, 2024
Cash flows from operating activities:	
Net income	\$ 1,741
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	2,133
Straight-line rent receivable	20
Non-cash lease expense	1,777
Changes in operating assets and liabilities:	
Receivables from affiliates	(16)
Prepaid expenses and other assets	(426)
Accounts payable, accrued interest and expenses, and other liabilities	(155)
Accounts payable to affiliates	1,463
Net cash provided by operating activities	\$ 6,545
Cash flows from investing activities:	
Purchases on long-lived assets	(774)
Payments for cost of construction	(66,089)
Purchases of held-to-maturity investments	-
Proceeds from held-to-maturity investments	74,387
Net cash provided by investing activities	\$ 7,524
Cash flows from financing activities:	
Proceeds from capital contribution	27,000
Cash provided by financing activities	\$ 27,000
Net increase in cash and restricted cash	41,069
Cash and restricted cash, at beginning of period	11,445
Cash and restricted cash, at end of period	\$ 52,514
Supplemental disclosures of noncash investing and financing activities:	
Cost of construction included in accounts payable, accrued expenses, and other liabilities	10,346
Cost of construction included in accrued interest payable	3,470
Cost of construction included in accounts payable to affiliates	4,298
Debt issuance costs and premium amortized to cost of construction	201
Reconciliation of cash and restricted cash reported within the consolidated balance sheets:	
Cash, at beginning of period	\$ -
Restricted cash, at beginning of period	11,445
Cash and restricted cash, at beginning of period	\$ 11,445
Cash, at end of period	-
Restricted cash, at end of period	52,514
Cash and restricted cash, at end of period	\$ 52,514

SKY HARBOUR CAPITAL LLC AND SUBSIDIARIES
OTHER REQUIRED EXHIBITS
(UNAUDITED)

Note 1. Occupancy Report & Subleasing and rental information for each Project as of December 31, 2024

Facilities Summary Data	Ground Lessor	Lessor Details	Ground Lease Commencement	Ground Lease Term	# of Hangars⁵	Leasable SF (000s)⁵	Status	Leased	Preleased¹	Contracted SF (000s)
SGR Phase I	City of Sugar Land, TX	-	2/6/2019	30 years	7	66.1	Operating	100%	-	66.1
OPF Phase I	OPF Hangars Landlord, LLC	Holder of leasehold interest under ground lease from Miami- Dade County	7/10/2019	67 years ²	12	160.1	Operating	100%	-	160.1
OPF Phase II	OPF Hangars Landlord, LLC	Holder of leasehold interest under ground lease from Miami- Dade County	7/10/2019	50 years ²	3	109.4	In development	-	-	-
BNA	Metropolitan Nashville Airport Authority	-	1/22/2020	50 years ²	10	149.1	Operating	92%	-	136.6
DVT Phase I	City of Phoenix, AZ	-	5/4/2021	40 years	8	134.3	Under GMP, In Construction	-	25%	33.6
APA Phase I	Sunborne XVI, Ltd.	Holder of leasehold interest under ground lease from Arapahoe County	12/30/2020	76 years ³	9	130.6	Under GMP, In Construction	-	12%	15.7
APA Phase II	Sunborne XVI, Ltd.	Holder of leasehold interest under ground lease from Arapahoe County	12/30/2020	76 years ³	3	107.1	Predevelopment	-	-	-
ADS Phase I	Town of Addison, TX		TBD ⁴	40 Years ⁴	6	115.5	Under GMP, In Construction	-	13%	15.0
Total					58	972.2				427.1

¹ Preleased status is defined as space which has yet to be delivered and has received a signed non-binding Letter of Intent or a signed lease subsequent to the reporting date. will request and receive an additional extension to accommodate the expected construction schedule.

² Represents term of underlying ground lease held by OPF Hangars Landlord, LLC, a wholly-owned subsidiary of the Company.

³ Includes first term extension option of 15 years and second term extension option of 20 years.

⁴ The ADS Phase I lease term commences on receipt of certificate of occupancy.

⁵ As of December 31, 2024, “# of Hangars” and “Leasable SF” reflect updated site plans which incorporate use of a larger hangar design which is effectively double the size of the hangars previously included in site plan.

SKY HARBOUR CAPITAL LLC AND SUBSIDIARIES
OTHER REQUIRED EXHIBITS
(UNAUDITED)

Note 2. Calculation of Required Ratios

Debt Service Coverage Ratio

	Twelve months ended December 31, 2024
Revenues available for Debt Service:	
Net income	\$ 1,741
Add back:	
Depreciation and amortization	2,133
Straight-line rent receivable	20
Non-cash lease expense	1,777
Total Revenues Available for Debt Service:	\$ 5,671
Debt Service Requirements:	
Amounts payable to the Holders of Obligations (Principal and Interest)	\$ 6,941
Less:	
Interest funded from proceeds of Obligations	(6,941)
Total Debt Service Requirements:	-
Debt Service Coverage Ratio	-

Projected Debt Service Coverage Ratio

	Twelve months ended December 31, 2025
Projected Revenues available for Debt Service:	
Net income	\$ 1,150
Add back:	
Depreciation and amortization	4,668
Non-cash lease expense	1,845
Total Revenues Available for Debt Service:	\$ 7,663
Debt Service Requirements:	
Amounts payable to the Holders of Obligations (Principal and Interest)	\$ 6,941
Less:	
Interest funded from proceeds of Obligations	(1,303)
Total Debt Service Requirements:	5,638
Projected Debt Service Coverage Ratio	1.36

Note 3. Restricted Investments

Pursuant to provisions within the Master Indenture Agreement, the Company invests the funds held in the restricted trust bank accounts in various U.S. Treasury securities. Therefore, such investments are reported as “Restricted investments” in the accompanying consolidated balance sheet.

The Company has the ability and intent to hold these restricted investments until maturity, and as a result, the Company would not expect the value of these investments to decline significantly due to a sudden change in market interest rates. The held-to-maturity restricted investments are carried on the consolidated balance sheet at amortized cost. The carrying amount of such investments was \$13,816 on December 31, 2024, of which \$2,356 will mature in one year or less, and \$11,460 will mature in one through five years.