SkyHarbour

Investor Presentation for Sidoti Small Cap Conference

September 2024

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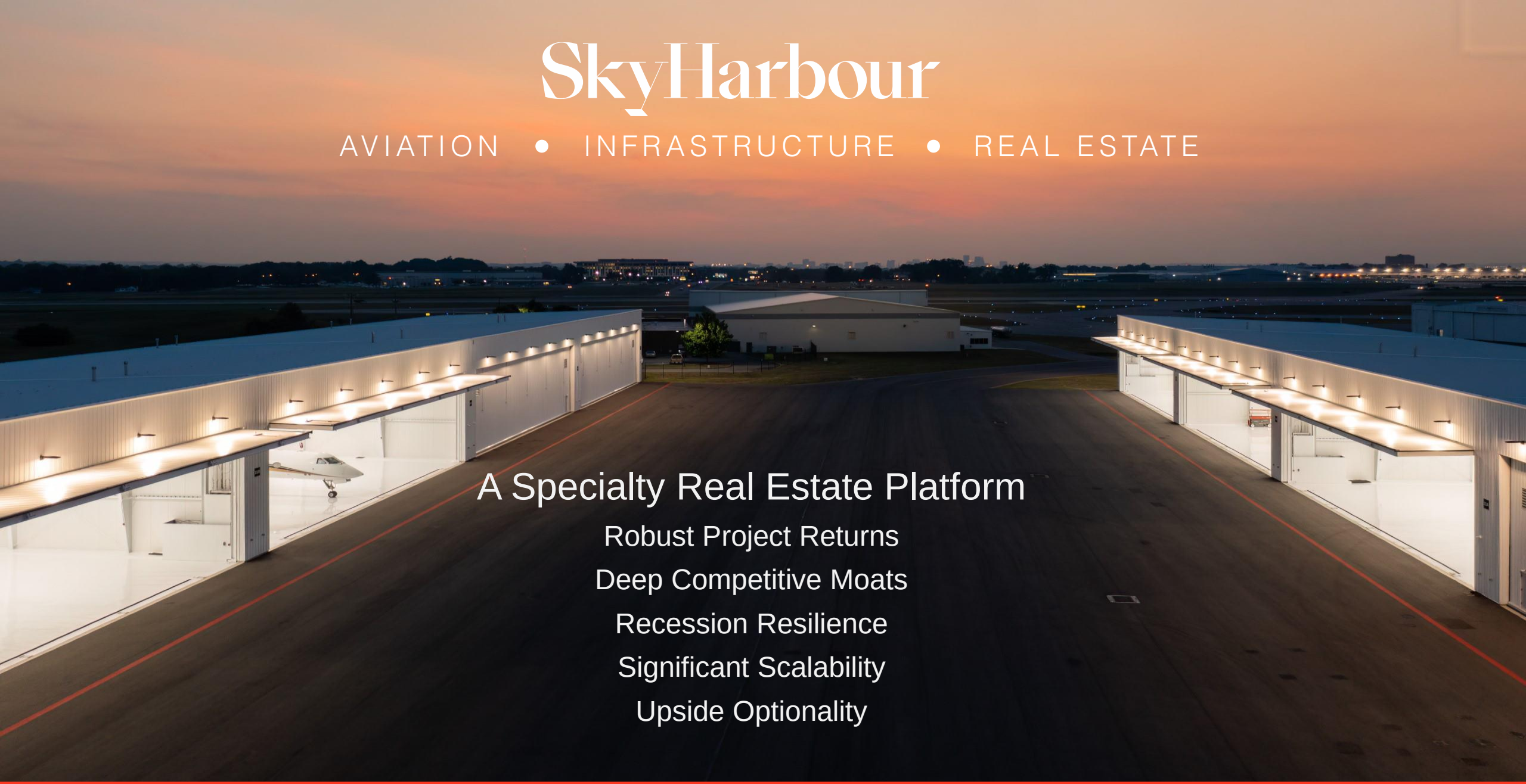
SkyHarbour

AVIATION • INFRASTRUCTURE • REAL ESTATE



A Specialty Real Estate Platform

Robust Project Returns

Deep Competitive Moats

Recession Resilience

Significant Scalability

Upside Optionality

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PRESENTERS

SkyHarbour



Tal Keinan
CEO

- Sky Harbour Founder
- Clarity Capital: board of directors, global asset-management firm
- Koret Israel Economic Development Funds, chairman, Israel's largest nonprofit lender to small and micro businesses
- Israeli Air Force veteran, 18 years, fighter pilot and air combat instructor, retiring with the rank of lieutenant colonel



Francisco Gonzalez
CFO

- Oversees Sky Harbour's financial, capital markets, treasury, tax and accounting functions
- Three-decade banking career (Goldman Sachs & Co., RBC Capital Markets and Fortress Investment Group), led or was involved in more than $25 billion of municipal bond financings, interest rate swaps and public private partnerships for infrastructure and municipal clients



Tim Herr
Treasurer / VP Finance

- Joined Sky Harbour at company inception, playing a variety of roles at the company
- Responsible for all treasury and finance operations
- United States Navy veteran, 10 years, MH-60R and C-26D combat pilot and instructor

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SKY HARBOUR – SNAPSHOT

Applying a new business model to a longstanding opportunity

Business

- Secure land at key US airfields
- Develop campuses of private hangars
- Lease hangars and manage campuses

Goals

- Mid-teens stabilized yield on cost = >30% return on equity
- 50+ airfields
- Remain largest home basing solution provider in US market

Team

- Real estate development acumen
- Aviation industry expertise
- Capital markets sophistication



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SECTION I: MARKET OPPORTUNITY



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BUSINESS AVIATION SUFFERS FROM CHRONIC HANGAR DEFICIT

Consistent Demand Growth over pre-COVID Decade

- 29,600,000 square feet net growth in US business aviation (BizAv) fleet
- 16,600,000 square feet net growth in >24' tail height segment
    - Most existing US hangar inventory features main-door-threshold height < or = 24 feet

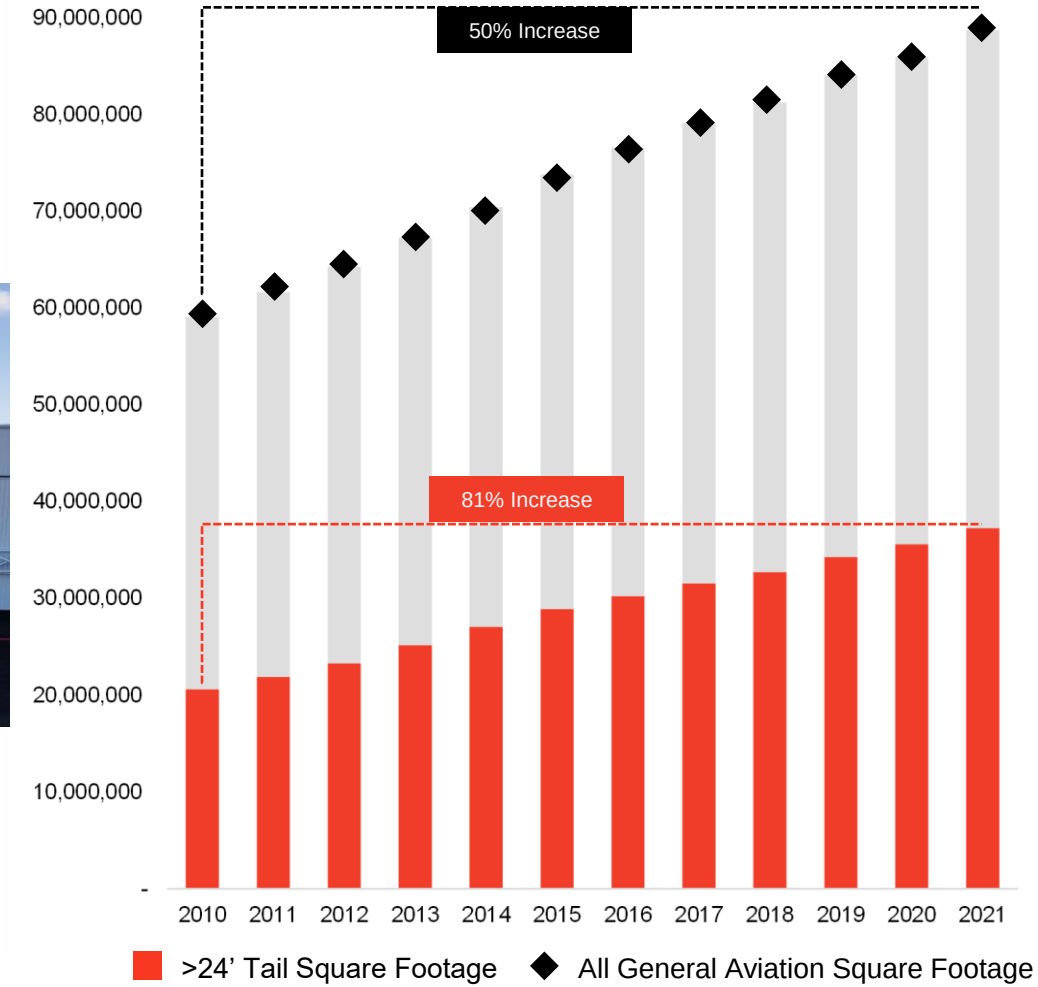




Cumulative square footage of US business aviation fleet growing faster than number of aircraft in fleet

Source: JETNET data as of January 2022

Cumulative US Business Aircraft Fleet Square Footage



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HANGAR SUPPLY CONSTRAINED

Existing hangar infrastructure already insufficient

- Hangar occupancy now significantly >100% at major BizAv hubs
- Demand growing much faster than supply
- Community hangar format suboptimal for high-end tenants

Airport land is a scarce and dwindling resource

- Little developable land remains on many key airports
- Secular growth in BizAv activity
- Increasing non-BizAv uses for airports – logistics, EVTOL, etc.
- Virtually impossible to develop new airports

Airports are beachfront property



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SECTION II: COMPANY OVERVIEW



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SITE ACQUISITION

Proprietary Site Acquisition Methodology
Highly-trained Veteran-led Team

Unsolicited bid to Airport Sponsor

- EX:
  - Houston (SGR)
  - Phoenix (DVT)
  - Hudson Valley (POU)
  - Chicago (PWK)
  - Orlando (ORL)
  - Dulles (IAD)

Sub-lease or Assignment

- EX:
  - Miami (OPF)
  - Denver (APA)
- Typically simplest
- Master tenant may be FBO, Legacy leaseholder

Sponsor-Initiated RFP

- Unprovoked
  - Nashville (BNA)
  - Bradley (BDL)
  - Stewart (SWF)
- Non-FBO advantage

Sky Harbour-Driven RFP

- Provoked
  - Dallas (ADS)
  - San Jose (SJC)

Fee Simple + Through the Fence

- **EX:**
  - **Dallas (ADS)**
  - **Scottsdale (SDL)**

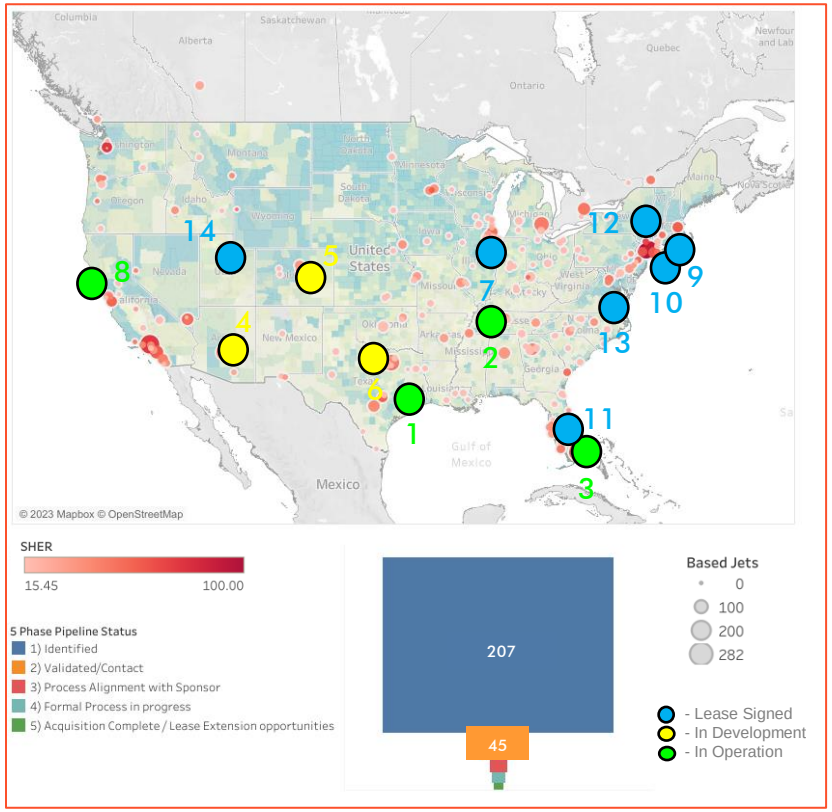
Special Situations

- **Leverage Relationships**
- **Spread Costs**
- **Purchase of FBO chain or specific properties**
- **Single-location FBO**
- **Non-FBO / SASO (Special Aviation Services Operator)**
- **EX: Dallas (DAL)**

Targeting Criteria(1)

1. Metro center's existing Sky Harbour Equivalent Rent (SHER)
2. Airfield's existing SHER
3. Number of currently based aircraft
4. Number of regularly repositioning aircraft
5. Sky Harbour access to fuel
6. Minimum footprint for site layout composed of Sky Harbour SH34 and SH16 hangars
7. Site conditions

Target Map



Airport Codes and respective full names as follows:
ADS – Addison Airport; APA – Centennial Airport; BNA – Nashville International Airport; DAL – Dallas Love Field; DVT – Phoenix Deer Valley Airport; OPF – Miami-Opa Locka Executive Airport ; SDL – Scottsdale Airport; SGR – Sugar Land Regional Airport; POU – Hudson Valley Regional Airport; PWK – Chicago Executive Airport; ORL – Orlando Executive Airport; IAD – Dulles International Airport; BDL – Bradley International Airport; SWF – New York Stewart International Airport; SJC – San Jose Mineta International Airport
(1) Implemented after first five fields secured; i.e., ADS is the first field acquired using current methodology

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Illustrative Scaling of Business and Unit Economics

Airfields	12	20	50
Total Capital	$600,000,000	$1,100,000,000	$3,000,000,000
Total Debt	$420,000,000	$792,000,000	$2,400,000,000
Leverage	70%	72%	80%
Blended Rate:	5.00%	5.50%	5.25%
Project Equity	$180,000,000	$308,000,000	$600,000,000
Cost of Debt	$21,000,000	$43,560,000	$126,000,000
NOI[(1)]	$81,000,000	$154,000,000	$345,000,000
Pre-tax Cash Flow to Equity	$60,000,000	$110,440,000	$219,000,000
NOI Yield (unlevered)	13.5%	14.0%	11.5%
Illustrative Return on Project Equity (levered)	**33%**	**35%**	**36%**

Assumptions

- Average airfield development cost projected to grow over time from current levels at CPI
- NOI yield projected to increase for fields 7-20 (more desirable airfields), then decreases for fields 21-50 (less attractive fields)
- PABs leverage estimated to increase with size and diversification of Obligated Group
- Effective PABs interest rate projected to increases due to recent interest rate increases, partially offset with potential for investment grade credit spread compression
- Additional equity from balance sheet cash, PIPE or public equity offerings, and/or project level joint venture partnerships

(1) Net Operating Income (NOI) is a non-GAAP measure that we consider to be an appropriate supplemental measure of our properties. We define NOI as total revenue (including rental revenue, fuel revenue, tenant reimbursements, and other income) less property-level operating expenses (including insurance, utilities, property taxes, repairs and maintenance, property-level salaries, and ground lease payments). NOI excludes depreciation and amortization, general and administrative expenses at the holding company, interest expense, and other non-operating items. Assumes first full stabilized year of operations (stabilization defined as a completed airfield that has reach 95% occupancy).

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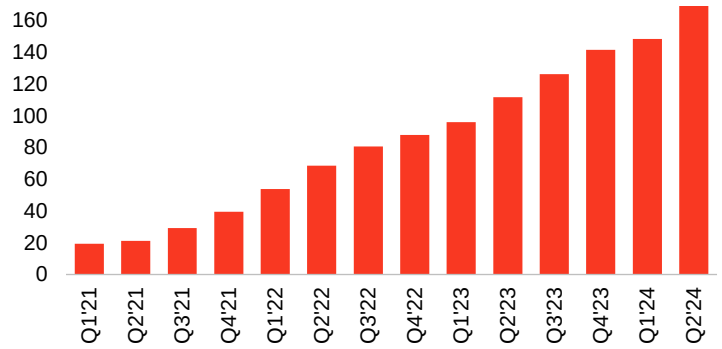
SKY HARBOUR GROUP CORP FINANCIAL RESULTS

Step Function: SJC, Q2 2024

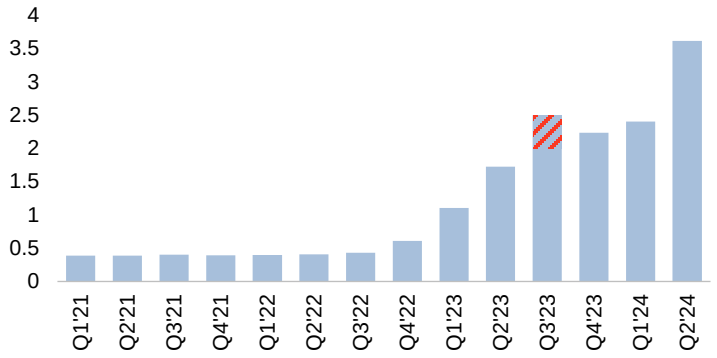
COST OF CONSTRUCTION AND CONSTRUCTED ASSETS

(In millions)



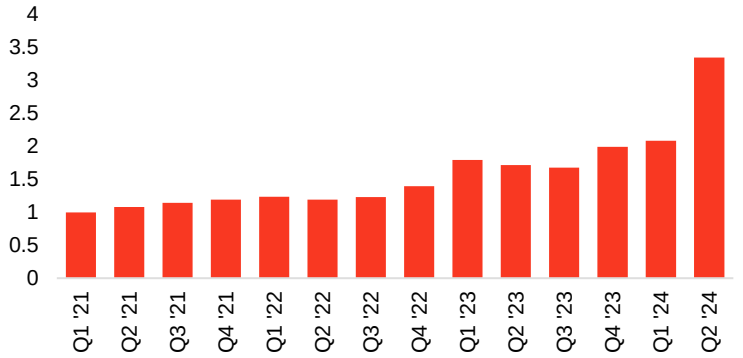
QUARTERLY REVENUES

(In millions)



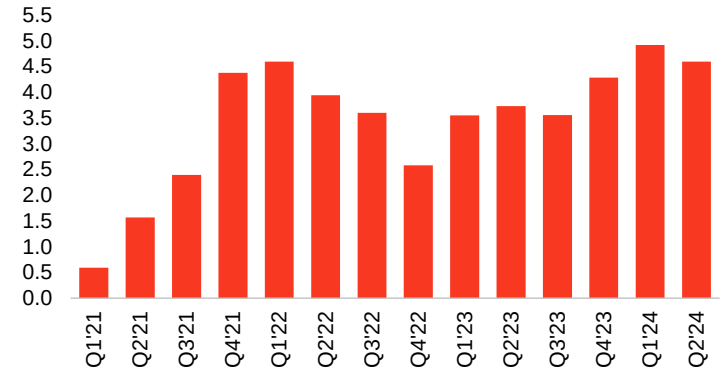
OPERATING EXPENSES

(In millions)



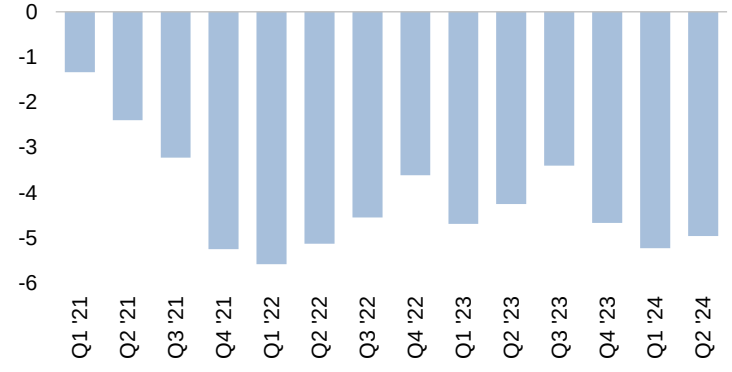
SG&A

(In millions)



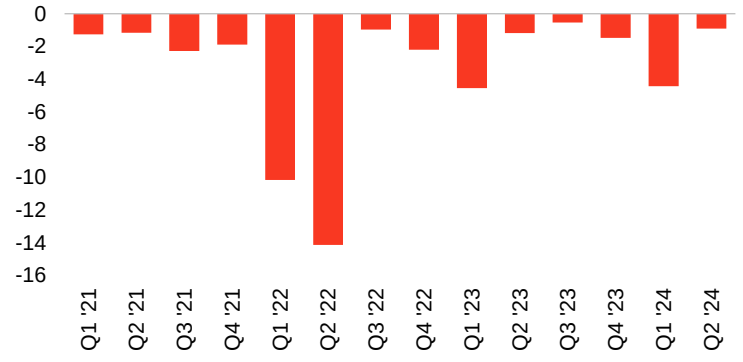
OPERATING RESULTS

(In millions)



NET CASH FLOW USED IN OPERATING ACTIVITIES

(In millions)



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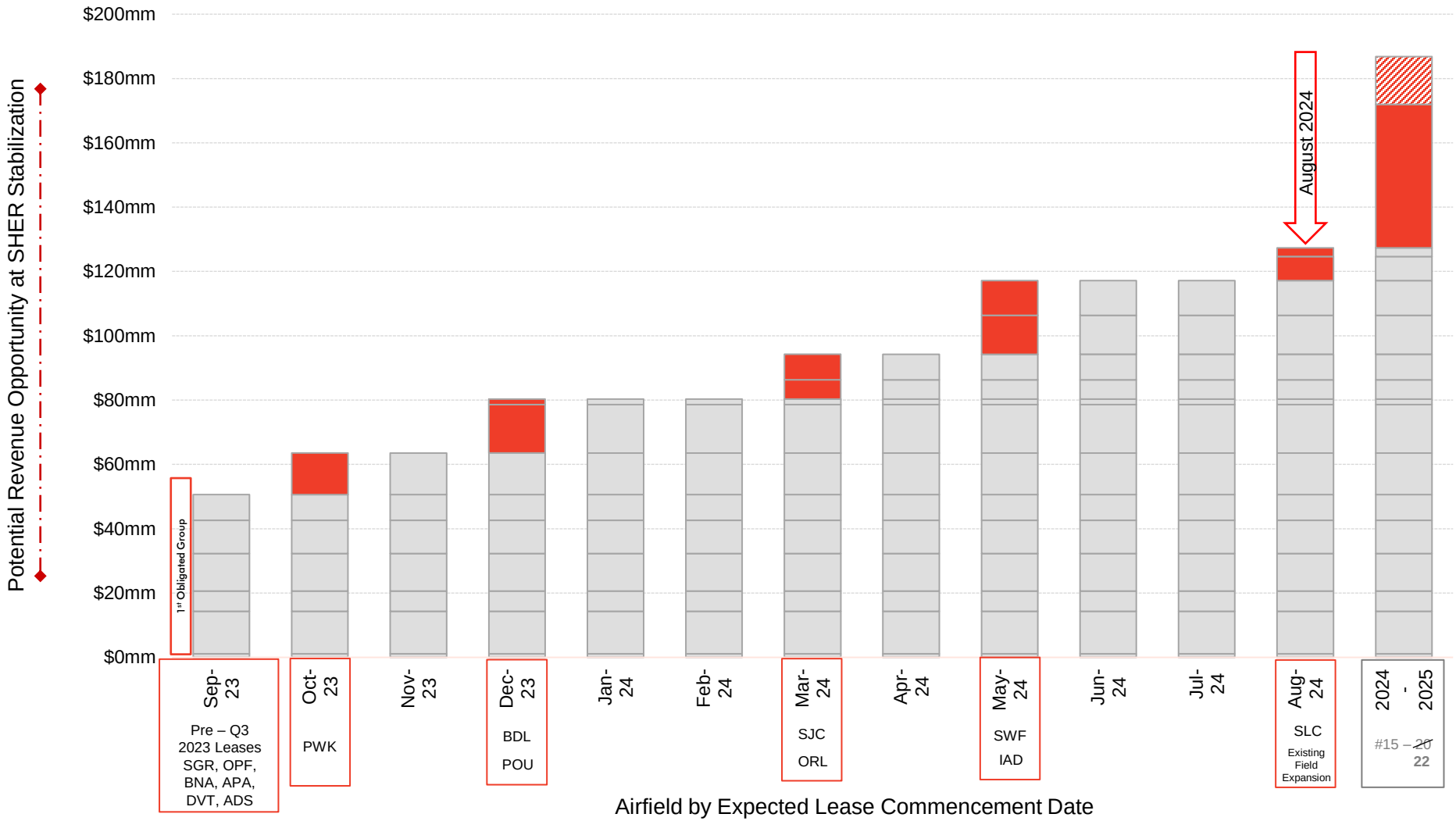
SITE ACQUISITION

New Ground Leases Generate New Target Stabilized Revenue Level



Note: Revenue figures use forecasted rent and fuel revenues at airfields with existing ground leases. Sky Harbour Equivalent Rent (SHER), a measure of forecasted rent and fuel revenues, is used for future airfields. Available Revenue represents potential revenue in first full stabilized year of operations (stabilization defined as a completed airfield that has reach 95% occupancy).
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ADDITIONAL REVENUE STREAMS

Real estate as beachhead to capture additional BizAv revenue streams

1. Fuel
   - Variable margin
   - Minimum Uplift Requirement
2. Insurance
3. Charter Brokerage
4. Aircraft Brokerage
5. Finance
6. Management
7. Maintenance
8. Servicing and Detailing
9. On-the-road services



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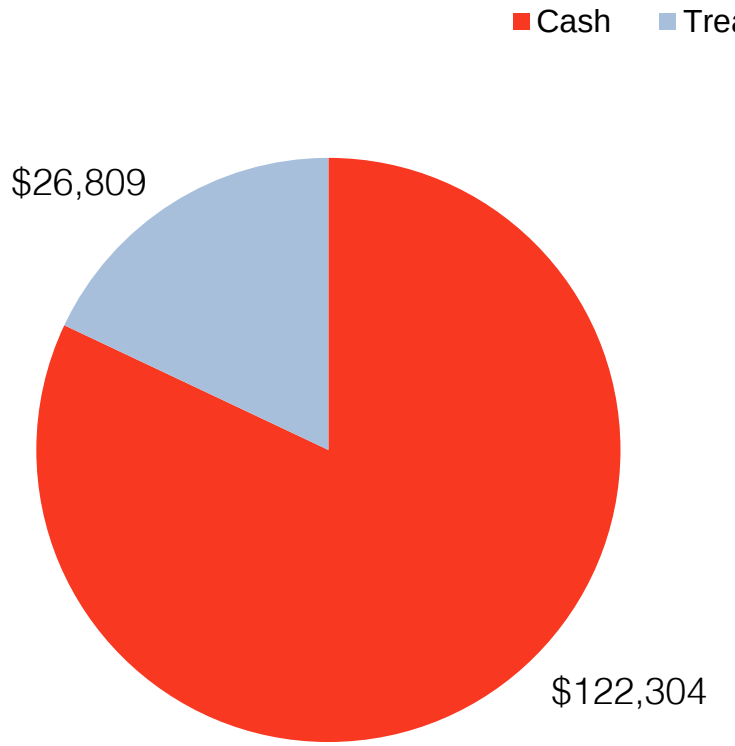
STRONG LIQUIDITY AND LONG-TERM PERMANENT DEBT

U.S. TREASURIES AND CASH

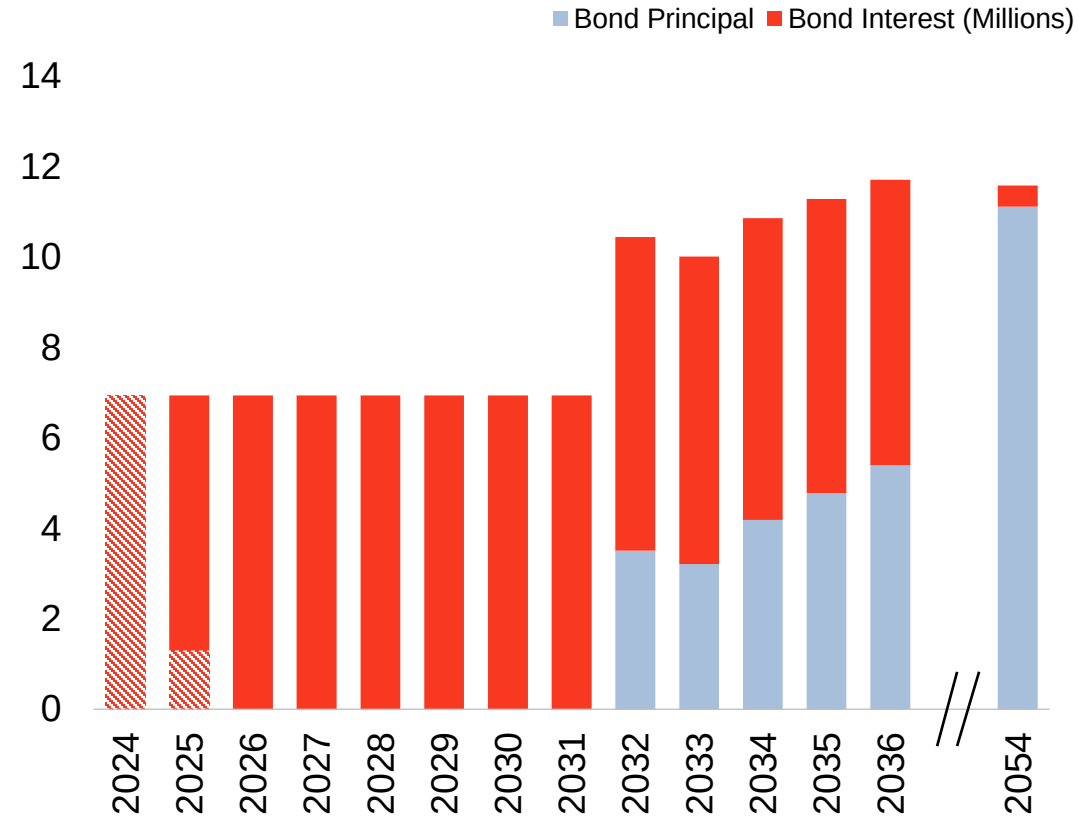
(In thousands)



~$150 Million

SERIES 2021 BOND DEBT SERVICE

(In millions)



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SEPTEMBER 2024 PIPE ANNOUNCEMENT

$31.8 million proceeds at net purchase price of $9.50

- Closing October 2024
- Each investor has the option to purchase an additional Class A Common Stock share at a net price of $9.50 in December 2024

Meets Sky Harbour objectives for capital raising for project financing

- Potential proceeds of ~$63 million along with cash on hand can be leveraged with incremental ~$150 million in private activity debt financing
- ~$240 million for the phase 1 development projects at approximately 6-7 new airport campuses (~800,000 rentable square feet), beyond the ~1 million rentable square feet already funded

Sources	($ in thousands)
PIPE Closing #1	$31,800
PIPE Closing #2	$31,800
Excess SKYH Cash	$25,000
Incremental Debt	$150,000
Total	**$238,600**

Uses	($ in thousands)
6-7 SKYH Phase 1s	**$238,600**

Funded for ~800,000 square feet on 6-7 new phase 1 airport campuses

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