SkyHarbour

JPM Municipal Transportation Conference

March 2025

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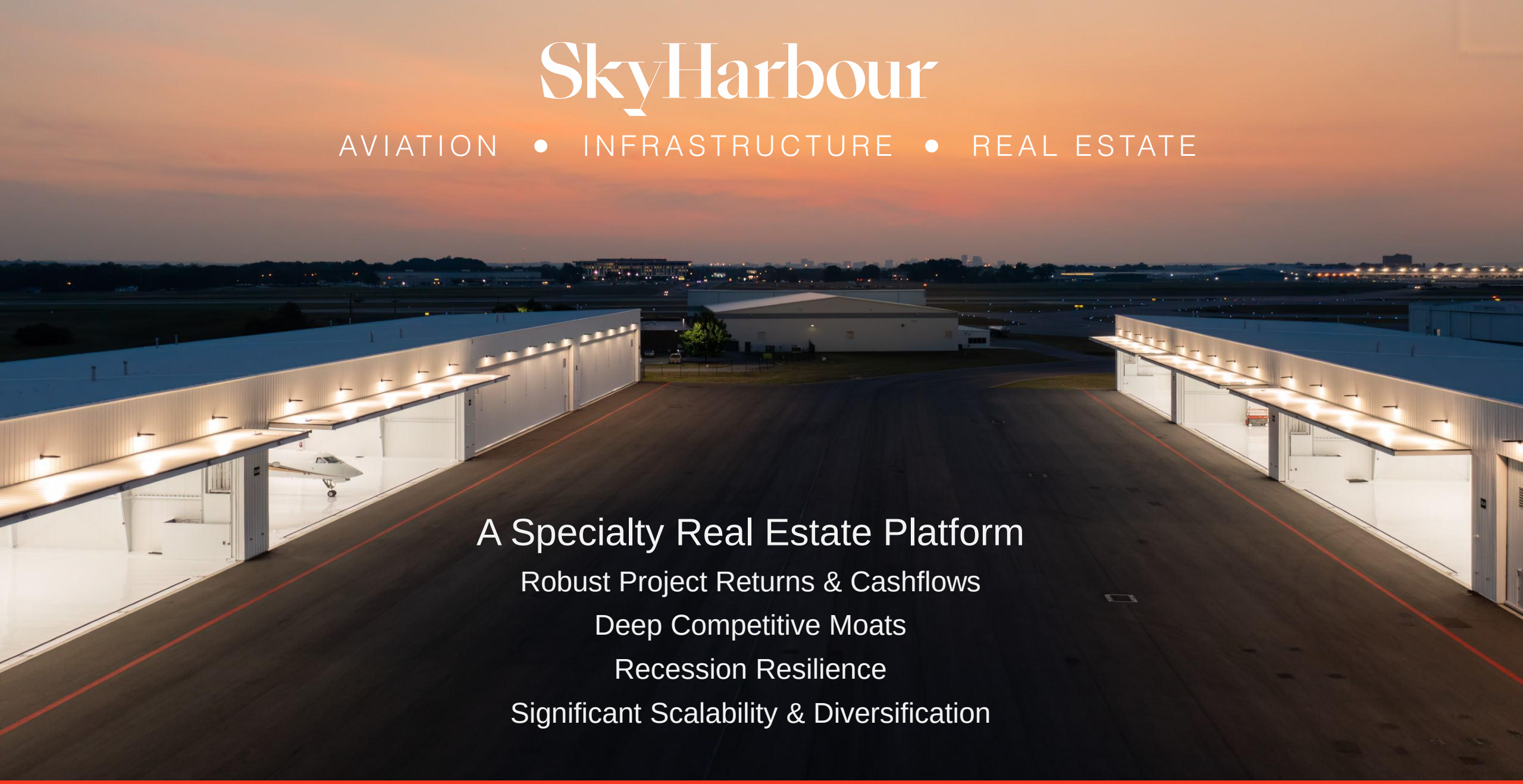
Municipal Bond Offering

Sky Harbour Capital LLC (the "Bond Borrower"), a subsidiary of Sky Harbour, raised capital through a municipal bond offering. That bond offering was made through a Preliminary Offering Statement ("POS"), which contained a number of disclosures regarding the Bond Borrower and its subsidiaries, which comprise the obligated group (the "Obligated Group") for such bonds. The POS disclosure includes projections regarding the future business obligations of the Obligated Group and other disclosure pertaining to the Obligated Group. Because the POS disclosure has been drafted to convey information concerning only the Obligated Group, such disclosure should not be relied upon in making an investment decision regarding Sky Harbour.

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SkyHarbour

AVIATION • INFRASTRUCTURE • REAL ESTATE



A Specialty Real Estate Platform

Robust Project Returns & Cashflows

Deep Competitive Moats

Recession Resilience

Significant Scalability & Diversification

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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
- Exceed DSCRs of original feasibility studies
- Remain largest home basing solution provider in US market

Team

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



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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

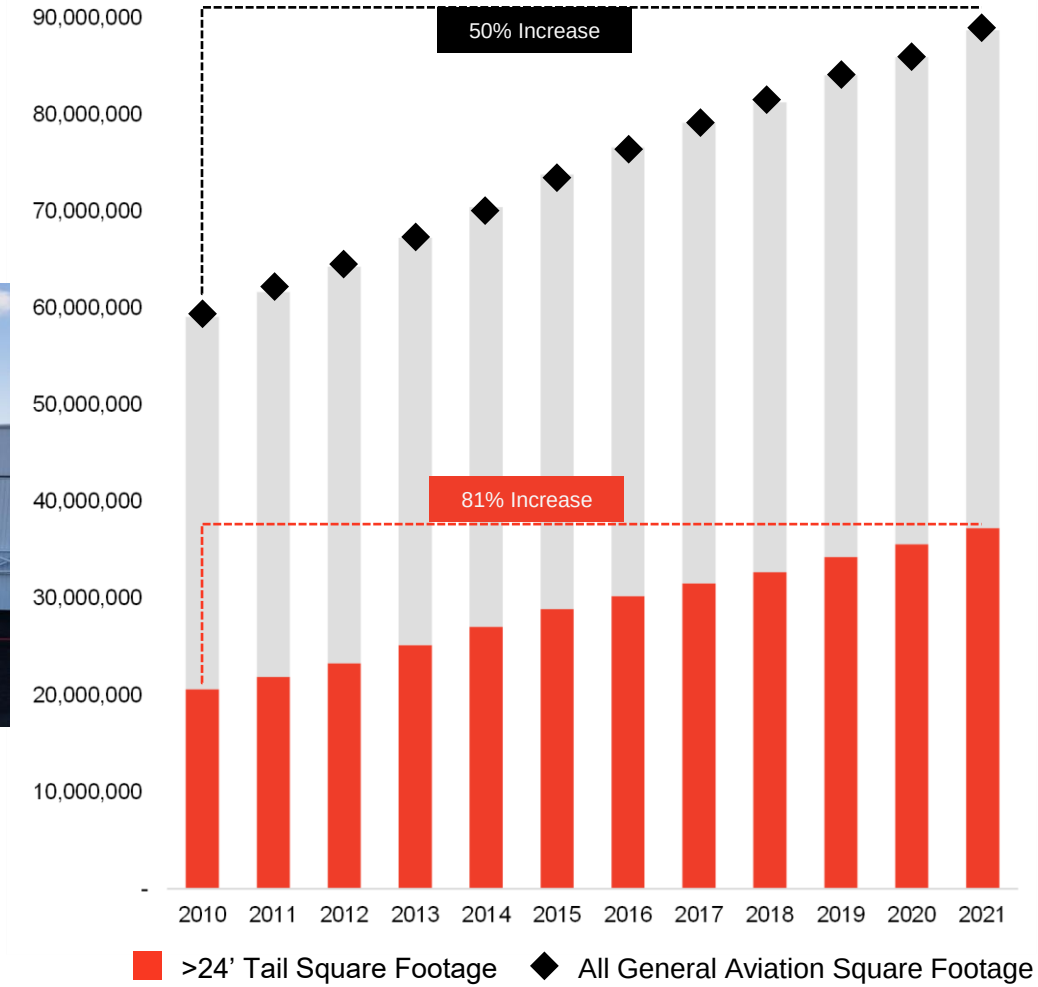




Cumulative square footage of US business aviation fleet growing faster than number of aircraft in fleet

Source: JETNET data as of January 2022

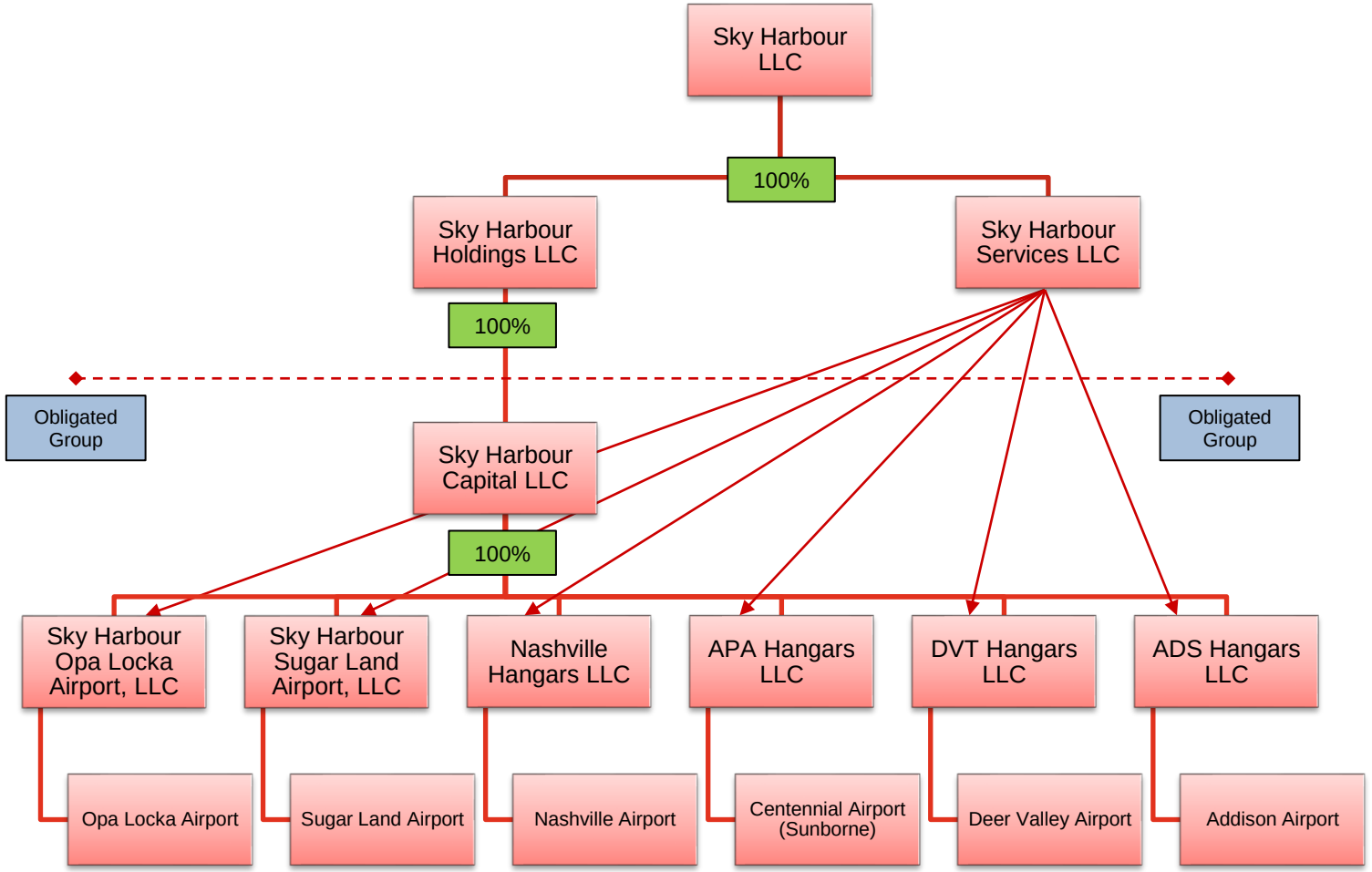
Cumulative US Business Aircraft Fleet Square Footage



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Financing Backed by Obligated Group Credit

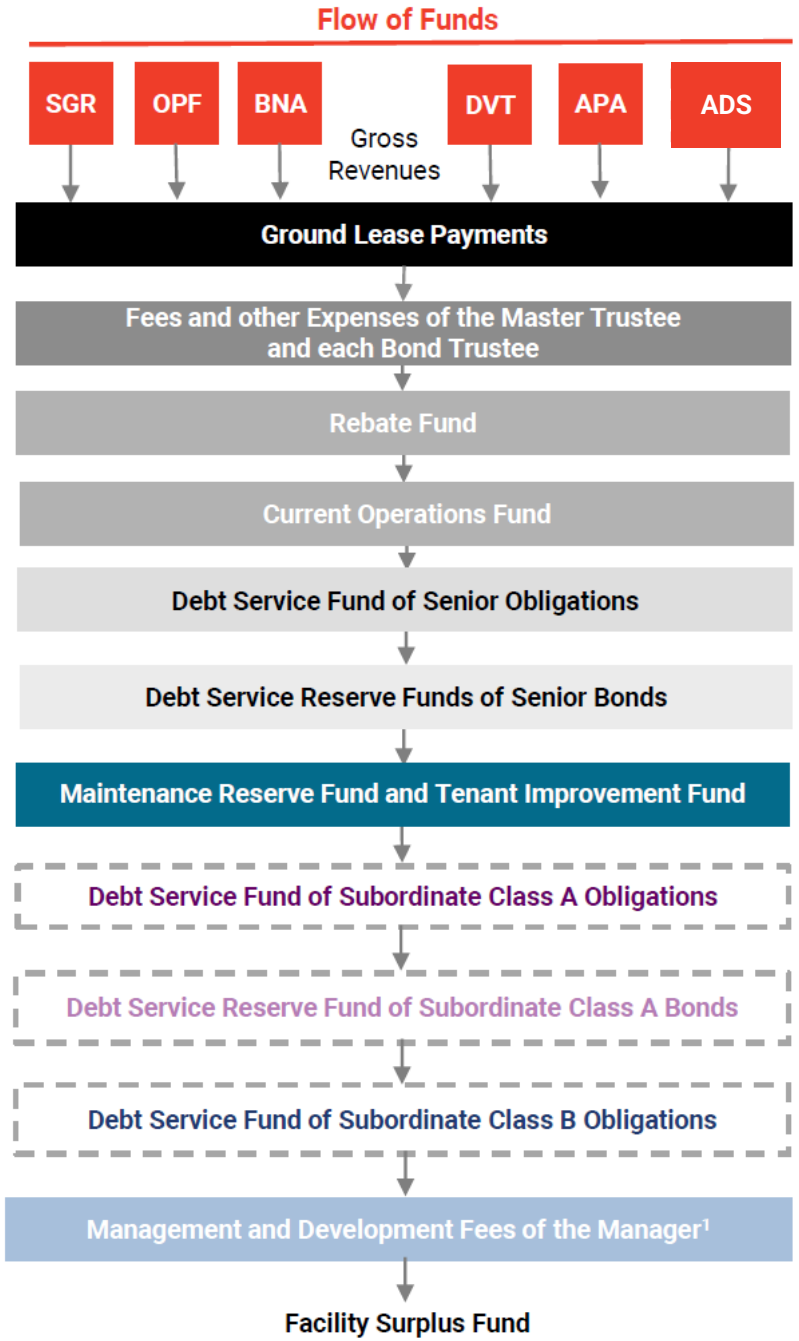
- The corporate structure of Sky Harbour is composed of holding and 100% sub-holding limited liability companies
- Sky Harbour Services LLC is the developer, asset and operational manager of all the facilities
- SHC is the sub-holding company through which all airport campuses and projects are owned and operated through individual airport LLCs
- The Obligated Group is secured by a joint and several pledge of gross revenues and leasehold mortgages on the properties being developed or operated by SHC and its affiliates
- Each of the properties is pledged to a single master trustee
- The master trustee issued master notes to the trustee for the bonds (and other parity bonds) that are secured by the properties



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Security Structure and Flow of Funds

- Pledge of tenant lease agreements and all related revenues
- Master Indenture of Trust governs all debt sold by the Obligated Group
- Obligations of the Master Trustee secured by leasehold mortgage and revenues associated with all current and future properties included under the Master Trust Indenture
- Pledge of construction and management contracts and all other project property
- Each series of bonds secured by a Master Note from the Master Trustee to the bond trustee
  - All properties jointly and severally liable for each Master Note and the associated debt
- Gross revenues are applied first to pay ground rent and current operations
- Then, flow through Senior Debt Service, Senior reserves, and other funds (maintenance reserve and tenant improvement)
- Then, flow through Subordinate Debt Service and Subordinate reserves
- Then, flow to management and development fees
- Finally, residual revenues are released as distributions to equity



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Summary of Original Series 2021 Bonds

Summary

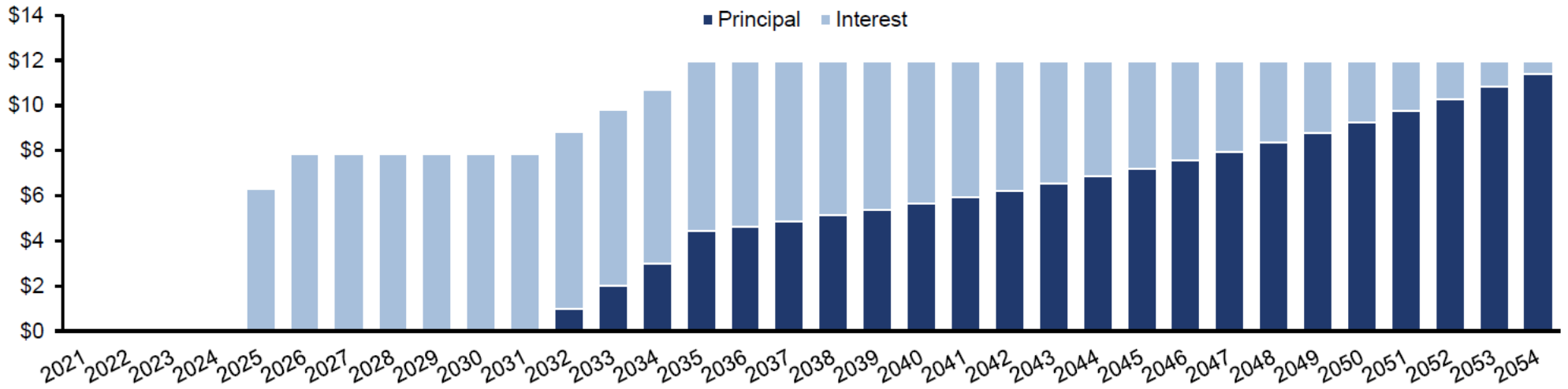
- Fully amortizing debt structure, all on the Senior Lien
- DSCR structure based on forecast revenues from the feasibility report by CBRE
- Capitalizing interest to the later of 1) through 7/1/2024 or 2) approx. 6 months past each facility's scheduled construction completion date
- Debt Service Reserve Fund also funded at closing
- Equity provided by Sky Harbour LLC at financial close, as parent to SHC, funds remaining capex

Original Sources and Uses ($mm)

Sources of Funds	**Amount**
Par Amount of Series 2021 Bonds	$166,340,000
Original Issue Premium	$249,436
Equity Contribution	$68,000,000
Total Sources	**$234,589,436**

Uses of Funds	**Amount**
Series 2021 Construction Account	$170,871,712
Reimbursement of Parent Equity	$6,403,937
Series 2021 Capitalized Interest Account	$20,716,984
Debt Service Reserve Fund	$11,749,388
Ramp Up Reserve Account	$4,000,000
Refinance Existing Loans	$13,890,174
Cost of Issuance and Underwriters Fee	$6,957,242
Total Uses	**$234,589,436**

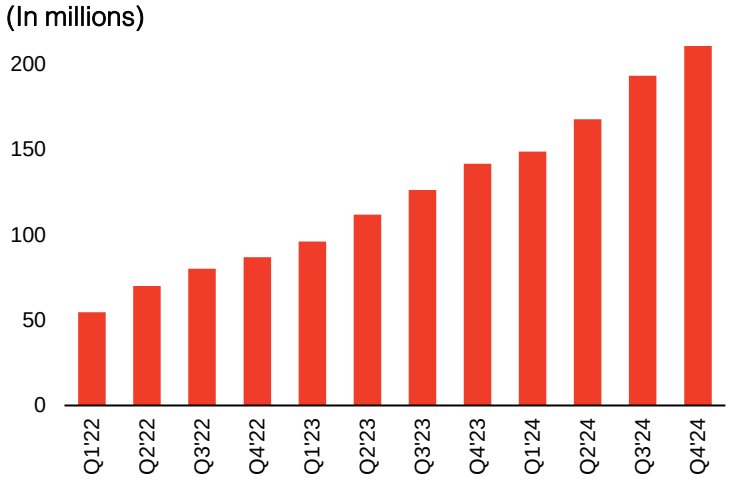
Series 2021 Net Debt Service FYE ($mm)



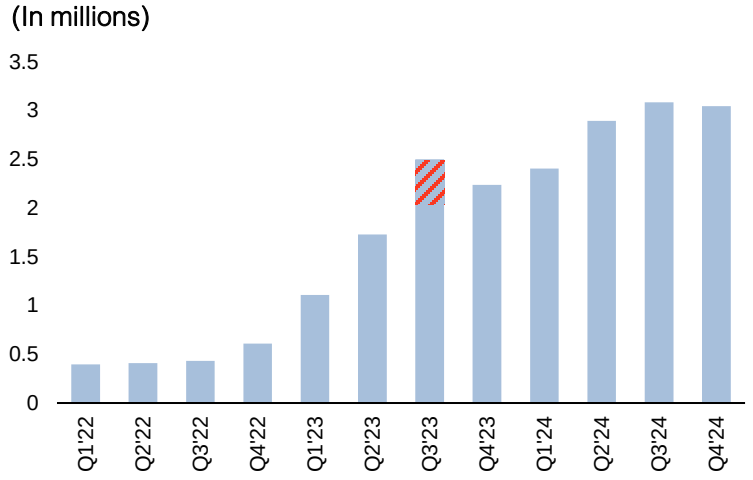
SKY HARBOUR CAPITAL - PABS OBLIGATED GROUP

Results Awaiting Expected Step Up in 2025 with Three New Campus Openings

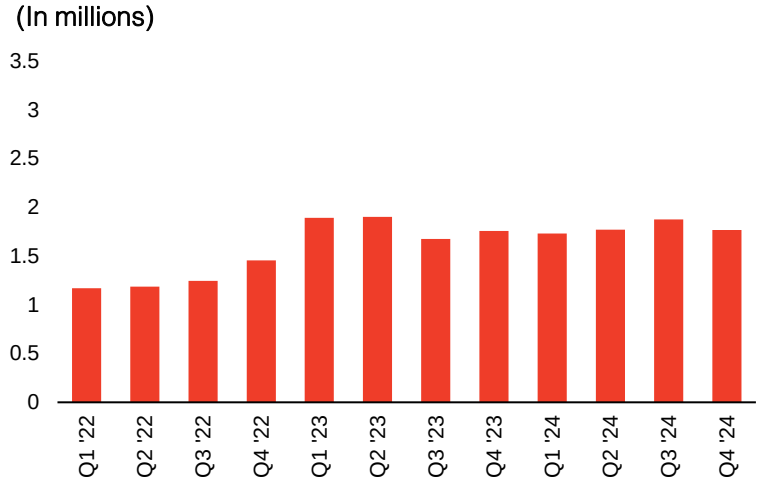
COST OF CONSTRUCTION AND CONSTRUCTED ASSETS



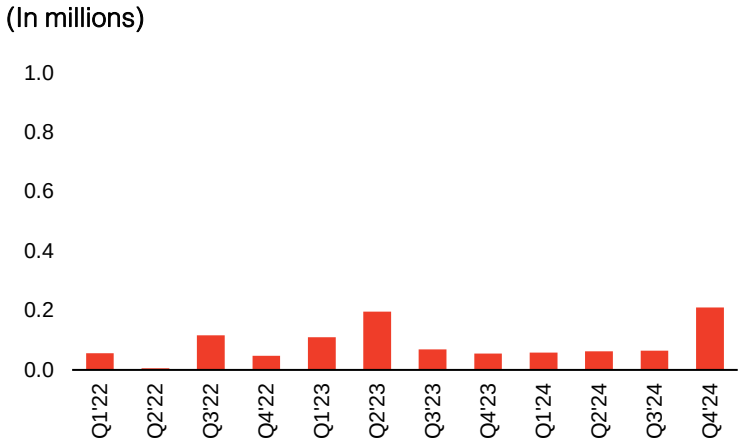
QUARTERLY REVENUES



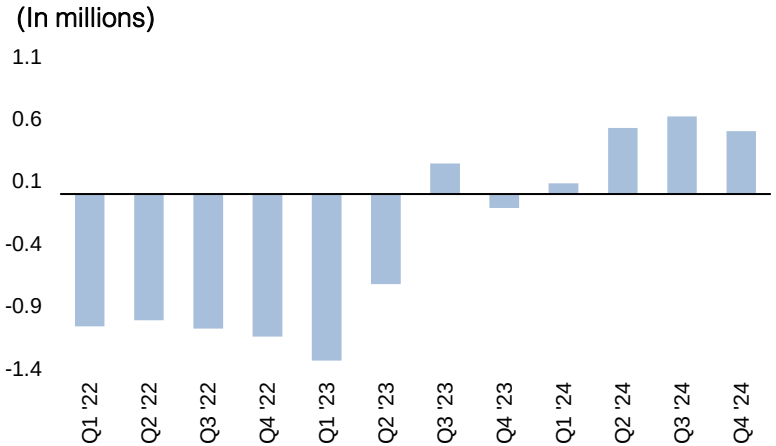
OPERATING EXPENSES



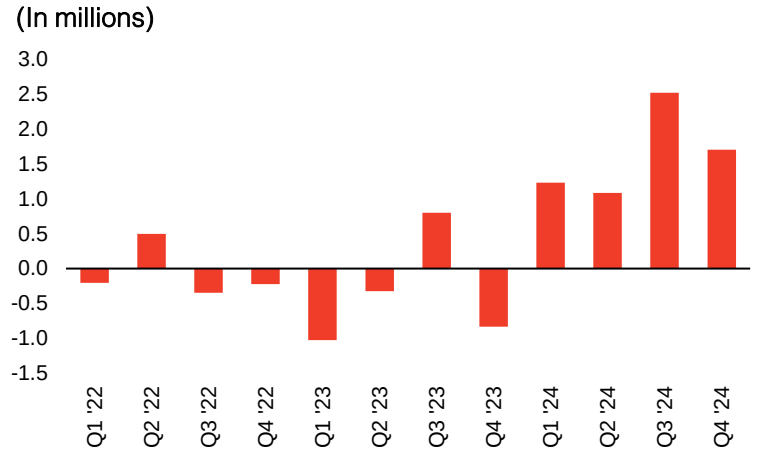
SG&A



OPERATING RESULTS



NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES



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Updates on Obligated Group Capitalization

Q3 2022

Bond Recap & Pivot

- Sep 2022 Recapitalization of Obligated Group to address construction cost inflation
- Funding gap for cost inflation $52.0 mm
- $19.2 mm addressed through project modification
- $32.8 mm addressed through interest proceeds, waiver of development and asset management fees, reduction in broker fees, higher expected total rental and fuel revenues, and holding company cash infusion

	Square Footage	Total Project Cost (mm)
Underwritten Construction (PABs)	971,700	$192.4
Updated Square Footage/Costs	21,812	$52.0
Total New Construction	993,512	$244.4
Funding Gap		**$52.0**
Plus: Addison Phase I	102,000	$21.4
Minus: SGR Phase II	(58,400)	($8.7)
Minus: DVT Phase II	(105,000)	($31.9)
Modified Project/Updated Costs	(61,400)	($19.2)
Modified Project	932,112	$225.2
Remaining Funding Gap		**$32.8**
% Change	-4.1%	17.0%

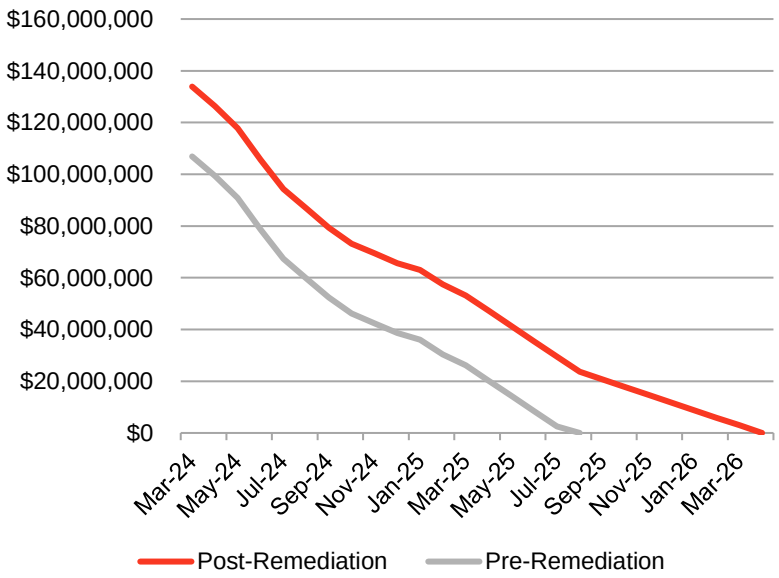
Sources	**Amount**
Revenues	$8.6
Interest Income	$4.2
Waiver of Fees	$18.8
Equity Infusion	$1.2
Total	**$32.8**

Q1 2024

Remediation & Equity Injection

- Prototype Design Flaw discovered in Q1 2024 for Obligated Group Projects at DVT, APA, and ADS
- Projected increase in construction cost from remediation totaling $27 mm
- Funding gap addressed through parent company equity injection of **$27 mm** into the obligated group to cover full cost increase

Cost to Complete analysis (Q1 2024)

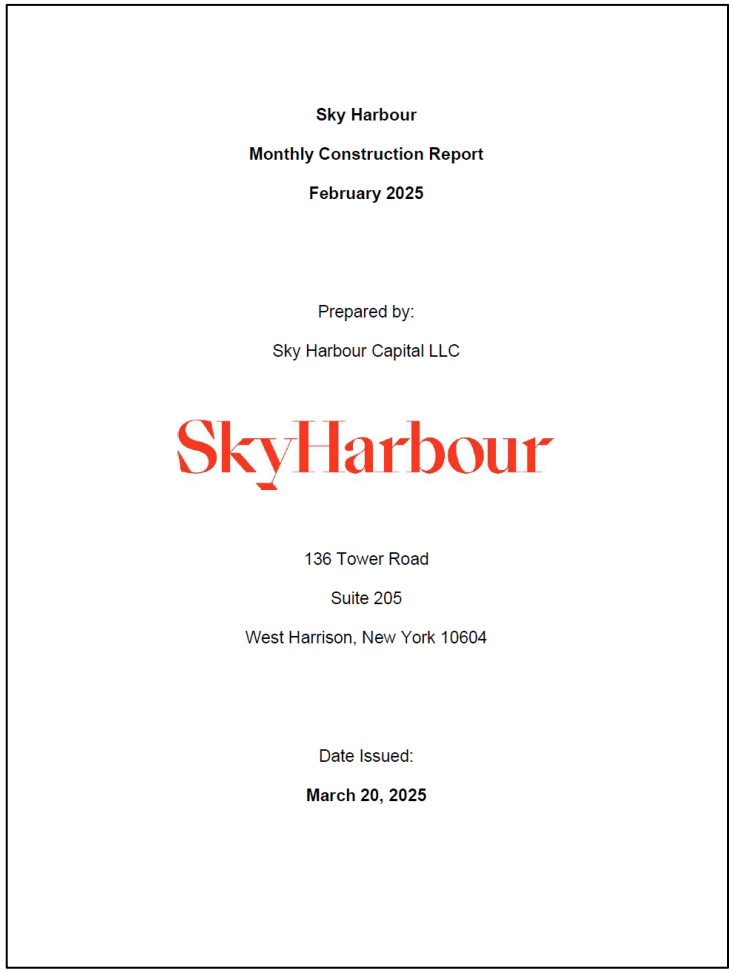


Current

Completion Funding Gap

- Total Obligated Group project cost estimated between $256.1 mm - $280.4 mm
- Spent to date $188.9 mm
- Remaining project cost $67.2 mm – $91.5 mm
- Trustee level cash $43 mm (excludes DSRF)
- Remaining funding gap: $24.2mm - $48.5mm
- To be covered by $20mm in expected revenues, $2mm in interest income, and with potential adjustment of APA 2 site plan ($10mm)

Construction Update
February Construction Report



Sky Harbour

Monthly Construction Report

February 2025

Prepared by:

Sky Harbour Capital LLC

SkyHarbour

136 Tower Road

Suite 205

West Harrison, New York 10604

Date Issued:

March 20, 2025

Update to Timing and Spent-to-Date

Facility	Status	Scheduled Construction Start	Scheduled Completion Date	Hard Costs ($mm)	Soft Costs ($mm)	Project Contingency ($mm)	Total Project Cost ($mm)	Spent-to-Date ($mm)	Contractor	Contract Details
OPF Phase I	Occupancy	Aug-21	Feb-23	22.6 - 24.6	7.4	1.2	31.2 - 33.2	32.8	Link Construction	GMP with 100% P&P Surety
OPF Phase II	In Development	Q1-25	Q2-26	29.2 – 33.2	4.4	2.2	35.8 – 39.8	3.5	Alston Construction	GMP with 100% P&P Surety
BNA	Occupancy	Jul-21	Oct-22	19.0 – 20.0	5.8	1.0	25.8 - 26.8	25.8	Dunn Building Company	GMP with 100% P&P Surety
DVT Phase I	In Construction	Dec-22	Q1-25	44.9 - 50.2	4.1	2.3	51.3 - 56.6	53.7	Haydon Building Corp	GMP with 100% P&P Surety
APA Phase I	In Construction	Nov-22	Q2-25	36.0 – 42.0	6.1	2.7	44.8 - 50.8	46.9	A&F General Contractors	GMP with 100% P&P Surety
APA Phase II	Predevelopment	Q2-25	Q3-26	27.4 – 31.4	4.7	2.2	34.3 – 38.3	0.0		
ADS Phase I	In Construction	Sep-23	Q2- 25	27.4 - 29.4	3.5	2.0	32.9 - 34.9	26.2	Holt Construction	GMP with 100% P&P Surety
Total[1]				**206.5 - 230.8**	**$36.0**	**$13.6**	**256.1 - 280.4**	**$188.9**		

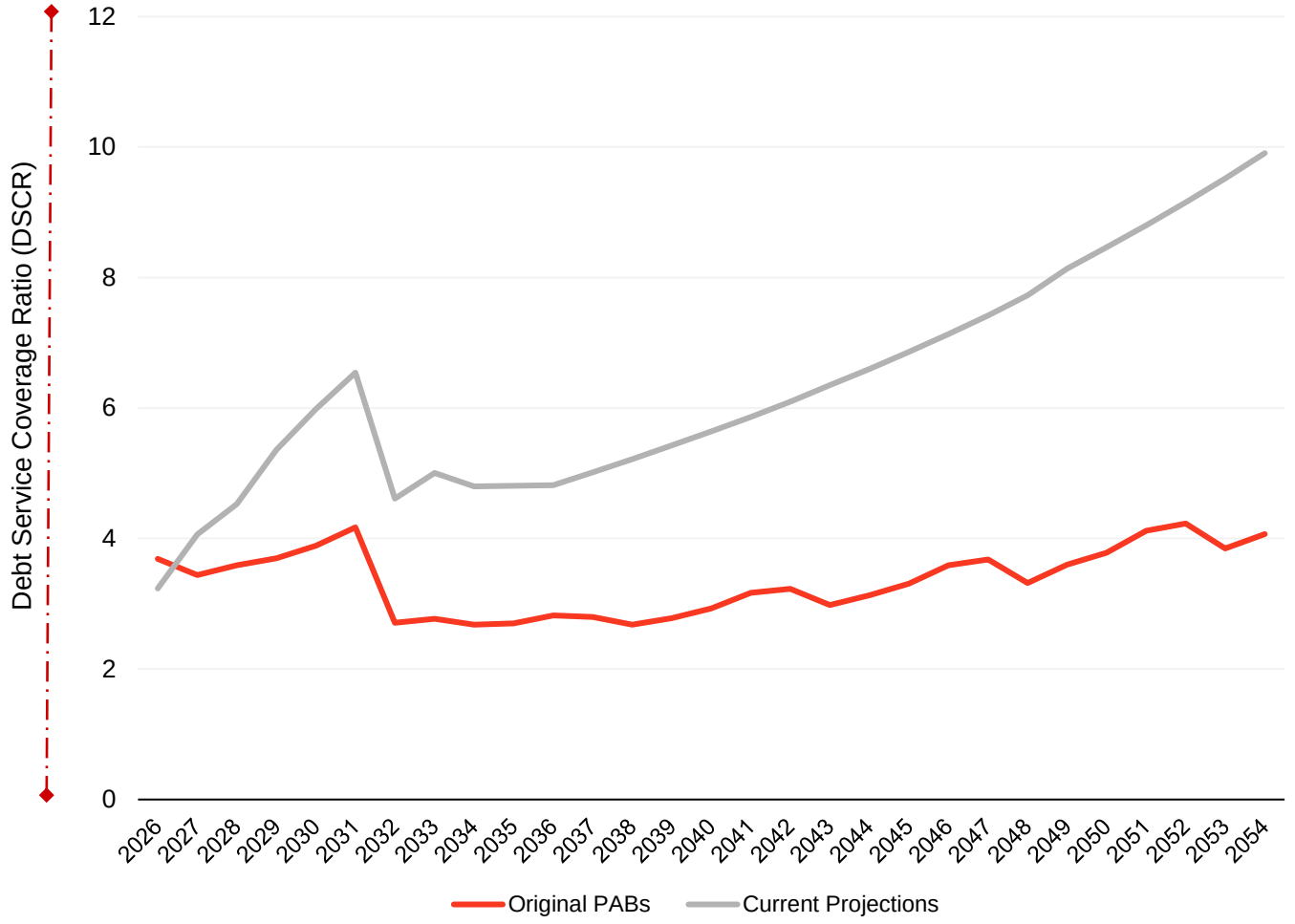
[1]Previous totals in reports prior to May 2024 were overstated. The previous totals incorrectly included DVT Phase 2 in the total construction costs despite removal of that phase from the Obligated Group in 2023.

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Portfolio Performance and Expected Debt Service Coverage

- Portfolio revenue results outperforming underwritten market rental assumptions
- Projected to significantly exceed long term DSCR forecast

Market Leasing Assumptions ($/RSF)						
Location	**SGR**	**BNA**	**OPF**	**DVT**	**APA**	**ADS**
2021 CBRE Projections	$23.25	$28.00	$32.50	$26.00	$32.50	
Current Lease Rates	$19.49	$34.77	$40.51	$29.35	TBD	TBD



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Key Credit Highlights

- Supply-Demand Imbalance of Hangar Space in the US
- Significant Barriers to Entry
  - No new airports constructed in major metro areas
  - Long tenor ground leases (49-year average term)
- Diversified Portfolio of Hangar Campuses
  - Geography
  - Tenant
  - Staggered Tenant Lease Term
- Top Credit Tenant Mix
  - Ultra-High Wealth Individuals
  - Fortune 500 Companies
  - Charter Operators
  - Government
- OG Structure with Secured Revenue Collateral Package and Cross Collateralization with Future Issuances
- Robust Unit Economics and Contracted Revenues
  - Unlevered NOI Yield on Cost 13-15% at Stabilization
  - 80-85% Operating Margins
  - Rent Growth Expected to Increase Beyond CPI Escalators
- Strong Cash Flow Generating Leading to DSCRs Expected to Exceed Significantly Original Estimates
- Strong Sponsorship by NYSE Public Company with Increasing Institutional Investor Ownership and Following

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Growth Capital

PIPE Closing, NYSE Uplisting and Upcoming Debt Issuance

- PIPE: $75.2 million proceeds at net purchase price of $9.50
- Upcoming Debt Issuance: $150 million
- Current Equity Market Capitalization: $930 million

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

Sources	($ in thousands)
PIPE Closing	$75,000
Excess SKYH Cash	$15,000
Incremental Debt	$150,000
Total	**$240,000**

Uses	($ in thousands)
Camarillo Acquisition	**$33,000**
6-7 SKYH Phase 1s	**$207,000**







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