

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

- ☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2024
- ☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____
- Commission file number **001-38113**

BOSTON OMAHA CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

27-0788438
(I.R.S. Employer Identification No.)

1601 Dodge Street, Suite 3300, Omaha, Nebraska 68102
(Address of principal executive offices, Zip Code)

(857) 256-0079
(Registrant’s telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:

Title of Class	Trading Symbol	Name of Exchange on Which Registered
Class A common stock, \$0.001 par value per share	BOC	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

- | | | | |
|-------------------------|-------------------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or

revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 30,931,349 shares of Class A common stock and 527,780 shares of Class B common stock as of August 12, 2024.

BOSTON OMAHA CORPORATION
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2024
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References in this Quarterly Report on Form 10-Q to “the Company,” “our Company,” “we,” “us,” “our” and “Boston Omaha” refer to Boston Omaha Corporation and its consolidated subsidiaries, unless otherwise noted.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

**Consolidated Financial Statements
Unaudited**

For the Six Months Ended June 30, 2024 and 2023

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

**Consolidated Balance Sheets
Unaudited**

ASSETS

	June 30, 2024	December 31, 2023
Current Assets:		
Cash and cash equivalents	\$ 24,615,739	\$ 21,946,884
Cash held by BOAM funds and other	3,190,314	3,364,789
Accounts receivable, net	13,517,505	12,141,244
Interest receivable	63,747	185,482
Short-term investments	28,445,187	24,753,469
Marketable equity securities	2,385,983	2,210,037
U. S. Treasury securities	13,563,026	47,112,659
Funds held as collateral assets	9,597,001	14,101,531
Prepaid expenses	5,275,637	5,571,454
Total Current Assets	100,654,139	131,387,549
Property and Equipment, net	154,229,938	144,266,763
Other Assets:		
Goodwill	182,380,136	182,380,136
Intangible assets, net	62,324,834	65,532,301
Investments	78,290,565	87,104,272
Investments in unconsolidated affiliates	82,712,770	94,244,788
Deferred policy acquisition costs	2,111,818	1,772,455
Right of use assets	60,216,061	61,399,460
Other	143,862	119,368
Total Other Assets	468,180,046	492,552,780
Total Assets	\$ 723,064,123	\$ 768,207,092

See accompanying notes to the unaudited consolidated financial statements.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

**Consolidated Balance Sheets (Continued)
Unaudited**

LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND STOCKHOLDERS' EQUITY

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Current Liabilities:		
Accounts payable and accrued expenses	\$ 19,285,422	\$ 18,438,647
Short-term payables for business acquisitions	578,604	618,003
Lease liabilities	5,214,404	5,085,221
Funds held as collateral	9,597,001	14,101,531
Unearned premiums	11,817,702	9,699,544
Current maturities of long-term debt	834,335	814,667
Deferred revenue	2,639,945	2,628,139
Total Current Liabilities	49,967,413	51,385,752
Long-term Liabilities:		
Asset retirement obligations	3,903,790	3,794,985
Lease liabilities	55,070,711	56,438,308
Long-term debt, less current maturities	36,100,240	26,523,099
Other long-term liabilities	1,454,640	1,500,875
Deferred tax liability	11,166,603	12,111,812
Total Liabilities	157,663,397	151,754,831
Redeemable Noncontrolling Interest	-	15,638,013
Stockholders' Equity:		
Preferred stock, \$.001 par value, 1,000,000 shares authorized, 0 shares issued and outstanding	-	-
Class A common stock, \$.001 par value, 38,838,884 shares authorized, 30,931,349 and 30,255,739 shares issued and outstanding, respectively	30,931	30,256
Class B common stock, \$.001 par value, 1,161,116 shares authorized, 527,780 and 1,055,560 shares issued and outstanding, respectively	528	1,056
Additional paid-in capital	538,947,275	522,506,626
(Accumulated deficit) retained earnings	(8,499,792)	15,669,488
Total Boston Omaha Stockholders' Equity	530,478,942	538,207,426
Noncontrolling interests	34,921,784	62,606,822
Total Equity	565,400,726	600,814,248
Total Liabilities, Redeemable Noncontrolling Interest, and Stockholders' Equity	\$ 723,064,123	\$ 768,207,092

See accompanying notes to the unaudited consolidated financial statements.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

**Consolidated Statements of Operations
Unaudited**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues:				
Billboard rentals, net	\$ 11,437,468	\$ 10,835,524	\$ 22,134,128	\$ 21,137,747
Broadband services	9,787,983	8,695,235	19,471,412	17,235,141
Premiums earned	4,737,056	3,458,627	8,740,115	6,565,900
Insurance commissions	527,055	594,540	1,029,743	1,070,666
Investment and other income	598,221	632,468	1,265,116	1,022,725
Total Revenues	27,087,783	24,216,394	52,640,514	47,032,179
Costs and Expenses:				
Cost of billboard revenues (exclusive of depreciation and amortization)	3,880,807	3,808,624	7,671,441	7,616,288
Cost of broadband revenues (exclusive of depreciation and amortization)	2,475,451	2,282,175	4,973,563	4,856,526
Cost of insurance revenues (exclusive of depreciation and amortization)	2,255,664	1,746,378	4,162,585	3,309,410
Employee costs	11,820,937	7,753,280	20,452,848	15,950,817
Professional fees	1,719,922	1,402,899	2,857,070	2,572,488
General and administrative	4,003,081	3,962,814	8,061,486	7,925,446
Amortization	1,884,074	1,830,883	3,770,828	3,632,910
Depreciation	3,572,066	3,013,176	7,023,439	5,720,493
(Gain) loss on disposition of assets	(183,738)	5,246	13,345	(40,149)
Accretion	56,134	53,823	108,805	107,646
Total Costs and Expenses	31,484,398	25,859,298	59,095,410	51,651,875
Net Loss from Operations	(4,396,615)	(1,642,904)	(6,454,896)	(4,619,696)
Other Income (Expense):				
Interest and dividend income	313,775	561,090	853,015	842,956
Equity in income (loss) of unconsolidated affiliates	2,957,387	5,350,524	(7,214,228)	370,446
Other investment income	(545,385)	(2,267,004)	7,243,060	605,215
Interest expense	(368,370)	(287,035)	(650,403)	(575,717)
Net (Loss) Income Before Income Taxes	(2,039,208)	1,714,671	(6,223,452)	(3,376,796)
Income tax benefit (expense)	22,046	(1,070,866)	959,239	580,749
Net (Loss) income	(2,017,162)	643,805	(5,264,213)	(2,796,047)
Noncontrolling interest in subsidiary (income) loss	(218,057)	897,807	220,913	1,016,505
Net (Loss) Income Attributable to Common Stockholders	\$ (2,235,219)	\$ 1,541,612	\$ (5,043,300)	\$ (1,779,542)
Basic Net (Loss) Income per Share	\$ (0.07)	\$ 0.05	\$ (0.16)	\$ (0.06)
Diluted Net (Loss) Income per Share	\$ (0.07)	\$ 0.05	\$ (0.16)	\$ (0.06)
Basic Weighted Average Class A and Class B Common Shares Outstanding	31,853,692	31,225,719	31,594,198	30,876,835
Diluted Weighted Average Class A and Class B Common Shares Outstanding	31,853,692	31,281,828	31,594,198	30,876,835

See accompanying notes to the unaudited consolidated financial statements.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

**Consolidated Statements of Changes in Stockholders' Equity
Unaudited**

	No. of shares							
	Class A Common Stock	Class B Common Stock	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Non- controlling Interest	Retained Earnings	Total
Beginning Balance, December 31, 2022	28,650,688	1,055,560	\$ 28,651	\$ 1,056	\$483,917,938	\$ 7,409,068	\$22,673,497	\$514,030,210
Stock issued for cash	1,097,824	-	1,098	-	28,104,363	-	-	28,105,461
Stock issued as compensation	16,482	-	16	-	420,352	-	-	420,368
Offering costs	-	-	-	-	(867,891)	-	-	(867,891)
Contributions from noncontrolling interests, Build for Rent subsidiary	-	-	-	-	-	3,300,000	-	3,300,000
Net loss attributable to minority interests	-	-	-	-	-	(62,576)	-	(62,576)
Net loss attributable to common stockholders, March 31, 2023	-	-	-	-	-	-	(3,321,154)	(3,321,154)
Ending Balance, March 31, 2023	<u>29,764,994</u>	<u>1,055,560</u>	<u>\$ 29,765</u>	<u>\$ 1,056</u>	<u>\$511,574,762</u>	<u>\$10,646,492</u>	<u>\$19,352,343</u>	<u>\$541,604,418</u>
Offering costs	-	-	-	-	(400,219)	-	-	(400,219)
Stock issued for cash	434,241	-	434	-	9,420,768	-	-	9,421,202
Stock issued as compensation	4,564	-	5	-	99,995	-	-	100,000
Stock issued for purchase of 24th Street Asset Management	45,644	-	46	-	1,003,274	-	-	1,003,320
Contributions from noncontrolling interests, Build for Rent subsidiary	-	-	-	-	-	1,000,000	-	1,000,000
Noncontrolling interests, 24th Street Asset Management	-	-	-	-	-	47,184,338	-	47,184,338
Net loss attributable to noncontrolling interests	-	-	-	-	-	(908,612)	-	(908,612)
Net income attributable to common stockholders, June 30, 2023	-	-	-	-	-	-	1,541,612	1,541,612
Ending Balance, June 30, 2023	<u>30,249,443</u>	<u>1,055,560</u>	<u>\$ 30,250</u>	<u>\$ 1,056</u>	<u>\$521,698,580</u>	<u>\$57,922,218</u>	<u>\$20,893,955</u>	<u>\$600,546,059</u>

See accompanying notes to the unaudited consolidated financial statements.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

Consolidated Statements of Changes in Stockholders' Equity (Continued)
Unaudited

	<u>No. of shares</u>							
	<u>Class A Common Stock</u>	<u>Class B Common Stock</u>	<u>Class A Common Stock</u>	<u>Class B Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Non- controlling Interest</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Total</u>
Beginning Balance, December 31, 2023	30,255,739	1,055,560	\$ 30,256	\$ 1,056	\$522,506,626	\$ 62,606,822	\$ 15,669,488	\$600,814,248
Stock issued as compensation	49,156	-	49	-	779,953	-	-	780,002
Contributions from noncontrolling interests, Build for Rent subsidiary	-	-	-	-	-	50,000	-	50,000
Minority owner contribution, General Indemnity	-	-	-	-	-	37,166	-	37,166
Net loss attributable to noncontrolling interests	-	-	-	-	-	(484,775)	-	(484,775)
Net loss attributable to common stockholders, March 31, 2024	-	-	-	-	-	-	(2,808,081)	(2,808,081)
Ending Balance, March 31, 2024	<u>30,304,895</u>	<u>1,055,560</u>	<u>\$ 30,305</u>	<u>\$ 1,056</u>	<u>\$523,286,579</u>	<u>\$ 62,209,213</u>	<u>\$ 12,861,407</u>	<u>\$598,388,560</u>
Purchase of FIF Utah RNCI	275,611	-	276	-	5,653,524	-	-	5,653,800
Purchase of FIF St. George RNCI	563,750	-	563	-	10,048,415	-	-	10,048,978
Stock returned for payroll taxes	(5,487)	-	(5)	-	(81,257)	-	-	(81,262)
Stock issued as compensation	2,580	-	2	-	40,014	-	-	40,016
Cancellation of Class A and Class B treasury shares and Class B warrants repurchased	(210,000)	(527,780)	(210)	(528)	-	-	(19,125,980)	(19,126,718)
Distributions to noncontrolling interests	-	-	-	-	-	(27,504,485)	-	(27,504,485)
Net income attributable to noncontrolling interests	-	-	-	-	-	217,056	-	217,056
Net loss attributable to common stockholders, June 30, 2024	-	-	-	-	-	-	(2,235,219)	(2,235,219)
Ending Balance, June 30, 2024	<u>30,931,349</u>	<u>527,780</u>	<u>\$ 30,931</u>	<u>\$ 528</u>	<u>\$538,947,275</u>	<u>\$ 34,921,784</u>	<u>\$ (8,499,792)</u>	<u>\$565,400,726</u>

See accompanying notes to the unaudited consolidated financial statements.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

**Consolidated Statements of Cash Flows
Unaudited**

	For the Six Months Ended June 30,	
	2024	2023
Cash Flows from Operating Activities:		
Net Loss	\$ (5,264,213)	\$ (2,796,047)
Adjustments to reconcile net loss to cash provided by operating activities:		
Amortization of right of use assets	2,761,839	2,839,898
Depreciation, amortization, and accretion	10,903,072	9,461,049
Deferred income taxes	(945,209)	(632,354)
Loss (gain) on disposition of assets	13,345	(40,149)
Bad debt expense	126,000	111,982
Equity in loss (income) of unconsolidated affiliates	7,214,228	(370,446)
Other investment income	(7,243,060)	(605,215)
Changes in operating assets and liabilities exclusive of the effects of business combinations:		
Accounts receivable	(1,502,261)	(1,630,621)
Interest receivable	121,735	4,520
Prepaid expenses	295,817	(3,316,225)
Distributions from unconsolidated affiliates	-	207,641
Deferred policy acquisition costs	(339,363)	(289,992)
Other assets	(25,232)	(5,023)
Other liabilities, exclusive of debt	(46,235)	(81,728)
Accounts payable and accrued expenses	846,775	2,348,825
Lease liabilities	(2,946,673)	(3,035,461)
Unearned premiums	2,118,158	1,343,598
Deferred revenue	11,806	329,088
Compensation paid in stock	820,018	520,368
Net Cash Provided by Operating Activities	6,920,547	4,363,708
Cash Flows from Investing Activities:		
Payments on short-term payables for business acquisitions	(39,399)	(3,120,409)
Payment of contingent consideration	-	(248,272)
Issuance of note receivable	-	(1,608,100)
Business acquisitions, net of cash acquired	-	(5,640,072)
Capital expenditures	(17,268,681)	(20,915,576)
Proceeds from sales of investments	212,352,984	142,268,908
Purchases of investments	(164,889,190)	(149,885,498)
Net Cash Provided by (Used in) Investing Activities	30,155,714	(39,149,019)

See accompanying notes to the unaudited consolidated financial statements.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

**Consolidated Statements of Cash Flows (Continued)
Unaudited**

	For the Six Months Ended June 30,	
	2024	2023
Cash Flows from Financing Activities:		
Proceeds from the issuance of stock	\$ -	\$ 37,526,663
Proceeds from long term credit facility	10,000,000	-
Repurchase of stock	(16,761,371)	-
Contributions from noncontrolling interest	87,166	4,300,000
Collateral release	(4,504,530)	(95,856)
Distributions to noncontrolling interests	(27,504,485)	-
Principal payments of long-term debt	(403,191)	(766,429)
Offering costs	-	(1,268,110)
Net Cash (Used in) Provided by Financing Activities	(39,086,411)	39,696,268
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(2,010,150)	4,910,957
Cash, Cash Equivalents, and Restricted Cash, Beginning of Period	39,413,204	54,666,512
Cash, Cash Equivalents, and Restricted Cash, End of Period	\$ 37,403,054	\$ 59,577,469
Interest Paid in Cash	\$ 583,106	\$ 569,941
Income Taxes Paid in Cash	\$ 12,687	\$ 51,605

See accompanying notes to the unaudited consolidated financial statements.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

**Consolidated Statements of Cash Flows (Continued)
Supplemental Schedules of Non-cash Investing and Financing Activities
Unaudited**

	For the Six Months Ended June 30,	
	2024	2023
Stock issued as consideration for redeemable noncontrolling interest	\$ 13,399,161	\$ -
Stock issued as consideration for business acquisition	-	1,003,320
Payable as consideration for business acquisition	-	1,254,102
Investment transferred as compensation for stock repurchased	1,474,292	-

See accompanying notes to the unaudited consolidated financial statements.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 1. ORGANIZATION AND BACKGROUND

Boston Omaha was organized on August 11, 2009 with present management taking over operations in February 2015. Our operations include (i) our outdoor advertising business with multiple billboards across Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, Oklahoma, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin; (ii) our insurance business that specializes in surety bond underwriting and brokerage; (iii) our broadband business that provides high-speed broadband services to its customers, (iv) our asset management business, and (v) our minority investments primarily in real estate, real estate services, private aviation infrastructure, and banking. Our billboard operations are conducted through our subsidiary, Link Media Holdings, LLC, our insurance operations are conducted through our subsidiary, General Indemnity Group, LLC, our broadband operations are conducted through our subsidiary, Boston Omaha Broadband, LLC, and our asset management operations are conducted through our subsidiary, Boston Omaha Asset Management, LLC.

We completed an acquisition of an outdoor advertising business and entered the outdoor advertising industry on June 19, 2015. From 2015 through 2023, we have completed more than twenty additional acquisitions of outdoor advertising businesses.

On April 20, 2016, we completed an acquisition of a surety bond brokerage business. On December 7, 2016, we acquired a fidelity and surety bond insurance company. From 2017 through 2022, we completed four additional acquisitions of surety brokerage businesses.

On March 10, 2020, we completed the acquisition of a rural broadband internet provider located in Arizona. On December 29, 2020, we completed the acquisition of a second broadband internet provider located in Utah. On April 1, 2022, we completed the acquisition of our third broadband internet provider located in Utah.

On September 25, 2020, we filed a Registration Statement on Form S-1 with the Securities and Exchange Commission for a proposed initial public offering of units of a special purpose acquisition company, which we refer to as the “SPAC,” named Yellowstone Acquisition Company, which we refer to as “Yellowstone.” Yellowstone completed its initial public offering on October 26, 2020 and on January 25, 2022 completed a business combination with Sky Harbour Group and Yellowstone changed its name to Sky Harbour Group Corporation (see Note 8 for further discussion).

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation Policy

The financial statements of Boston Omaha Corporation include the accounts of the Company and our consolidated subsidiaries, which are comprised of voting interest entities in which we have a controlling financial interest and variable interest entities for which we have determined that we are the primary beneficiary. All significant intercompany profits, losses, transactions, and balances have been eliminated in consolidation.

Variable Interest Entities (VIEs)

We determine whether an entity is a VIE and, if so, whether it should be consolidated by utilizing judgments and estimates that are inherently subjective. Our determination of whether an entity in which we hold a direct or indirect variable interest is a VIE is based on several factors, including whether the entity's total equity investment at risk upon inception is sufficient to finance the entity's activities without additional subordinated financial support. We make judgments regarding the sufficiency of the equity at risk based first on a qualitative analysis, and then a quantitative analysis, if necessary.

We analyze any investments in VIEs to determine if we are the primary beneficiary. In evaluating whether we are the primary beneficiary, we evaluate our direct and indirect economic interests in the entity. A reporting entity is determined to be the primary beneficiary if it holds a controlling financial interest in the VIE. Determining which reporting entity, if any, has a controlling financial interest in a VIE is primarily a qualitative approach focused on identifying which reporting entity has both: (i) the power to direct the activities of a VIE that most significantly impact such entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits from such entity that could potentially be significant to such entity. Performance of that analysis requires the exercise of judgment.

We consider a variety of factors in identifying the entity that holds the power to direct matters that most significantly impact the VIE's economic performance including, but not limited to, the ability to direct operating decisions and activities. In addition, we consider the rights of other investors to participate in those decisions. We determine whether we are the primary beneficiary of a VIE at the time we become involved with a variable interest entity and reconsider that conclusion continually.

We consolidate any VIE of which we are the primary beneficiary. Such VIEs consist of 24th Street Fund I and 24th Street Fund II, collectively "the 24th Street Funds," and Fund One Boston Omaha Build for Rent LP, which we refer to as "BFR".

Total assets of the consolidated VIEs included within our consolidated balance sheets were approximately \$58,000,000 and \$96,500,000 as of June 30, 2024 and December 31, 2023, respectively. Total liabilities of the consolidated VIEs included within our consolidated balance sheets were approximately \$40,000 and \$132,000 as of June 30, 2024 and December 31, 2023, respectively. As of June 30, 2024 and December 31, 2023, the aggregate fair value of the 24th Street Funds' and BFR's investments in special purpose entities was approximately \$56,000,000 and \$65,000,000, respectively. The assets of the consolidated VIEs may only be used to settle obligations of the same VIE.

Our consolidated subsidiaries at June 30, 2024 include:

Link Media Holdings, LLC which we refer to as "LMH"
Link Media Alabama, LLC which we refer to as "LMA"
Link Media Florida, LLC which we refer to as "LMF"
Link Media Wisconsin, LLC which we refer to as "LMW"
Link Media Georgia, LLC which we refer to as "LMG"
Link Media Midwest, LLC which we refer to as "LMM"
Link Media Omaha, LLC which we refer to as "LMO"
Link Media Properties, LLC which we refer to as "LMP"
Link Media Southeast, LLC which we refer to as "LMSE"
Link Media Services, LLC which we refer to as "LMS"
Link Billboards Oklahoma, LLC which we refer to as "LBO"
General Indemnity Group, LLC which we refer to as "GIG"
United Casualty and Surety Insurance Company which we refer to as "UCS"
South Coast Surety Insurance Services, LLC which we refer to as "SCS"
Boston Omaha Investments, LLC which we refer to as "BOIC"
Boston Omaha Asset Management, LLC which we refer to as "BOAM"
Fund One Boston Omaha Build for Rent LP which we refer to as "BFR"
BOAM BFR, LLC which we refer to as "BOAM BFR"
BOC Business Services, LLC which we refer to as "BBS"
BOC Ops, LLC which we refer to as "BOC Ops"

Yellowstone Acquisition Company which we refer to as “Yellowstone”
BOC Yellowstone, LLC which we refer to as “BOC Yellowstone”
BOC Yellowstone II, LLC which we refer to as “BOC Yellowstone II”
24th Street Asset Management LLC which we refer to as “24th Street”
24th Street Fund I, LLC which we refer to as “24th Street Fund I”
24th Street Fund II, LLC which we refer to as “24th Street Fund II”
Boston Omaha Broadband, LLC which we refer to as “BOB”
FIF AireBeam, LLC which we refer to as “AireBeam”
Fiber Fast Homes, LLC which we refer to as “FFH”
FIF Utah, LLC which we refer to as “FIF Utah”
FIF St George, LLC which we refer to as “FIF St George”

**BOSTON OMAHA CORPORATION
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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues

The majority of our advertising revenues are derived from contracts for advertising space on billboard structures and broadband internet services and are accounted for under Financial Accounting Standards Board, which we refer to as the “FASB,” Accounting Standards Codification, which we refer to as “ASC,” 606, *Revenue from Contracts with Customers*, and under ASC 840, *Leases*.

Premium revenues derived from our insurance operations are subject to ASC 944, *Financial Services – Insurance*.

Revenue Recognition

Billboard Rentals

We generate revenue from outdoor advertising through the leasing of advertising space on billboards. The terms of the contracts range from less than one month to three years and are generally billed monthly. Revenue for advertising space rental is recognized on a straight-line basis over the term of the contract. Advertising revenue is reported net of agency commissions. Agency commissions are calculated based on a stated percentage applied to gross billing revenue for operations. Payments received in advance of being earned are recorded as deferred revenue.

Another component of billboard rentals consists of production services which include creating and printing advertising copy. Contract revenues for production services are accounted for under ASC 606, *Revenue from Contracts with Customers*. Revenues are recognized at a point in time upon satisfaction of the contract, which is typically less than one week.

Practical expedients and exemptions: The Company is utilizing the following practical expedients and exemptions from ASC 606. We generally expense sales commissions when incurred because the amortization period is one year or less. These costs are recorded within costs of billboard revenues exclusive of depreciation and amortization. We do not disclose the value of unsatisfied performance obligations as the majority of our contracts with customers have an original expected length of less than one year. For contracts with customers which exceed one year, the future amount to be invoiced to the customer corresponds directly with the value to be received by the customer.

Deferred Revenues

We record deferred revenues when cash payments are received in advance of being earned or when we have an unconditional right to consideration before satisfying our performance obligation. The term between invoicing and when a payment is due is not significant. For certain services we require payment before the product or services are delivered to the customer. The balance of deferred revenue is considered short-term and will be recognized in revenue within twelve months.

Premiums and Unearned Premium Reserves

Premiums written are recognized as revenues based on a pro-rata daily calculation over the respective terms of the policies in-force. The cost of reinsurance ceded is initially written as prepaid reinsurance premiums and is amortized over the reinsurance contract period in proportion to the amount of insurance protection provided. Premiums ceded of \$1,669,026 and \$730,787 for the six months ended June 30, 2024 and 2023, respectively, are included within “Premiums earned” in our consolidated statements of operations.

Commissions

We generate revenue from commissions on surety bond sales and account for commissions under ASC 606. Insurance commissions are earned from various insurance companies based upon our agency agreements with them. We arrange with various insurance companies for the provision of a surety bond for entities that require a surety bond. The insurance company sets the price of the bond. The contract with the insurance company is fulfilled when the bond is issued by the insurance agency on behalf of the insurance company. The insurance commissions are calculated based upon a stated percentage applied to the gross premiums on bonds. Commissions are recognized at a point in time, on a bond-by-bond basis as of the policy effective date and are generally nonrefundable.

Broadband Revenues

Broadband revenue is derived principally from internet services and is recognized on a straight-line basis over the term of the contract in the period the services are rendered. Revenue received or receivable in advance of the delivery of services is included in deferred revenue.

Credit Losses

We estimate credit losses on financial instruments based on amounts expected to be collected. The allowance for credit losses is estimated based on historical

collections, accounts receivable aging, economic indicators, and expected future trends.

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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, we consider all highly liquid investments, with the exception of U.S. Treasury securities, purchased with an original maturity of three months or less to be cash equivalents.

Cash Held by BOAM Funds and Other

Cash held by BOAM Funds and other represents cash and cash equivalents held by consolidated BOAM Funds and other consolidated entities. Such amounts are not available to fund the general liquidity needs of Boston Omaha.

Loss and Loss Adjustment Expenses

Unpaid losses and loss adjustment expenses represent estimates for the ultimate cost of unpaid reported and unreported claims incurred and related expenses. We involve an independent, third-party actuary to assist us in the estimation of reserves for losses and loss adjustment expenses. Estimates are based on paid and incurred loss development factors and expected loss ratios, which are primarily driven by historical claims paid and incurred data and consideration of the level of premiums written during the current and prior year. Since the reserves are based on estimates, the ultimate liability may differ from the estimated reserve. The effects of changes in estimated reserves are included within "Cost of insurance revenues" in our consolidated results of operations in the period in which the estimates are updated. The reserves are included within "Accounts payable and accrued expenses" in our consolidated balance sheets.

Investments in Unconsolidated Entities

We account for investments where we have significant influence but do not have a controlling interest, typically ownership of less than 50% and more than 20%, using the equity method of accounting. In accordance with ASC 323-30, we account for investments in limited partnerships and limited liability companies using the equity method of accounting when our investment is more than minimal (greater than 3% to 5%). Our share of income (loss) of such entities is recorded as a single amount as equity in income (loss) of unconsolidated affiliates. Dividends, if any, are recorded as a reduction of the investment.

We monitor our equity method investments for factors indicating other-than-temporary impairment. We consider several factors when evaluating our investments, including, but not limited to, (i) the period of time for which the fair value has been less than the carrying value, (ii) operating and financial performance of the investee, (iii) the investee's future business plans and projections, (iv) discussions with their management, and (v) our ability and intent to hold the investment until it recovers in value.

Retention of Specialized Accounting

Each of the 24th Street Funds, and Fund One Boston Omaha Build for Rent LP qualify as investment companies and apply specialized industry accounting. We report fund investments on our consolidated balance sheets at their estimated fair value, with gains (losses) resulting from changes in fair value reflected within 'Other investment income' in the accompanying consolidated statements of operations. Accordingly, the accompanying consolidated financial statements reflect different accounting policies for investments depending on whether or not they are held through a consolidated investment company.

Income Taxes

We compute our year-to-date provision for income taxes by applying the estimated annual effective tax rate to year-to-date pre-tax income or loss and adjust the provision for discrete tax items recorded in the period.

The realization of deferred tax assets, including net operating loss carryforwards, is dependent on the generation of future taxable income sufficient to realize the tax deductions, carryforwards and credits. Valuation allowances on deferred tax assets are recognized if it is determined that it is more likely than not that the asset will not be realized.

Pursuant to Section 382 of the Internal Revenue Code of 1986, as amended, annual use of our net operating losses may be limited if it is determined that an ownership shift has occurred. An ownership shift is generally defined as a cumulative change in equity ownership by "5% shareholders" that exceeds 50 percentage points over a rolling three-year period. At this time, a Section 382 study has not been performed to determine if such an ownership shift has occurred.

**BOSTON OMAHA CORPORATION
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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (“FASB”) issued guidance that requires incremental segment disclosures on an annual and interim basis related to significant segment expenses. This guidance is effective for annual reporting periods beginning on January 1, 2024 and interim periods within the calendar year beginning on January 1, 2025. The disclosure requirements must be applied retrospectively to all prior periods presented in the financial statements. We are currently evaluating the impact this guidance will have on our related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires companies to disclose disaggregated information related to the effective tax rate reconciliation and income taxes paid. This guidance is effective for public entities as of December 15, 2024. We do not anticipate the adoption of this guidance will have a material impact on our consolidated financial statements.

**BOSTON OMAHA CORPORATION
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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 3. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table sets forth a reconciliation of cash, cash equivalents, and restricted cash reported in the consolidated statements of cash flows that agrees to the total of those amounts as presented in the consolidated statements of cash flows.

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Cash and cash equivalents	\$ 24,615,739	\$ 21,946,884
Funds held as collateral	9,597,001	14,101,531
Cash held by BOAM funds and other	3,190,314	3,364,789
Total Cash, Cash Equivalents, and Restricted Cash as Presented in the Consolidated Statements of Cash Flows	<u>\$ 37,403,054</u>	<u>\$ 39,413,204</u>

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Trade accounts	\$ 7,312,539	\$ 6,117,359
Premiums	3,700,131	2,911,119
Recoverables from reinsurers	2,744,269	3,283,071
Allowance for credit losses	(239,434)	(170,305)
Total Accounts Receivable, net	<u>\$ 13,517,505</u>	<u>\$ 12,141,244</u>

**BOSTON OMAHA CORPORATION
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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Structures and displays	\$ 66,268,369	\$ 65,736,121
Fiber, towers, and broadband equipment	113,290,677	97,974,753
Land	583,892	583,892
Vehicles and equipment	11,118,415	10,699,920
Office furniture and equipment	5,507,861	5,384,720
Accumulated depreciation	<u>(42,539,276)</u>	<u>(36,112,643)</u>
Total Property and Equipment, net	<u>\$ 154,229,938</u>	<u>\$ 144,266,763</u>

Depreciation expense for the six months ended June 30, 2024 and 2023 was \$7,023,439 and \$5,720,493, respectively.

**BOSTON OMAHA CORPORATION
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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 6. BUSINESS ACQUISITIONS

2024 Acquisitions

We did not complete any acquisitions during the first six months of fiscal 2024.

2023 Acquisitions

24th Street Asset Management

On May 1, 2023, Boston Omaha Asset Management, LLC, our wholly-owned subsidiary, acquired 100% of the membership interests in 24th Street Asset Management LLC, from the members of 24th Street for cash and BOC Class A common stock valued at \$5,016,494 in the aggregate. Prior to the transaction, BOAM indirectly owned 48% of the membership interests of 24th Street. The consideration consisted of \$2,759,072 in cash paid at closing, an additional \$1,254,102 in cash subject to holdback, and 45,644 shares of BOC Class A common stock. Our purchase price allocation related to 24th Street Asset Management includes carried interest and goodwill of \$9,110,478 and \$536,626, respectively.

Broadband Acquisitions

On June 16, 2023, our subsidiary, FIF St. George, acquired from Pro Communication and Construction Services, LLC, which we refer to as “ProComm,” broadband construction equipment and related assets for a purchase price of \$2,881,000 paid in cash. The acquisition was completed for the purpose of expanding our broadband presence in the Western United States. Our final purchase price allocation related to ProComm includes property, plant and equipment, intangibles, and goodwill of \$844,500, \$1,046,000 and \$990,500, respectively. The intangible assets primarily include customer relationships which have a useful life of fifteen years.

On October 24, 2023, our subsidiary, FIF St. George, acquired from Cable Systems, LLC, which we refer to as “Cable Systems”, substantially all of the business assets and related assets for a purchase price of \$4,375,000. The consideration consisted of \$3,937,500 in cash paid at closing, and an additional \$437,500 in cash subject to holdback. The acquisition was completed for the purpose of expanding our broadband presence in the Western United States. Our final purchase price allocation related to Cable Systems includes property, plant and equipment, intangibles, and goodwill of \$1,664,240, \$1,797,000 and \$913,760, respectively. The intangible assets include customer relationships which have a useful life of fifteen years.

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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 6. BUSINESS ACQUISITIONS (Continued)

Pro Forma Information

The following is the unaudited pro forma information assuming all business acquisitions occurred on January 1, 2023. For all of the business acquisitions, depreciation and amortization have been included in the calculation of the pro forma information provided below, based upon the actual acquisition costs. Depreciation is computed on the straight-line method over the estimated remaining economic lives of the assets, ranging from four years to twenty years. Amortization is computed on the straight-line method over the estimated useful lives of the assets ranging from five years to fifty years.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 27,087,784	\$ 24,721,290	\$ 52,640,514	\$ 48,261,246
Net (Loss) Income Attributable to Common Stockholders	\$ (2,235,219)	\$ 1,748,618	\$ (5,043,300)	\$ (1,275,491)
Basic Net (Loss) Income per Share	\$ (0.07)	\$ 0.06	\$ (0.16)	\$ (0.04)
Diluted Net (Loss) Income per Share	\$ (0.07)	\$ 0.06	\$ (0.16)	\$ (0.04)
Basic Weighted Average Class A and Class B Common Shares Outstanding	31,853,692	31,225,719	31,594,198	30,876,835
Diluted Weighted Average Class A and Class B Common Shares Outstanding	31,853,692	31,281,828	31,594,198	30,876,835

The information included in the pro forma amounts is derived from historical information obtained from the sellers of the businesses.

**BOSTON OMAHA CORPORATION
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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 7. INTANGIBLE ASSETS

Intangible assets consist of the following:

	June 30, 2024			December 31, 2023		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
Customer relationships	\$ 72,028,493	\$ (36,126,111)	\$ 35,902,382	\$ 72,028,493	\$ (33,426,898)	\$ 38,601,595
Permits, licenses, and lease acquisition costs	11,872,415	(6,105,263)	5,767,152	11,793,354	(5,562,205)	6,231,149
Site location	849,347	(391,488)	457,859	849,347	(363,332)	486,015
Noncompetition agreements	626,000	(625,661)	339	626,000	(624,600)	1,400
Technology	1,128,000	(558,480)	569,520	1,128,000	(509,250)	618,750
Trade names and trademarks	11,152,200	(1,974,128)	9,178,072	11,152,200	(1,680,459)	9,471,741
Nonsolicitation agreement	353,000	(77,780)	275,220	103,000	(40,500)	62,500
Capitalized contract costs	3,047,854	(507,155)	2,540,699	2,974,125	(387,990)	2,586,135
Indefinite lived intangibles	7,633,591	-	7,633,591	7,473,016	-	7,473,016
Total	\$ 108,690,900	\$ (46,366,066)	\$ 62,324,834	\$ 108,127,535	\$ (42,595,234)	\$ 65,532,301

Future Amortization

The future amortization associated with the intangible assets is as follows:

	June 30,					Thereafter	Total
	2025	2026	2027	2028	2029		
Customer relationships	\$ 5,428,084	\$ 5,428,084	\$ 5,418,881	\$ 5,386,697	\$ 3,755,043	\$ 10,485,593	\$ 35,902,382
Permits, licenses, and lease acquisition costs	1,094,043	1,065,828	1,040,423	1,012,569	392,776	1,161,513	5,767,152
Site location	56,623	56,623	56,623	56,623	56,623	174,744	457,859
Noncompetition agreements	339	-	-	-	-	-	339
Technology	99,000	99,000	99,000	99,000	99,000	74,520	569,520
Trade names and trademarks	590,567	590,567	558,295	525,667	525,667	6,387,309	9,178,072
Nonsolicitation agreement	191,667	83,485	68	-	-	-	275,220
Capitalized contract costs	304,785	304,785	304,785	304,785	304,785	1,016,774	2,540,699
Total	\$ 7,765,108	\$ 7,628,372	\$ 7,478,075	\$ 7,385,341	\$ 5,133,894	\$ 19,300,453	\$ 54,691,243

Amortization expense for the six months ended June 30, 2024 and 2023 was \$3,770,828 and \$3,632,910, respectively.

**BOSTON OMAHA CORPORATION
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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 7. INTANGIBLE ASSETS (Continued)

As of June 30, 2024, the weighted average amortization period, in months, for intangible assets is as follows:

Customer relationships	79
Permits, licenses, and lease acquisition costs	63
Site location	97
Noncompetition agreements	16
Technology	69
Trade names and trademarks	186
Nonsolicitation agreement	24
Capitalized contract costs	100

NOTE 8. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Short-term Investments

Short-term investments consist of U.S. Treasury securities and common stock warrants. The U.S. Treasury securities are held by UCS, classified as held to maturity, mature in less than twelve months, and are reported at amortized cost which approximates fair value. Our common stock warrants of Sky Harbour Group Corporation are measured at fair value, with any unrealized holding gains and losses during the period included in earnings.

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
U.S. Treasury notes held to maturity	\$ 18,872,661	\$ 19,195,228
Common stock warrants of Sky Harbour Group Corporation	9,572,526	5,558,241
Total	<u>\$ 28,445,187</u>	<u>\$ 24,753,469</u>

Marketable Equity Securities

Our marketable equity securities are publicly traded stocks measured at fair value using quoted prices for identical assets in active markets and classified as Level 1 within the fair value hierarchy. Our marketable equity securities are held by UCS. Marketable equity securities as of June 30, 2024 and December 31, 2023 are as follows:

	<u>Cost</u>	<u>Gross Unrealized Gain (Loss)</u>	<u>Fair Value</u>
Marketable equity securities, June 30, 2024	\$ 2,319,011	\$ 66,972	\$ 2,385,983
Marketable equity securities, December 31, 2023	\$ 2,279,723	\$ (69,686)	\$ 2,210,037

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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 8. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

U.S. Treasury Trading Securities

We classify our investments in debt securities that are bought and held principally for the purpose of selling them in the near term as trading securities. Our debt securities classified as trading are carried at fair value in the consolidated balance sheets, with the change in fair value during the period included in earnings. Interest income is recognized at the coupon rate.

Debt securities classified as trading as of June 30, 2024 and December 31, 2023 are as follows:

	Cost	Gross Unrealized Gain (Loss)	Fair Value
U.S. Treasury trading securities, June 30, 2024	\$ 13,499,672	\$ 63,354	\$ 13,563,026
U.S. Treasury trading securities, December 31, 2023	\$ 47,162,564	\$ (49,905)	\$ 47,112,659

Long-term Investments

Long-term investments consist of investments in special purpose entities, and equity investments in three private companies. We have the intent and the ability to hold the U.S. Treasury securities to maturity. Treasury securities are stated at amortized cost which approximates fair value and are held by UCS.

24th Street Fund I & 24th Street Fund II

On May 1, 2023, our subsidiary, Boston Omaha Asset Management, LLC, acquired 100% of the membership interests in 24th Street Asset Management LLC, from the members of 24th Street other than BOAM, for cash and BOC Class A common stock for a total purchase price of \$5,016,494 in the aggregate. Prior to the transaction, BOAM indirectly owned 48% of the membership interests of 24th Street. The consideration consisted of \$2,759,072 in cash at closing, an additional \$1,254,102 in cash subject to holdback, and 45,644 shares of BOC Class A common stock.

As a result of the transaction, we began consolidating 24th Street and the 24th Street Funds, for which 24th Street serves as general partner, beginning in the second quarter of fiscal 2023. Also, in connection with the acquisition, we recognized a non-cash gain of approximately \$4,600,000 within 'Equity in income of unconsolidated affiliates' related to the remeasurement of our previously held interest in 24th Street Asset Management as of May 1, 2023.

Each of the 24th Street Funds holds investments in special purpose entities whose primary assets are real estate property. We include the 24th Street Funds' investments in special purpose entities within long-term investments in our Consolidated Balance Sheets.

Equity Investments

During May 2018, we invested \$19,058,485 in voting common stock of CB&T Holding Corporation, which we refer to as "CB&T," the privately held parent company of Crescent Bank & Trust. Our investment represents 15.60% of CB&T's outstanding common stock. CB&T is a closely held corporation, whose majority ownership rests with one family.

In July 2023, we invested approximately \$3,000,000 in voting preferred stock of MyBundle.TV Inc., which we refer to as "MyBundle." The preferred stock has one vote per share and is convertible into whole shares of common stock, determined according to the conversion formula contained in MyBundle's amended and restated articles of incorporation.

	June 30, 2024	December 31, 2023
Investments in special purpose entities	\$ 55,883,386	\$ 64,697,093
Preferred stock	348,694	348,694
Voting preferred stock of MyBundle TV Inc.	3,000,000	3,000,000
Voting common stock of CB&T Holding Corporation	19,058,485	19,058,485
Total	\$ 78,290,565	\$ 87,104,272

We reviewed our investments as of June 30, 2024 and concluded that no impairment to the carrying value was required.

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Notes to Unaudited Consolidated Financial Statements

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NOTE 8. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investment in Unconsolidated Affiliates

We have various investments in equity method affiliates, whose businesses are in real estate, real estate services, and private aviation infrastructure. One of the investments in affiliates, Logic Real Estate Companies, LLC, which we refer to as “Logic,” is managed by an entity controlled by a member of our board of directors.

Sky Harbour Group Corporation

In October 2020, our subsidiary BOC Yellowstone LLC, served as sponsor for the underwritten initial public offering of a special purpose acquisition company named Yellowstone Acquisition Company. Yellowstone sold in its public offering 13,598,898 units at a price of \$10.00 per unit, each unit consisting of one share of Class A common stock and a redeemable warrant to purchase one-half of a share of Class A common stock at an exercise price of \$11.50 per share. Between August and November 2020, we invested, through BOC Yellowstone, approximately \$7.8 million through the purchase of 3,399,724 shares of Class B common stock and 7,719,779 non-redeemable private placement warrants, each warrant entitling us to purchase one share of Class A common stock at \$11.50 per share. BOC Yellowstone, as the sponsor of Yellowstone and under the terms of the public offering, owned approximately 20% of Yellowstone’s issued and outstanding common stock. The purpose of the offering was to pursue a business combination in an industry other than the three industries in which we owned and operated businesses at that time: outdoor advertising, surety insurance, and broadband services businesses. The Units were sold at a price of \$10.00 per unit, generating gross proceeds to Yellowstone of \$125,000,000, and traded on the NASDAQ Stock Market, LLC under the ticker symbol “YSACU.” After the securities comprising the units began separate trading, the shares of Class A common stock and warrants were listed on NASDAQ under the symbols “YSAC” and “YSACW,” respectively.

On August 1, 2021, Yellowstone entered into a business combination agreement with Sky Harbour LLC (“SHG”), a developer of private aviation infrastructure focused on building, leasing and managing business aviation hangars. On September 14, 2021, our subsidiary BOC YAC Funding LLC completed the previously-announced investment of \$55 million in Series B Preferred Units of SHG. In addition to our \$55 million investment, we also agreed to provide SHG an additional \$45 million through the purchase of additional shares of Yellowstone Class A common stock at a price of \$10 per share through a private placement investment (“PIPE”).

On January 25, 2022, Yellowstone completed the previously announced proposed business combination with SHG following stockholder approval. As a result, SHG became a consolidated subsidiary of Yellowstone and Yellowstone was renamed Sky Harbour Group Corporation, which we refer to as “Sky Harbour.” In connection with the business combination, our Series B Preferred Units of SHG converted into 5,500,000 shares of Sky Harbour Group Class A common stock at a price of \$10 per share. Also, in connection with the business combination, we entered into a subscription agreement with Sky Harbour, pursuant to which Sky Harbour sold to us 4,500,000 shares of Class A common stock at a price of \$10 per share, for total cash consideration of \$45 million.

During the first quarter of fiscal 2022, we recognized a non-cash gain of \$24,977,740 related to our deconsolidation of Yellowstone, which is included within other income on our Consolidated Statement of Operations. Of the total gain recognized on deconsolidation, approximately \$10,000,000 relates to the remeasurement of our retained investment in Sky Harbour via the Sponsor shares, Series B Preferred Units, and PIPE investment, each of which converted into shares of Sky Harbour’s Class A common stock on the transaction date, and approximately \$15,000,000 relates to the deconsolidation of Yellowstone’s assets and liabilities as of the transaction date. The fair value of our retained investment at the deconsolidation date was measured based upon the observable trading price of Sky Harbour’s Class A common stock. Subsequent to the business combination, we account for our equity investment in Sky Harbour under the equity method.

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NOTE 8. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

On November 2, 2023, Sky Harbour entered into a Securities Purchase Agreement with certain investors, pursuant to which Sky Harbour agreed to sell and issue to the Investors at an initial closing an aggregate of 6,586,154 shares of the Company's Class A common stock, par value \$0.0001 per share and accompanying warrants to purchase up to an aggregate of 1,141,600 shares of Class A Common Stock, for an aggregate purchase price of \$42,810,000. On November 29, 2023, Sky Harbour sold and issued to the Investors an aggregate of 2,307,692 PIPE Shares of the Company's Class A common stock, par value \$0.0001 per share and accompanying PIPE warrants to purchase an aggregate of 400,000 shares of Class A Common Stock for an aggregate purchase price of \$15,000,000. Together with the first closing on November 2, 2023, the aggregate PIPE financing through the Purchase Agreement totaled \$57,810,000. In connection with Sky Harbour's financing transactions occurring in November 2023, we recorded a dilution loss of approximately \$2,200,000 within 'Equity in income of unconsolidated affiliates' to reflect the decrease in our ownership of Sky Harbour's net assets.

All the shares of Sky Harbour Class A common stock and Sky Harbour warrants to purchase Class A common stock that we hold have been registered under the Securities Act. However, our ability to resell any significant portion of these shares is limited by both the large number of shares and warrants we hold relative to the average trading volume of these securities as well as blackout periods which may prevent us from selling shares as we retain one seat on Sky Harbour's Board of Directors. The terms of the Sky Harbour business combination prohibited us from selling any of our securities in Sky Harbour prior to January 25, 2023 and has since expired. The carrying value of our investment in Sky Harbour's Class A common stock as of June 30, 2024 is approximately \$82,200,000. If our investment in Sky Harbour's Class A common stock was accounted for at fair value based on its quoted market price as of June 30, 2024 it would be valued at approximately \$115,100,000.

The following table is a reconciliation of our investments in equity affiliates as presented in investments in unconsolidated affiliates on our consolidated balance sheets, together with combined summarized financial data related to the unconsolidated affiliates:

	June 30, 2024	December 31, 2023
Beginning of year	\$ 94,244,788	\$ 118,218,389
Additional investments in unconsolidated affiliates	-	19,500
Transfer of interest	(2,748,292)	-
Sale of interest	(1,569,498)	-
Distributions received	-	(271,355)
Reclassification to consolidated subsidiaries	-	(15,832,981)
Equity in income (loss) of unconsolidated affiliates	(7,214,228)	(7,888,765)
End of period	<u>\$ 82,712,770</u>	<u>\$ 94,244,788</u>

Combined summarized financial data for these affiliates is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 4,709,014	\$ 3,397,876	\$ 8,304,406	\$ 7,046,638
Gross profit	3,963,714	2,626,275	6,608,463	5,643,331
Net loss from operations	(5,110,583)	(4,582,600)	(10,159,290)	(9,448,410)
Net income (loss)	3,977,046	(1,461,670)	(17,013,532)	(7,447,438)

**BOSTON OMAHA CORPORATION
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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 9. FAIR VALUE

The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 — Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than quoted prices in active markets that are observable either directly or indirectly, including: quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Unobservable inputs that are supported by little or no market data and require the reporting entity to develop its own assumptions.

At June 30, 2024 and December 31, 2023, our financial instruments included cash, cash equivalents, receivables, marketable securities, investments, accounts payable, and long-term debt. The carrying value of cash, cash equivalents, receivables, and accounts payable approximates fair value due to the short-term nature of the instruments. The carrying value of borrowings, if any, under our revolving line of credit facility approximates fair value because of the variable market interest rate charged to us for these borrowings. The fair value of borrowings under our term loan facility is estimated using quoted prices for similar debt (level 2 in the fair value hierarchy). At June 30, 2024, the estimated fair value of our term loan borrowings included within long-term debt was \$24,667,212, which is less than the carrying amount of \$26,934,575.

Warrants

Our Private Placement warrants related to Sky Harbour are considered level 2 and measured at fair value using observable inputs for similar assets in an active market. Our re-measurement of the Private Placement warrants from January 1, 2024 to June 30, 2024 and January 1, 2023 to June 30, 2023, resulted in gains of approximately \$4,000,000 and \$900,000, respectively, which are included within "Other investment income" within our Consolidated Statements of Operations.

Fund I, Fund II and BFR Special Purpose Entities

We report fund investments on our Consolidated Balance Sheets at their estimated fair value, with gains (losses) resulting from changes in fair value reflected within "Other investment income" in the accompanying Consolidated Statements of Operations. Each of the 24th Street Funds' and BFR's investments in special purpose entities invested in real estate are categorized in Level 3 of the fair value hierarchy. The primary asset held by each special purpose entity is real estate property, for which third-party appraisals were obtained. Appraisals on the investments in special purpose entities used an income capitalization and/or comparable sales approach to value the underlying real estate property. The income capitalization approach used capitalization rates ranging from 6.50% to 6.75%. The comparable sales approach used observable market transactions to value the underlying real estate property.

As of June 30, 2024, the aggregate fair value of the 24th Street Funds' and BFR's investments in special purpose entities was approximately \$56,000,000.

Marketable Equity Securities

On an investment life-to-date basis, we have realized net gains on the sale of equity securities within the marketable equity portfolio held at Boston Omaha of approximately \$84,000,000. These amounts exclude any realized gains on equity securities held within the marketable equity portfolio managed by UCS.

Sky Harbour Group Corporation Class A common stock

We account for our 18.6% equity interest in Sky Harbour, comprised of 12,440,642 shares of Class A common stock, under the equity method. If our investment in Sky Harbour's Class A common stock was accounted for at fair value based on its quoted market price as of June 30, 2024, it would be valued at approximately \$115,100,000.

**BOSTON OMAHA CORPORATION
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For the Six Months Ended June 30, 2024 and 2023

NOTE 9. FAIR VALUE (Continued)

Marketable Equity Securities and U.S. Treasury Trading Securities

Marketable equity securities and U.S. Treasury trading securities are reported at fair values. Substantially all of the fair value is determined using observed prices of publicly traded securities, level 1 in the fair value hierarchy.

	Total Carrying Amount in Consolidated Balance Sheet	Quoted Prices in Active Markets for Identical Assets	Realized Gains and (Losses) Included in Current Period Earnings (Loss)	Total Changes in Fair Values Included in Current Period Earnings (Loss)
Marketable equity securities and U.S. Treasury trading securities at June 30, 2024	\$ 15,949,009	\$ 15,949,009	\$ 18,016	\$ 130,327
Marketable equity securities and U.S. Treasury trading securities at December 31, 2023	\$ 49,322,696	\$ 49,322,696	\$ 740,892	\$ 4,411,489

NOTE 10. ASSET RETIREMENT OBLIGATIONS

Our asset retirement obligations include the costs associated with the removal of structures, resurfacing of the land and retirement cost, if applicable, related to our outdoor advertising and broadband assets. The following table reflects information related to our asset retirement obligations:

Balance, December 31, 2023	\$ 3,794,985
Additions	-
Liabilities settled	-
Accretion expense	108,805
Balance, June 30, 2024	<u>\$ 3,903,790</u>

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NOTE 11. CAPITAL STOCK

On April 25, 2022, we filed a new shelf registration statement on Form S-3 (File No. 333-264470) that was declared effective on May 11, 2022, relating to the offering of Class A common stock, preferred stock, par value \$0.001 per share, which we refer to as “preferred stock,” debt securities and warrants of the Company for up to \$500,000,000. Additionally, in the 2022 Shelf Registration Statement, we have registered for resale up to 8,297,093 shares of Class A common stock acquired in 2018 or earlier in private placements in accordance with the terms of a 2018 registration rights agreement. We will not receive any proceeds from the sale of Class A common stock by the selling shareholders. The selling stockholders are the Massachusetts Institute of Technology, or “MIT,” as well as 238 Plan Associates LLC, an MIT pension and benefit fund and a limited partnership holding our Class A common stock for the economic benefit of MIT. We may, from time to time, in one or more offerings, offer and sell Class A common stock or preferred stock, various series of debt securities and/or warrants. We or any selling security holders may offer these securities from time to time in amounts, at prices and on terms determined at the time of offering. We may sell these securities to or through one or more underwriters, dealers or agents, or directly to purchasers on a delayed or continuous basis. Unless otherwise set forth in an applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities that we offer for general corporate purposes, including, but not limited to, financing our existing businesses and operations, and expanding our businesses and operations through additional hires, strategic alliances, and acquisitions. Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds from the sale of securities by any selling stockholders.

On December 8, 2022, we entered into an “at the market” equity offering program (the “ATM Program”) pursuant to a Sales Agreement (the “Sales Agreement”) by and between us and Wells Fargo Securities, LLC (“WFS”). This ATM Program is consistent with our historical practice of having available to management the option to issue stock from time to time in order to continue to fund the growth of our fiber-to-the-home broadband business, acquire additional billboards, and make other such investments in assets as needed to seek to grow intrinsic value per share. Our general preference is always to have options available to us from a capital allocation perspective which includes, but is not limited to, having a regularly filed ATM program. Pursuant to the terms of the Sales Agreement, we may sell, from time to time, shares of our Class A common stock, with an aggregate sales price of up to \$100,000,000 through WFS, in transactions that are deemed to be “at the market” offerings as defined in Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”).

Upon delivery of a placement notice (a “Placement Notice”) and upon the terms and subject to the conditions of the Sales Agreement, WFS will use reasonable efforts consistent with its normal trading and sales practices, applicable laws and the rules of the New York Stock Exchange (“NYSE”) to sell the shares of Class A common stock from time to time based upon our instructions for the sales, including price, time, or size limits specified, and otherwise in accordance with, the terms of such Placement Notice. Pursuant to the Sales Agreement, WFS may sell shares of Class A common stock by any method permitted by law deemed to be an “at the market” offering as defined in Rule 415 of the Securities Act, including without limitation sales made through the NYSE or on any other existing trading market for the Class A common stock. Notwithstanding the foregoing, WFS may not purchase shares of Class A common stock for its own account as principal unless expressly authorized to do so by the Company.

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Notes to Unaudited Consolidated Financial Statements

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NOTE 11. CAPITAL STOCK (Continued)

We intend to use the net proceeds from the ATM Program, after deducting WFS' commissions and our offering expenses, for general corporate purposes, which may include financing our existing businesses and operations, and expanding our businesses and operations through additional acquisitions and minority investments, and additional hires. Such expansion may include future billboard acquisitions, broadband acquisitions, acquisitions of surety insurance companies and other growth of the Company's insurance activities, additional investments in real estate management, homebuilding and other real estate service businesses, additional investments in subprime automobile lending, and acquisitions of other businesses. We have not determined the amount of net proceeds to be used for any specific purpose, and management will retain broad discretion over the allocation of net proceeds. While the Company has no current agreements, commitments or understandings for any specific acquisitions at this time, it may use a portion of the net proceeds for these purposes.

From January 1, 2023 through December 31, 2023, we sold 1,532,065 shares of our Class A common stock under the ATM Program for gross proceeds of \$37,526,663. For sales of Class A common stock by WFS, we paid WFS a commission at a rate of 3% of the gross sales price per share. In addition, we have agreed to pay certain expenses incurred by WFS in connection with the offering. We did not sell any shares of our Class A common stock under the ATM program during the first two quarters of 2024. We have no obligation to sell any shares under the Sales Agreement and may at any time suspend the offering of the ATM Program under the Sales Agreement. The Sales Agreement contains customary representations and warranties of the parties and indemnification and contribution provisions under which we and WFS have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act. The ATM Program pursuant to the Sales Agreement will automatically terminate upon the issuance and sale of all the shares through WFS in an aggregate amount of \$100,000,000. We also have the right to terminate the ATM Program with WFS upon notice to WFS without penalty.

At June 30, 2024, there were 52,778 outstanding warrants for our Class B common stock and 784 outstanding warrants for our Class A common stock. Each share of Class B common stock is identical to Class A common stock in liquidation, dividend and similar rights. The only differences between our Class B common stock and our Class A common stock are that each share of Class B common stock has 10 votes for each share held, while the Class A common stock has a single vote per share, and certain actions cannot be taken without the approval of the holders of the Class B common stock.

A summary of warrant activity for the six months ended June 30, 2024 is presented in the following table.

	Shares Under Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value of Vested Warrants
Outstanding as of December 31, 2023	105,556	\$ 9.95	1.50	\$ 610,114
Issued	-			
Exercised	-			
Redeemed	(51,994)			
Expired	-			
Outstanding as of June 30, 2024	53,562	\$ 9.95	1.00	\$ 188,003

**BOSTON OMAHA CORPORATION
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Notes to Unaudited Consolidated Financial Statements

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NOTE 11. CAPITAL STOCK (Continued)

Separation Agreement with Alex Rozek

Separation and Benefits

On May 9, 2024, the Company, Alex R. Rozek, and certain other parties set forth therein, entered into a Separation and Stock Repurchase Agreement (the "Separation Agreement"). Effective as of May 9, 2024, Mr. Rozek resigned as an officer and director of the Company and all of its direct and indirect subsidiaries, other than as a member of the board of directors of Sky Harbour.

Securities Repurchase

Pursuant to the Separation Agreement, the Company repurchased from Mr. Rozek and Boulderado Partners, LLC, an entity controlled by Mr. Rozek, in the aggregate, 210,000 shares of Company Class A Common Stock, 527,780 shares of Company Class B Common Stock, and 51,994 warrants to acquire 51,994 shares of Company Class B Common Stock.

The price of the Class A shares repurchased was based on the 30-trading day volume-weighted average price of the Class A Common Stock for the 30 trading days ending two trading days prior to the execution of the Separation Agreement. The price of the Class B shares repurchased was based on the 30-trading day volume-weighted average price of the Class A Common Stock for the 30 trading days ending two trading days prior to the execution of the Separation Agreement plus a blocking/control premium, for which management employed a third-party valuation expert.

The aggregate purchase price paid to Mr. Rozek was \$9,175,605, comprised of cash payments of \$8,800,480 and 36,705 shares of Class A Common Stock of Sky Harbour. The aggregate purchase price paid to Boulderado was \$9,951,113, comprised of cash payments of \$7,960,891 and 194,738 shares of Class A Common Stock of Sky Harbour.

Separation and Benefits

Pursuant to the Separation Agreement, we transferred to Mr. Rozek 200,000 shares of Class A Common Stock, par value \$0.0001 of Sky Harbour, as consideration for his efforts in connection with the successful launch of Sky Harbour, (b) Mr. Rozek received severance of \$960,000, to be paid in equal monthly installments for a period of 18 months, and (c) Mr. Rozek received employee benefits of \$75,000, to be paid in equal monthly installments for a period of 18 months, each of which are included within "Employee costs" within our consolidated statements of operations.

Mr. Rozek agreed to customary non-solicitation, non-competition, confidentiality, cooperation, and return of property covenants. As consideration for entering into a non-competition agreement, we paid Mr. Rozek \$250,000.

In addition, Mr. Rozek and the named executive officers and board of directors of the Company agreed to a mutual non-disparagement covenant, and the Company agreed, subject to certain conditions, to retain Mr. Rozek as its representative on the board of directors of Sky Harbour until December 31, 2026.

**BOSTON OMAHA CORPORATION
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NOTE 12. LONG-TERM DEBT

On August 12, 2019, Link Media Holdings, Inc., (“Link”), a wholly owned subsidiary of Boston Omaha Corporation (“BOC”), which owns and operates BOC’s billboard businesses, entered into a Credit Agreement (the “Credit Agreement”) with First National Bank of Omaha (the “Lender”) under which Link could borrow up to \$40,000,000 (the “Credit Facility”). The Credit Agreement provided an initial term loan (“Term Loan 1”), an incremental term loan (“Term Loan 2”) and a revolving line of credit. Link initially borrowed approximately \$18,000,000 under Term Loan 1 and \$5,500,000 under Term Loan 2. These loans are secured by all assets of Link and its operating subsidiaries, including a pledge of equity interests of each of Link’s subsidiaries. In addition, each of Link’s subsidiaries has joined as a guarantor to the obligations under the Credit Agreement. These loans are not guaranteed by BOC or any of BOC’s non-billboard businesses.

On December 6, 2021, Link entered into a Fourth Amendment to the Credit Agreement with the Lender which modified the original Credit Agreement by merging all outstanding principal amounts under both Term Loan 1 and Term Loan 2 into one term loan (the “Term Loan”) having a fixed interest rate of 4.00% per annum, and increasing the total Term Loan borrowing limit to \$30,000,000.

On May 31, 2022, Link entered into a Fifth Amendment to the Credit Agreement with the Lender which modified the Credit Agreement by extending the period of time under which Link may issue to BOC a cash dividend from January 31, 2022 to June 30, 2022 in the amount up to \$8,125,000 in the aggregate.

On April 6, 2023, Link entered into a Sixth Amendment to Credit Agreement (the “Sixth Amendment”) with the Lender. The Sixth Amendment modifies the Credit Agreement to provide additional flexibility for Link in making “Investment Capital Expenditures” by no longer deducting expenditures which qualify as Investment Capital Expenditures from EBITDA in calculating the Consolidated Fixed Charge Coverage Ratio. As a result, only “Maintenance Capital Expenditures” shall be deducted from EBITDA in testing the Consolidated Fixed Charge Coverage Ratio. The amount of unfunded Investment Capital Expenditures (Investment Capital Expenditures other than expenditures funded by BOC) allowable during any test period shall not exceed the Investment Capital Expenditure Available Amount during such test period.

On September 22, 2023, Link entered into a Seventh Amendment to the Credit Agreement with the Lender which modified the Credit Agreement by increasing the maximum availability under the revolving line of credit loan facility from \$5,000,000 to \$10,000,000.

On February 14, 2024, Link entered into an Eighth Amendment to the Credit Agreement with the Lender which modified the Credit Agreement to provide additional flexibility for Link to issue dividends to BOC.

On May 30, 2024, Link entered into a Ninth Amendment to the Credit Agreement with the Lender which modified the Credit Agreement by increasing the maximum availability under the revolving line of credit loan facility from \$10,000,000 to \$15,000,000.

As of June 30, 2024, Link has borrowed \$30,000,000 through the Term Loan under the Credit Facility. Principal amounts under the Term Loan are payable in monthly installments according to a 25-year amortization schedule. Principal payments commenced on July 1, 2020 for amounts previously borrowed under Term Loan 1 and October 1, 2020 for amounts previously borrowed under Term Loan 2. The Term Loan is payable in full on December 6, 2028.

The revolving line of credit loan facility has a \$10,000,000 maximum availability. Interest payments are based on the 30-day U.S. Prime Rate minus an applicable margin ranging between 0.65% and 1.15% dependent on Link’s consolidated leverage ratio. The revolving line of credit is due and payable on August 12, 2026.

Long-term debt included within our consolidated balance sheet as of June 30, 2024 consists of Term Loan borrowings of \$26,934,575, of which \$834,335 is classified as current. As of June 30, 2024, there was \$10,000,000 outstanding related to the revolving line of credit, which is included within long-term debt in our consolidated balance sheets.

During the term of the Credit Facility, Link is required to comply with the following financial covenants: A consolidated leverage ratio for any test period ending on the last day of any fiscal quarter of Link (a) beginning with the fiscal quarter ended June 30, 2024 of not greater than 3.50 to 1.00, (b) beginning with the fiscal quarter ended December 31, 2026 of not greater than 3.25 to 1.00 and (c) beginning with the fiscal quarter ended December 31, 2027 and thereafter of not greater than 3.00 to 1.00, and a minimum consolidated fixed charge coverage ratio of not less than 1.15 to 1.00 measured quarterly, based on rolling four quarters. The Company was in compliance with these covenants as of June 30, 2024.

The Credit Agreement includes representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings of this type. Upon the occurrence of an event of default the Lender may accelerate the loans. Upon the occurrence of certain insolvency and bankruptcy events of default the loans will automatically accelerate.

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NOTE 13. LEASES

We enter into operating lease contracts primarily for land and office space. Agreements are evaluated at inception to determine whether such arrangements contain a lease. Operating leases include land lease contracts and contracts for the use of office space.

Right of use assets, which we refer to as “ROU assets,” represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the respective lease term. Lease expense is recognized on a straight-line basis over the lease term.

Certain of our operating lease agreements include rental payments based on a percentage of revenue and others include rental payments adjusted periodically for inflationary changes. Percentage rent contracts, in which lease expense is calculated as a percentage of advertising revenue, and payments due to changes in inflationary adjustments are included within variable rent expense, which is accounted for separately from periodic straight-line lease expense.

Many of our leases entered into in connection with land provide options to extend the terms of the agreements. Generally, renewal periods are included in minimum lease payments when calculating the lease liabilities as, for most leases, we consider exercise of such options to be reasonably certain. As a result, optional terms and payments are included within the lease liability. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The implicit rate within our lease agreements is generally not determinable. As such, we use the incremental borrowing rate, which we refer to as “IBR,” to determine the present value of lease payments at the commencement of the lease. The IBR, as defined in ASC 842, is “the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.”

Operating Lease Cost

Operating lease cost is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,		Statement of Operations Classification
	2024	2023	2024	2023	
Lease cost	\$ 2,170,464	\$ 2,176,387	\$ 4,303,473	\$ 4,353,016	Cost of billboard revenues and general and administrative
Variable and short-term lease cost	695,367	643,519	1,431,298	1,220,894	Cost of billboard revenues and general and administrative
Total Lease Cost	<u>\$ 2,865,831</u>	<u>\$ 2,819,906</u>	<u>\$ 5,734,771</u>	<u>\$ 5,573,910</u>	

Supplemental cash flow information related to operating leases is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Cash payments for operating leases	\$ 2,236,542	\$ 2,302,189	\$ 4,427,132	\$ 4,548,578
New operating lease assets obtained in exchange for operating lease liabilities	\$ 619,668	\$ 344,754	\$ 1,710,141	\$ 1,136,478

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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 13. LEASES (Continued)

Operating Lease Assets and Liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>Balance Sheet Classification</u>
Lease assets	\$ 60,216,061	\$ 61,399,460	Other Assets: Right of use assets
Current lease liabilities	\$ 5,214,404	\$ 5,085,221	Current Liabilities: Lease liabilities
Noncurrent lease liabilities	55,070,711	56,438,308	Long-term Liabilities: Lease liabilities
Total Lease Liabilities	<u>\$ 60,285,115</u>	<u>\$ 61,523,529</u>	

Maturity of Operating Lease Liabilities

	<u>June 30, 2024</u>
2025	\$ 8,103,215
2026	7,798,993
2027	7,314,968
2028	7,054,028
2029	6,460,407
Thereafter	53,421,608
Total lease payments	90,153,219
Less imputed interest	(29,868,104)
Present Value of Lease Liabilities	<u>\$ 60,285,115</u>

As of June 30, 2024, our operating leases have a weighted-average remaining lease term of 16.21 years and a weighted-average discount rate of 4.98%.

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Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 14. INDUSTRY SEGMENTS

This summary presents our current segments, as described below.

General Indemnity Group, LLC

GIG conducts our insurance operations through its subsidiaries, SCS and UCS. Revenue consists of surety bond sales, insurance commissions, and investment and other income. GIG's corporate resources are used to support SCS and UCS, and to make additional business acquisitions in the insurance industry.

Link Media Holdings, LLC

LMH conducts our billboard rental operations. LMH billboards are located in Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, Oklahoma, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin.

Boston Omaha Broadband, LLC

BOB conducts our broadband operations. BOB provides high-speed broadband services to its customers located mainly in Arizona, Florida, Nevada, and Utah.

Boston Omaha Asset Management, LLC

BOAM conducts our asset management operations. We commenced reporting BOAM as a separate segment based on our acquisition of 24th Street Asset Management on May 1, 2023. BOAM's prior segment information has been retroactively restated as a result of meeting the requirements for segment reporting.

Three Months Ended June 30, 2024	GIG	LMH	BOB	BOAM	Unallocated	Total Consolidated
Revenue	\$ 5,822,598	\$ 11,437,468	\$ 9,787,983	\$ 39,734	\$ -	\$ 27,087,783
Segment gross profit	3,566,934	7,556,661	7,312,532	39,734	-	18,475,861
Segment income (loss) from operations	705,302	2,418,704	(1,629,124)	(508,448)	(5,383,049)	(4,396,615)
Capital expenditures	18,259	349,196	7,893,890	-	250,000	8,511,345
Depreciation and amortization	84,825	2,251,803	3,067,086	-	52,426	5,456,140

Three Months Ended June 30, 2023	GIG	LMH	BOB	BOAM	Unallocated	Total Consolidated
Revenue	\$ 4,540,142	\$ 10,835,524	\$ 8,695,235	\$ 145,493	\$ -	\$ 24,216,394
Segment gross profit	2,793,764	7,026,900	6,413,060	145,493	-	16,379,217
Segment income (loss) from operations	291,412	1,580,787	(1,314,735)	(516,029)	(1,684,339)	(1,642,904)
Capital expenditures	12,600	356,278	14,635,612	5,189,235	(62,258)	20,131,467
Depreciation and amortization	75,387	2,246,854	2,494,329	-	27,489	4,844,059

Six Months Ended June 30, 2024	GIG	LMH	BOB	BOAM	Unallocated	Total Consolidated
Revenue	\$ 10,864,375	\$ 22,134,128	\$ 19,471,412	\$ 170,599	\$ -	\$ 52,640,514
Segment gross profit	6,701,790	14,462,687	14,497,849	170,599	-	35,832,925
Segment income (loss) from operations	1,135,877	3,921,636	(3,279,376)	(1,275,415)	(6,957,618)	(6,454,896)
Capital expenditures	28,951	952,454	15,726,028	-	250,000	16,957,433
Depreciation and amortization	168,737	4,492,337	6,053,190	-	80,003	10,794,267

Six Months Ended June 30, 2023	GIG	LMH	BOB	BOAM	Unallocated	Total Consolidated
Revenue	\$ 8,513,798	\$ 21,137,747	\$ 17,235,141	\$ 145,493	\$ -	\$ 47,032,179
Segment gross profit	5,204,388	13,521,459	12,378,615	145,493	-	31,249,955
Segment income (loss) from operations	521,133	2,912,897	(3,014,101)	(1,075,985)	(3,963,640)	(4,619,696)
Capital expenditures	18,725	916,273	22,018,693	5,189,235	-	28,142,926

Depreciation and amortization	150,984	4,460,284	4,687,459	-	54,676	9,353,403
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**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 14. INDUSTRY SEGMENTS (Continued)

<u>As of June 30, 2024</u>	<u>GIG</u>	<u>LMH</u>	<u>BOB</u>	<u>BOAM</u>	<u>Unallocated</u>	<u>Total Consolidated</u>
Accounts receivable, net	\$ 7,677,915	\$ 4,406,878	\$ 1,140,478	\$ 292,234	\$ -	\$ 13,517,505
Goodwill	11,325,138	130,903,950	39,614,422	536,626	-	182,380,136
Total assets	71,677,955	262,509,375	191,958,660	62,395,873	134,522,260	723,064,123

<u>As of December 31, 2023</u>	<u>GIG</u>	<u>LMH</u>	<u>BOB</u>	<u>BOAM</u>	<u>Unallocated</u>	<u>Total Consolidated</u>
Accounts receivable, net	\$ 7,124,471	\$ 4,060,259	\$ 689,817	\$ 251,154	\$ 15,543	\$ 12,141,244
Goodwill	11,325,138	130,903,950	39,614,422	536,626	-	182,380,136
Total assets	71,723,355	267,205,346	183,151,741	100,739,644	145,387,006	768,207,092

NOTE 15. RESERVES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

The following table provides a reconciliation of the beginning and ending reserve balances for losses and loss adjustment expenses (“LAE”) for the six months ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Gross reserve for unpaid losses and loss adjustment expenses, beginning of year	\$ 5,733,444	\$ 2,105,579
Less: reinsurance recoverable on unpaid losses	3,283,071	415,000
Net reserve for unpaid losses and loss adjustment expenses, beginning of year	2,450,373	1,690,579
Incurring losses and loss adjustment expenses:		
Current year	1,420,332	1,398,187
Prior year	(67,229)	(183,695)
Total net losses and loss adjustment expense incurred	1,353,103	1,214,492
Payments:		
Current year	454,252	434,618
Prior year	268,956	351,709
Total payments:	723,208	786,327
Net reserves for unpaid losses and loss adjustment expenses, end of year	3,080,268	2,118,744
Reinsurance recoverable on unpaid losses, net of allowance	2,186,121	712,035
Gross reserves for unpaid losses and loss adjustment expenses, end of year	\$ 5,266,389	\$ 2,830,779

For the six months ended June 30, 2024 and June 30, 2023, there was a favorable prior year loss development which was the result of a re-estimation of amounts ultimately to be paid on prior year losses and loss adjustment expense. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

NOTE 16. CUSTODIAL RISK

As of June 30, 2024, we had approximately \$24,000,000 in excess of federally insured limits on deposit with financial institutions.

**BOSTON OMAHA CORPORATION
and SUBSIDIARIES**

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

NOTE 17. REDEEMABLE NONCONTROLLING INTEREST

On April 2, 2024, we entered into agreements with the minority members of each of FIF Utah LLC and FIF St. George, LLC, entities controlled by us as majority member. Under these agreements, the minority members of each of the entities exchanged their membership interests in the LLCs for unregistered shares of Boston Omaha Class A common stock. Under the securities exchange agreements, Alpine Networks, Inc., a company owned by Steven McGhie, the then Chief Executive Officer of Boston Omaha Broadband, and the sole owner of the minority interest in FIF Utah, LLC, exchanged its approximate 17% interest in FIF Utah, LLC for 275,611 shares of Boston Omaha Class A common stock, which for purposes of the transaction was valued at approximately \$4,400,000. The two owners of the minority interests in FIF St. George, LLC exchanged their combined 20% interest in FIF St. George, LLC for 563,750 shares of Boston Omaha Class A common stock, which for purposes of the transaction was valued at approximately \$9,000,000. As a result, Boston Omaha Broadband, LLC, our wholly-owned subsidiary, now owns 100% of the membership interests in each of FIF Utah LLC and FIF St. George, LLC.

In each transaction, the value for the unregistered Boston Omaha Class A common stock was calculated based on the volume weighted average trading price of a share of Boston Omaha Class A common stock for the 30 trading days ended March 28, 2024 as reported on the New York Stock Exchange. The difference between the fair value of the Class A shares issued and the carrying balance of the noncontrolling interests at the date of the transaction is recorded within additional paid in capital within our consolidated balance sheets.

NOTE 18. SUBSEQUENT EVENTS

On July 23, 2024, the Board approved and authorized a share repurchase program (the “Share Repurchase Program”), pursuant to which the Company intends to repurchase up to \$20 million of its Class A common stock, from time to time, in the open market, privately negotiated transactions, or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934. The Board also authorized the Company, in its discretion, to establish “Rule 10b5-1 trading plans” for these share repurchases. The Share Repurchase Program will go into effect on or about August 15, 2024, following the release of this quarterly report on Form 10-Q for the quarter ended June 30, 2024 and will terminate on September 30, 2025, unless earlier terminated in the discretion of the Board. The actual timing, number, and value of shares repurchased under the Share Repurchase Program will depend on a number of factors, including constraints specified in applicable SEC regulations, price, general business and market conditions, and alternative investment opportunities. Pursuant to the Share Repurchase Program, the Company is not obligated to repurchase any specific number of shares of its Class A common stock and shall not repurchase more than 25% of the average daily volume of its stock over the previous 20 trading days.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

CAUTIONARY STATEMENT FOR FORWARD-LOOKING STATEMENTS

THIS QUARTERLY REPORT ON FORM 10-Q INCLUDES FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND OTHER FEDERAL SECURITIES LAWS, PARTICULARLY THOSE ANTICIPATING FUTURE FINANCIAL PERFORMANCE, BUSINESS PROSPECTS, GROWTH, OPERATING STRATEGIES AND SIMILAR MATTERS, INCLUDING WITHOUT LIMITATION, STATEMENTS CONCERNING OPERATIONS, RESULTS OF OPERATIONS, LIQUIDITY, INVESTMENTS, OUR NEED FOR, AND ABILITY TO OBTAIN, ADDITIONAL FUNDING FOR ACQUISITIONS AND POTENTIAL BUSINESS EXPANSION, GENERAL ECONOMIC TRENDS, INFLATIONARY PRESSURES, FINANCIAL CONDITION AND THE IMPACT OF THE COVID-19 PANDEMIC ON OUR BUSINESS. WE HAVE BASED THESE FORWARD-LOOKING STATEMENTS ON OUR CURRENT INTENT, EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS, AND THESE FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEED TO OCCUR AND MAY NOT OCCUR. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND ASSUMPTIONS ABOUT US THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. IN SOME CASES, YOU CAN IDENTIFY FORWARD-LOOKING STATEMENTS BY TERMINOLOGY SUCH AS “MAY,” “WILL,” “SHOULD,” “COULD,” “WOULD,” “INTEND,” “PROJECT,” “CONTEMPLATE,” “POTENTIAL,” “EXPECT,” “PLAN,” “ANTICIPATE,” “BELIEVE,” “ESTIMATE,” “CONTINUE,” OR THE NEGATIVE OF SUCH TERMS OR OTHER SIMILAR EXPRESSIONS. THESE STATEMENTS ARE ONLY PREDICTIONS. FACTORS THAT MIGHT CAUSE OR CONTRIBUTE TO SUCH A DISCREPANCY INCLUDE, BUT ARE NOT LIMITED TO, THOSE DESCRIBED IN OUR OTHER SECURITIES AND EXCHANGE COMMISSION FILINGS.

THE OUTCOME OF THE EVENTS DESCRIBED IN THIS REPORT ALSO CONTAINS STATISTICAL AND OTHER INDUSTRY AND MARKET DATA RELATED TO OUR BUSINESS AND INDUSTRY THAT WE OBTAINED FROM INDUSTRY PUBLICATIONS AND RESEARCH, SURVEYS AND STUDIES CONDUCTED BY US AND THIRD PARTIES, AS WELL AS OUR ESTIMATES OF POTENTIAL MARKET OPPORTUNITIES. INDUSTRY PUBLICATIONS, THIRD-PARTY AND OUR OWN RESEARCH, SURVEYS AND STUDIES GENERALLY INDICATE THAT THEIR INFORMATION HAS BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE ALTHOUGH THEY DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THIS MARKET DATA INCLUDES PROJECTIONS THAT ARE BASED ON A NUMBER OF ASSUMPTIONS. IF THESE ASSUMPTIONS TURN OUT TO BE INCORRECT, ACTUAL RESULTS MAY DIFFER FROM THE PROJECTIONS BASED ON THESE ASSUMPTIONS. AS A RESULT, OUR MARKETS MAY NOT GROW AT THE RATES PROJECTED BY THIS DATA, OR AT ALL. THE FAILURE OF THESE MARKETS TO GROW AT THESE PROJECTED RATES MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, RESULTS OF OPERATIONS, FINANCIAL CONDITION AND THE MARKET PRICE OF OUR CLASS A COMMON STOCK.

THE FOLLOWING DISCUSSION SHOULD BE READ IN CONJUNCTION WITH OUR FINANCIAL STATEMENTS AND RELATED NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT. ANY OF THE FORWARD-LOOKING STATEMENTS THAT WE MAKE IN THIS QUARTERLY REPORT ON FORM 10-Q AND IN OTHER PUBLIC REPORTS AND STATEMENTS WE MAKE MAY TURN OUT TO BE INACCURATE AS A RESULT OF OUR BELIEFS AND ASSUMPTIONS WE MAKE IN CONNECTION WITH THE FACTORS SET FORTH ABOVE OR BECAUSE OF OTHER UNIDENTIFIED AND UNPREDICTABLE FACTORS. IN ADDITION, OUR BUSINESS AND FUTURE RESULTS ARE SUBJECT TO A NUMBER OF OTHER FACTORS, INCLUDING THOSE FACTORS SET FORTH IN THE “RISK FACTORS” SECTION OF OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) ON MARCH 27, 2024. BECAUSE OF THESE AND OTHER UNCERTAINTIES, OUR ACTUAL FUTURE RESULTS MAY BE MATERIALLY DIFFERENT FROM THE RESULTS INDICATED BY THESE FORWARD-LOOKING STATEMENTS AND YOU SHOULD NOT RELY ON SUCH STATEMENTS. WE UNDERTAKE NO OBLIGATION TO PUBLISH REVISED FORWARD-LOOKING STATEMENTS TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS OR CIRCUMSTANCES AFTER THE DATE HEREOF. THESE RISKS COULD CAUSE OUR ACTUAL RESULTS FOR 2024 AND BEYOND TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN ANY FORWARD-LOOKING STATEMENTS BY OR ON BEHALF OF US, AND COULD NEGATIVELY AFFECT OUR FINANCIAL CONDITION, LIQUIDITY AND OPERATING AND STOCK PRICE PERFORMANCE.

Overview

We are currently engaged in outdoor billboard advertising, broadband services, surety insurance and related brokerage businesses and an asset management business. In addition, we hold minority investments in commercial real estate management and brokerage services, a bank focused on servicing the automotive loan market, and a developer of private aviation infrastructure focused on building, leasing and managing business aviation hangars.

Billboards: In June 2015, we commenced our billboard business operations through acquisitions by Link, our wholly-owned subsidiary, of smaller billboard companies located in the Southeastern United States and Wisconsin. During July and August 2018, we acquired the membership interest or assets of three larger billboard companies which increased our overall billboard count to approximately 2,900 billboards. In addition, we have made several billboard acquisitions on a smaller scale since that date. We believe that we are a leading outdoor billboard advertising company in the markets we serve in the Midwest. As of June 30, 2024, we operate approximately 4,000 billboards with approximately 7,600 advertising faces. One of our principal business objectives is to continue to acquire additional billboard assets through acquisitions of existing billboard businesses in the United States when they can be made at what we believe to be attractive prices relative to other opportunities generally available to us.

Surety Insurance: In September 2015, we established an insurance subsidiary, GIG, designed to own and operate insurance businesses generally handling high volume, lower policy limit commercial lines of property and casualty insurance. In April 2016, our surety insurance business commenced with the acquisition of a surety insurance brokerage business with a national internet-based presence. In December 2016, we completed the acquisition of UCS, a surety insurance company, which at that time was licensed to issue surety bonds in only nine states. UCS now has licenses to operate in all 50 states and the District of Columbia. In addition, over the last several years, we have also acquired additional surety insurance brokerage businesses located in various regions of the United States. We may in the future expand the reach of our insurance activities to other forms of insurance which may have similar characteristics to surety, such as high volume and low average policy premium insurance businesses which historically have similar economics.

Broadband Services: In April 2019, we established a broadband subsidiary, Fiber is Fast, LLC, which has changed its name to Boston Omaha Broadband, LLC, which we refer to as "BOB." In March 2020, we commenced our broadband services business with the acquisition of substantially all of the business assets of FibAire, a rural broadband internet provider that served over 8,000 customers in communities in southern Arizona with a high-speed fixed wireless internet service and is building an all fiber-to-the-home network in select Arizona markets. In December 2020, we acquired substantially all of the business assets of UBB, a broadband internet provider that provided high-speed internet to over 10,000 customers throughout Utah. In September 2021, we announced the launch of Fiber Fast Homes, LLC, which we refer to as "FFH," which partners with builders, developers, and build for rent communities to build fiber-to-the-home infrastructure and provide fiber internet service to residents. In April 2022, we acquired substantially all of the business assets of InfoWest and Go Fiber, which we refer to on a combined basis now as "InfoWest," fiber and fixed wireless internet service providers with over 20,000 customers throughout Southern and Central Utah, Northern Arizona, and Moapa Valley, Nevada. In addition, over the last few years, we have also acquired additional smaller broadband businesses located in Utah. As of June 30, 2024, we have approximately 44,500 broadband customers (12,400 fiber subscribers) and 34,300 fiber passings completed. We hope to continue to expand in Arizona, Florida, Nevada, Utah, and other locales.

Investments:

- Since September 2015, we have made a series of investments in commercial real estate, a commercial real estate management, brokerage and related services business as well as an asset management business. We currently own 30% of Logic. On May 1, 2023, our BOAM subsidiary acquired 100% of the membership interests in 24th Street from the members of 24th Street other than BOAM for cash and BOC Class A common stock valued at \$5,016,494 in the aggregate. Prior to the transaction, BOAM indirectly owned 48% of the membership interests of 24th Street. The consideration consisted of \$2,759,072 in cash at closing, an additional \$1,254,102 in cash subject to holdback, and 45,644 shares of BOC Class A common stock (based on the average closing price of BOC Class A common stock for the 30 business day period ending two days before the closing date). The shares issued in the transaction are unregistered and have no registration rights. The purchase agreement also provides for certain payments based on performance to receive the holdback amount and certain other potential earnout payments. In addition, we have invested, through one of our subsidiaries, an aggregate of \$6 million in the 24th Street Funds. These funds are managed by 24th Street and focus on opportunities within secured lending and direct investments in commercial real estate.
- In December 2017, we invested \$10 million in common units of DFH, the parent company of Dream Finders Homes, LLC, a national home builder. In addition to its homebuilding operations, DFH's subsidiaries provide mortgage loan origination and title insurance services to homebuyers. On January 25, 2021, Dream Finders Homes, Inc., a wholly owned subsidiary of DFH, completed its initial public offering and Dream Finders Homes, Inc. became a holding company and sole manager of DFH. Upon completion of the initial public offering, our outstanding common units in DFH were converted into 4,681,099 shares of Class A common stock of Dream Finders Homes, Inc., and one of our subsidiaries purchased an additional 120,000 shares of Class A common stock in the initial public offering. Since DFH's initial public offering through December 31, 2022, we have sold all 4,801,099 shares of DFH Class A common stock for gross proceeds of approximately \$81 million.
- In May 2018, through one of our subsidiaries, we invested approximately \$19 million through the purchase of common stock of CB&T, the privately-held parent company of Crescent Bank. Our investment now represents 15.6% of CB&T's outstanding common stock. Crescent Bank is located in New Orleans and generates the majority of its revenues from indirect subprime automobile lending across the United States.
- In October 2020, our subsidiary BOC Yellowstone served as sponsor for the underwritten initial public offering of a special purpose acquisition company named Yellowstone Acquisition Company. Yellowstone sold in its public offering 13,598,898 units at a price of \$10.00 per unit, each unit consisting of one share of Class A common stock and a redeemable warrant to purchase one-half of a share of Class A common stock at an exercise price of \$11.50 per share. Between August and November 2020, we invested, through BOC Yellowstone, approximately \$7.8 million through the purchase of 3,399,724 shares of Class B common stock and 7,719,779 non-redeemable private placement warrants, each warrant entitling us to purchase one share of Class A common stock at \$11.50 per share. In August 2021, Yellowstone entered into a business combination agreement with Sky Harbour LLC, a developer of private aviation infrastructure focused on building, leasing and managing business aviation hangars. The business combination was completed on January 25, 2022 and Yellowstone changed its name to Sky Harbour Group Corporation. Sky Harbour's Class A

common stock trades on the NYSE American under the symbol “SKYH” and its warrants to purchase Class A common stock trade under the symbol “SKYH.WS.”

- In September 2021, through one of our subsidiaries, we invested \$55 million directly into SHG and received Series B preferred units. Upon the successful consummation of the Sky Harbour business combination, this investment converted into 5,500,000 shares of Sky Harbour's Class A common stock based upon an assumed value of \$10.00 per share. In December 2021, we agreed to provide Sky Harbour an additional \$45 million through the purchase of 4,500,000 shares of Class A common stock upon the closing of the Sky Harbour business combination, which was consummated in January 2022. During the second quarter of fiscal 2024, we sold 246,389 shares of Sky Harbour Class A common stock for gross proceeds of approximately \$2.5 million. As of June 30, 2024, we held 12,440,642 shares of Sky Harbour Class A common stock and 7,719,779 Sky Harbour warrants.
- In 2021, we established the BFR Fund subsidiary within BOAM to operate a proposed build-for-rent business, focusing on developing, building, and managing single family detached and/or townhomes for long term rentals. We invested approximately \$15 million of capital to finance the initial acquisitions for these projects and subsequently raised third-party capital to be invested alongside our capital. The BFR Fund acquired land parcels in Nevada with the initial plan to develop, construct, and operate build-for-rent communities. However, challenges in the market, including the increase in interest rates and the inability to achieve what we believe are appropriate risk-adjusted returns, have led us to pursue selling the BFR Fund's entitled land assets to public homebuilders. Consequently, we have started to wind down the BFR Fund earlier than originally targeted by returning the uninvested cash on hand to BFR Fund partners and, as we sell the BFR Fund's entitled land assets, returning that capital to BFR Fund partners as well.
- In July 2023, we invested approximately \$3 million in voting preferred stock of MyBundle.TV Inc., a company serving the broadband industry.

In each of our businesses, we hope to expand our geographic reach and market share and seek to develop a competitive advantage and/or brand name for our services, which we hope will be a differentiating factor for customers. Our insurance market primarily services small contractors, small and medium-sized businesses and individuals required to provide surety bonds (i) in connection with their work for government agencies and others, (ii) in connection with contractual obligations, or (iii) to meet regulatory requirements and other needs. We have expanded the licensing of the UCS business to all 50 states and the District of Columbia. In outdoor advertising, our plan is to continue to grow this business through acquisitions of billboard assets. We expect to expand our broadband services in Arizona, Florida, Nevada, Utah and in other locations. In the future, we expect to expand the range of services we provide in the insurance sector, seek to continue to expand our billboard operations and broadband services and to possibly consider acquisitions of other businesses, as well as investments, in other sectors, although we expect to place primary emphasis on growing our existing business lines over the next several years. Our decision to expand outside of these current business sectors we serve or in which we have made investments will be based on the opportunity to acquire businesses which we believe provide the potential for sustainable earnings at an attractive level relative to capital employed and, with regard to investment, we believe have the potential to provide attractive returns.

We seek to enter markets where we believe demand for our services will grow in the coming years due to certain barriers to entry and/or to anticipated long-term demand for these services. In the outdoor billboard business, government restrictions often limit the number of additional billboards that may be constructed. At the same time, advances in billboard technology provide the opportunity to improve revenues through the use of digital display technologies and other new technologies. In the surety insurance business, new insurance companies must be licensed by state agencies that impose capital, management and other strict requirements on these insurers. These hurdles are at the individual state level, with statutes often providing wide latitude to regulators to impose judgmental requirements upon new entrants. In addition, new distribution channels in certain areas of surety may provide a new opportunity. In the real estate management services market, we believe the continued growth of commercial real estate in many sections of the United States will provide opportunities for management services for the foreseeable future. We also believe our investment in both CB&T and Sky Harbour has provided each company the opportunity to significantly grow its business. We invest our available capital and the surplus capital from UCS in a wide range of securities, including equity securities of large cap public companies, various corporate and government bonds and U.S. treasuries. In broadband services, we believe that our fiber-to-the-home services can compete with traditional cable operators as broadband provides higher rates of transmission and improved speed to consumers and that, once built, other competitors may be less willing to compete in communities which we serve.

How We Generate Our Revenues and Evaluate Our Business

We currently generate revenues primarily through billboard advertising and related services, from the sale of surety insurance and related brokerage activities, by providing high-speed broadband services, and asset management services. Revenue for outdoor advertising space rental is recognized on a straight-line basis over the term of the contract and advertising revenue is reported net of agency commissions. Payments received in advance of being earned are recorded as deferred revenue. In our surety insurance business, premiums written are recognized as revenues based on a pro rata daily calculation over the respective terms of the policies in-force. Unearned premiums represent the portion of premiums written applicable to the unexpired term of the policies in-force. In connection with our surety agency business, insurance commissions are recognized at a point in time, on a bond-by-bond basis as of the policy effective date and are generally nonrefundable. In our broadband business, revenue is derived principally from internet services and is recognized on a straight-line basis over the term of the contract in the period the services are rendered. Revenue received or receivable in advance of the delivery of services is included in deferred revenue.

Segment gross profit is a key metric that we use to evaluate segment operating performance and to determine resource allocation between segments. We define segment gross profit as segment revenues less segment direct cost of services. In our billboard business, direct cost of services includes land leases, utilities, repairs and maintenance of equipment, sales commissions, contract services, and other billboard level expenses. In our broadband business, direct costs of services includes network operations and data costs, software costs, cell site rent and utilities, and other broadband level expenses. In our surety business, direct cost of services includes commissions, premium taxes, fees and assessments, and losses and loss adjustment expenses.

Results of Operations

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

The following is a comparison of our results of operations for the three months ended June 30, 2024, which we refer to as the “second quarter of fiscal 2024,” compared to the three months ended June 30, 2023, which we refer to as the “second quarter of fiscal 2023.”

Revenues. For the second quarter of fiscal 2024 and the second quarter of fiscal 2023, our revenues in dollars and as a percentage of total revenues were as follows:

	For the Three Months Ended June 30, (unaudited)				
	2024		2023		2024 vs 2023
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	\$ Variance
Revenues:					
Billboard rentals, net	\$ 11,437,468	42.2%	\$ 10,835,524	44.7%	\$ 601,944
Broadband services	9,787,983	36.1%	8,695,235	35.9%	1,092,748
Premiums earned	4,737,056	17.5%	3,458,627	14.3%	1,278,429
Insurance commissions	527,055	2.0%	594,540	2.5%	(67,485)
Investment and other income	598,221	2.2%	632,468	2.6%	(34,247)
Total Revenues	\$ 27,087,783	100.0%	\$ 24,216,394	100.0%	\$ 2,871,389

We realized total revenues of \$27,087,783 during the second quarter of fiscal 2024, an increase of 11.9% over revenues of \$24,216,394 during the second quarter of fiscal 2023. The key factors impacting revenue across each of our businesses during the second quarter of fiscal 2024 were as follows:

- Net billboard rentals in the second quarter of fiscal 2024 increased 5.6% from the second quarter of fiscal 2023, reflecting an improvement in rental and occupancy rates across a number of our markets.
- Revenue from broadband services in the second quarter of fiscal 2024 increased 12.6% from the second quarter of fiscal 2023, mainly reflecting subscriber growth across a number of our markets.
- Premiums earned from our UCS insurance subsidiary increased 37.0% in the second quarter of fiscal 2024 when compared to the second quarter of fiscal 2023. The increase in premiums earned was primarily due to increases in production throughout fiscal 2023 and the first six months of fiscal 2024. We recognize revenues for written premium over the life of the surety bond and, as a result, increased sales activities are not fully reflected in the quarter in which the surety bond is issued.
- Revenue from insurance commissions generated by our surety brokerage operations declined by 11.4% in the second quarter of fiscal 2024 when compared to the second quarter of fiscal 2023, mainly due to decreased production through outside insurance carriers.
- Investment and other income at UCS and BOAM declined from \$632,468 in the second quarter of fiscal 2023 to \$598,221 in the second quarter of fiscal 2024, mainly due to the distribution of excess cash in the 24th Street Funds and BFR Fund back to limited partners during the second quarter of fiscal 2024.

Expenses. For the second quarter of fiscal 2024 and the second quarter of fiscal 2023, our expenses, in dollars, and as a percentage of total revenues, were as follows:

For the Three Months Ended June 30, (unaudited)					
2024			2023		2024 vs 2023
	As a % of Total Revenues		As a % of Total Revenues		
	Amount		Amount		\$ Variance
Costs and Expenses:					
Cost of billboard revenues	\$ 3,880,807	14.3%	\$ 3,808,624	15.7%	\$ 72,183
Cost of broadband revenues	2,475,451	9.1%	2,282,175	9.4%	193,276
Cost of insurance revenues	2,255,664	8.3%	1,746,378	7.2%	509,286
Employee costs	11,820,937	43.6%	7,753,280	32.0%	4,067,657
Professional fees	1,719,922	6.4%	1,402,899	5.8%	317,023
Depreciation	3,572,066	13.2%	3,013,176	12.5%	558,890
Amortization	1,884,074	7.0%	1,830,883	7.6%	53,191
General and administrative	4,003,081	14.8%	3,962,814	16.4%	40,267
(Gain) loss on disposition of assets	(183,738)	(0.7%)	5,246	0.0%	(188,984)
Accretion	56,134	0.2%	53,823	0.2%	2,311
Total Costs and Expenses	\$ 31,484,398	116.2%	\$ 25,859,298	106.8%	\$ 5,625,100

During the second quarter of fiscal 2024, we had total costs and expenses of \$31,484,398, as compared to total costs and expenses of \$25,859,298 in the second quarter of fiscal 2023. Total costs and expenses as a percentage of total revenues increased from 106.8% in the second quarter of fiscal 2023 to 116.2% in the second quarter of fiscal 2024. The increase was mainly driven by one-time severance and bonus payments to our former Co-CEO as a part of his separation and stock repurchase agreement. The key factors impacting costs and expenses across each of our businesses during the second quarter of fiscal 2024 were as follows:

- Cost of billboard revenues decreased as a percentage of billboard revenues from 35.1% in the second quarter of fiscal 2023 to 33.9% in the second quarter of fiscal 2024. The decrease was mainly driven by lower ground rent expense and other billboard cost of revenues as a percentage of billboard revenues.
- Cost of broadband revenues decreased as a percentage of broadband revenues from 26.2% in the second quarter of fiscal 2023 to 25.3% in the second quarter of fiscal 2024. The decrease was mainly driven by reduced maintenance costs and cell site rent related to our fixed wireless networks.
- Cost of insurance revenues increased as a percentage of insurance revenues from 38.5% in the second quarter of fiscal 2023 to 38.7% in the second quarter of fiscal 2024. The increase was mainly driven by commissions paid increasing from 23.3% in the second quarter of fiscal 2023 to 24.9% in the second quarter of fiscal 2024, which was partially offset by lower loss and loss adjustment expense as a percentage of insurance revenues.
- Employee costs in the second quarter of fiscal 2024 were \$11,820,937, or 43.6% of total revenues, as compared to \$7,753,280, or 32.0% of total revenues, in the second quarter of fiscal 2023. The increase as a percentage of total revenues was mainly driven by one-time severance and bonus payments to our former Co-CEO as a part of his separation and stock repurchase agreement. Excluding the one-time severance and bonus payments, employee costs would have been 31.2% of total revenues in the second quarter of fiscal 2024.

- Professional fees in the second quarter of fiscal 2024 were \$1,719,922, or 6.4% of total revenues, as compared to \$1,402,899, or 5.8% of total revenues, in the second quarter of fiscal 2023. The increase was mainly related to legal fees associated with our former Co-CEO's separation and stock repurchase agreement.
- General and administrative expenses in the second quarter of fiscal 2024 were \$4,003,081, or 14.8% of total revenues, as compared to \$3,962,814, or 16.4% of total revenues, in the second quarter of fiscal 2023. The decrease as a percentage of total revenues was mainly driven by higher organic revenue growth within our billboard and insurance businesses as well as lower general and administrative expenses at Boston Omaha's parent company.
- Non-cash expenses in the second quarter of fiscal 2024 included \$3,572,066 in depreciation expense, \$1,884,074 in amortization expense, and \$56,134 in accretion expense mainly related to asset retirement obligations for certain billboard assets. The increase in depreciation expense is mainly driven by continued capital investments within our broadband businesses.

Net Loss from Operations. Net loss from operations for the second quarter of fiscal 2024 was \$4,396,615, or 16.2% of total revenues, as compared to a net loss from operations of \$1,642,904, or 6.8% of total revenues, in the second quarter of fiscal 2023. The increase in net loss from operations was primarily due to one-time costs associated with our former Co-CEO's separation and stock repurchase agreement and an increase in depreciation expense related to continued capital investments within our broadband businesses, which were partially offset by improved operations within our billboard, broadband and insurance businesses. Our net loss from operations included \$5,512,274 from non-cash depreciation, amortization and accretion expenses in the second quarter of fiscal 2024, as compared to \$4,897,882 in the second quarter of fiscal 2023.

Other Income. During the second quarter of fiscal 2024, we had net other income of \$2,357,407. Net other income included non-cash gains of \$2,957,387 from unconsolidated affiliates mainly related to our share of Sky Harbour's income from operations during the second quarter of fiscal 2024, which we account for under the equity method, and interest and dividend income of \$313,775. These items were partially offset by \$545,385 in other investment losses mainly driven by a \$4,014,285 unrealized loss on the Sky Harbour warrants held by Boston Omaha, which was partially offset by (i) \$1,957,056 in non-cash gains associated with the transfer of Sky Harbour Class A common stock to our former Co-CEO as a part of his separation and stock repurchase agreement, (ii) \$894,324 in realized gains on the sale of 246,389 shares of Sky Harbour Class A common stock, and (iii) other investment income of \$628,355 primarily related to changes in the fair value of the BFR Fund mainly driven by the underlying real estate properties, and interest expense of \$368,370 mainly incurred under Link's term loan and revolver. During the second quarter of fiscal 2023, we had net other income of \$3,357,575, which included \$5,350,524 in equity in income of unconsolidated affiliates mainly related to non-cash gains recognized in May 2023 due to our purchase of the membership interests in 24th Street held by third parties resulting in the remeasurement of our previously held interest in 24th Street and interest and dividend income of \$561,090. These items were partially offset by other investment losses of \$2,267,004 mainly related to the Sky Harbour warrants held by Boston Omaha and the impact of the fair value mark-to-market adjustments recorded for the commercial real estate assets held within each of the 24th Street Funds and interest expense of \$287,035 mainly incurred under Link's term loan.

Generally accepted accounting principles ("GAAP") requires us to include the unrealized changes in market prices of investments in public equity securities in our reported earnings. Due to the size of our percentage ownership interest in Sky Harbour's Class A common stock and our right to elect one of the seven members of Sky Harbour's Board of Directors, our investment is recorded under the equity method using the fair market value of Sky Harbour's Class A common stock as of the date of the business combination and we do not include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. In the future, if we are deemed to no longer have significant influence, we may no longer be able to record our investment under the equity method and will be required to include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. While we intend to hold our current securities for the longer term, we may in the future choose to sell them for a variety of reasons resulting in realized losses or gains.

Additionally, we have evaluated our investment in Sky Harbour as of June 30, 2024, and determined that there was not an other-than-temporary impairment. Our conclusion was based on several contributing factors, including: (i) our assessment that the underlying business and financial condition of Sky Harbour is favorable; (ii) the period of time for which the fair value was less than the carrying value during 2023, (iii) the recovery of Sky Harbour's stock price during the last several months, and (iv) our ability and intent to hold the investment. We will continue to review our investment in Sky Harbour for an other-than-temporary impairment on a quarterly basis or upon the occurrence of certain events. If Sky Harbour's stock price drops below our carrying value of \$6.61 per share for a sustained period of time, it will likely result in an impairment of our investment. There may also be a future impairment of our investment if our expectations about Sky Harbour's prospective results of operations and cash flows decline, which could be influenced by a variety of factors including adverse market conditions.

Net Loss Attributable to Common Stockholders. We had a net loss attributable to common stockholders in the amount of \$2,235,219 in the second quarter of fiscal 2024, or a loss per share of \$0.07, based on 31,853,692 diluted weighted average shares outstanding. This is compared to net income attributable to common stockholders of \$1,541,612 in the second quarter of fiscal 2023, or income per share of \$0.05, based on 31,281,828 diluted weighted average shares outstanding.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

The following is a comparison of our results of operations for the six months ended June 30, 2024, which we refer to as the “first six months of fiscal 2024,” compared to the six months ended June 30, 2023, which we refer to as the “first six months of fiscal 2023.”

Revenues. For the first six months of fiscal 2024 and the first six months of fiscal 2023, our revenues in dollars and as a percentage of total revenues were as follows:

	For the Six Months Ended June 30, (unaudited)				
	2024		2023		2024 vs 2023
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	\$ Variance
Revenues:					
Billboard rentals, net	\$ 22,134,128	42.0%	\$ 21,137,747	44.9%	\$ 996,381
Broadband services	19,471,412	37.0%	17,235,141	36.6%	2,236,271
Premiums earned	8,740,115	16.6%	6,565,900	14.0%	2,174,215
Insurance commissions	1,029,743	2.0%	1,070,666	2.3%	(40,923)
Investment and other income	1,265,116	2.4%	1,022,725	2.2%	242,391
Total Revenues	\$ 52,640,514	100.0%	\$ 47,032,179	100.0%	\$ 5,608,335

We realized total revenues of \$52,640,514 during the first six months of fiscal 2024, an increase of 11.9% over revenues of \$47,032,179 during the first six months of fiscal 2023. Revenues increased within each of our businesses in the first six months of fiscal 2024 when compared to the first six months of fiscal 2023. The key factors impacting revenue across each of our businesses during the first six months of fiscal 2024 were as follows:

- Net billboard rentals in the first six months of fiscal 2024 increased 4.7% from the first six months of fiscal 2023, reflecting an improvement in rental and occupancy rates across a number of our markets.
- Revenue from broadband services in the first six months of fiscal 2024 increased 13.0% from the first six months of fiscal 2023, mainly reflecting subscriber growth across a number of our markets.
- Premiums earned from our UCS insurance subsidiary increased 33.1% in the first six months of fiscal 2024 when compared to the first six months of fiscal 2023. The increase in premiums earned was primarily due to increases in production throughout fiscal 2023 and the first six months of fiscal 2024. We recognize revenues for written premium over the life of the surety bond and, as a result, increased sales activities are not fully reflected in the quarter in which the surety bond is issued.
- Revenue from insurance commissions generated by our surety brokerage operations declined by 3.8% in the first six months of fiscal 2024 when compared to the first six months of fiscal 2023, mainly due to decreased production through outside insurance carriers.
- Investment and other income at UCS and BOAM increased from \$1,022,725 in the first six months of fiscal 2023 to \$1,265,116 in the first six months of fiscal 2024, mainly due to the increase in interest rates over the past 18 months for assets held by UCS and the consolidation of 24th Street during the second quarter of fiscal 2023.

Expenses. For the first six months of fiscal 2024 and the first six months of fiscal 2023, our expenses, in dollars, and as a percentage of total revenues, were as follows:

For the Six Months Ended June 30, (unaudited)					
2024		2023		2024 vs 2023	
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	\$ Variance
Costs and Expenses:					
Cost of billboard revenues	\$ 7,671,441	14.6%	\$ 7,616,288	16.2%	\$ 55,153
Cost of broadband revenues	4,973,563	9.5%	4,856,526	10.3%	117,037
Cost of insurance revenues	4,162,585	7.9%	3,309,410	7.0%	853,175
Employee costs	20,452,848	38.9%	15,950,817	33.9%	4,502,031
Professional fees	2,857,070	5.4%	2,572,488	5.5%	284,582
Depreciation	7,023,439	13.3%	5,720,493	12.2%	1,302,946
Amortization	3,770,828	7.2%	3,632,910	7.7%	137,918
General and administrative	8,061,486	15.3%	7,925,446	16.9%	136,040
Loss (gain) on disposition of assets	13,345	0.0%	(40,149)	(0.1%)	53,494
Accretion	108,805	0.2%	107,646	0.2%	1,159
Total Costs and Expenses	\$ 59,095,410	112.3%	\$ 51,651,875	109.8%	\$ 7,443,535

During the first six months of fiscal 2024, we had total costs and expenses of \$59,095,410, as compared to total costs and expenses of \$51,651,875 in the first six months of fiscal 2023. Total costs and expenses as a percentage of total revenues increased from 109.8% in the first six months of fiscal 2023 to 112.3% in the first six months of fiscal 2024. The increase was mainly driven by one-time severance and bonus payments to our former Co-CEO as a part of his separation and stock repurchase agreement. The key factors impacting costs and expenses across each of our businesses during the first six months of fiscal 2024 were as follows:

- Cost of billboard revenues decreased as a percentage of billboard revenues from 36.0% in the first six months of fiscal 2023 to 34.7% in the first six months of fiscal 2024. The decrease was mainly driven by lower ground rent expense and other billboard cost of revenues as a percentage of billboard revenues.
- Cost of broadband revenues decreased as a percentage of broadband revenues from 28.2% in the first six months of fiscal 2023 to 25.5% in the first six months of fiscal 2024. The decrease was mainly driven by reduced maintenance costs and cell site rent related to our fixed wireless networks.
- Cost of insurance revenues decreased as a percentage of insurance revenues from 38.9% in the first six months of fiscal 2023 to 38.3% in the first six months of fiscal 2024. The decrease was mainly driven by lower loss and loss adjustment expense as a percentage of insurance revenues, which was partially offset by commissions paid increasing from 22.5% in the first six months of fiscal 2023 to 23.8% in the first six months of fiscal 2024.
- Employee costs in the first six months of fiscal 2024 were \$20,452,848, or 38.9% of total revenues, as compared to \$15,950,817, or 33.9% of total revenues, in the first six months of fiscal 2023. The increase as a percentage of total revenues was mainly driven by one-time severance and bonus payments to our former Co-CEO as a part of his separation and stock repurchase agreement. Excluding the one-time severance and bonus payments, employee costs would have been 32.4% of total revenues in the first six months of fiscal 2024.

- Professional fees in the first six months of fiscal 2024 were \$2,857,070, or 5.4% of total revenues, as compared to \$2,572,488, or 5.5% of total revenues, in the first six months of fiscal 2023.
- General and administrative expenses in the first six months of fiscal 2024 were \$8,061,486, or 15.3% of total revenues, as compared to \$7,925,446, or 16.9% of total revenues, in the first six months of fiscal 2023. The decrease as a percentage of total revenues was mainly driven by higher organic revenue growth within our billboard, broadband and insurance businesses as well as lower general and administrative expenses at Boston Omaha's parent company.
- Non-cash expenses in the first six months of fiscal 2024 included \$7,023,439 in depreciation expense, \$3,770,828 in amortization expense, and \$108,805 in accretion expense mainly related to asset retirement obligations for certain billboard assets. The increase in depreciation expense is mainly driven by continued capital investments within our broadband businesses.

Net Loss from Operations. Net loss from operations for the first six months of fiscal 2024 was \$6,454,896, or 12.3% of total revenues, as compared to a net loss from operations of \$4,619,696, or 9.8% of total revenues, in the first six months of fiscal 2023. The increase in net loss from operations was primarily due to one-time costs associated with our former Co-CEO's separation and stock repurchase agreement and an increase in depreciation expense related to continued capital investments within our broadband businesses, which were partially offset by improved operations within our billboard, broadband and insurance businesses. Our net loss from operations included \$10,903,072 from non-cash depreciation, amortization and accretion expenses in the first six months of fiscal 2024, as compared to \$9,461,049 in the first six months of fiscal 2023.

Other Income. During the first six months of fiscal 2024, we had net other income of \$231,444. Net other income included \$7,243,060 in other investment income mainly driven by a \$4,014,285 unrealized gain on the Sky Harbour warrants held by Boston Omaha, \$1,957,056 in non-cash gains associated with the transfer of Sky Harbour Class A common stock to our former Co-CEO as a part of his separation and stock repurchase agreement, \$894,324 in realized gains on the sale of 246,389 shares of Sky Harbour Class A common stock, and interest and dividend income of \$853,015. These items were partially offset by a non-cash loss of \$7,214,228 from unconsolidated affiliates mainly related to our share of Sky Harbour's loss from operations during the first six months of fiscal 2024, which we account for under the equity method, and interest expense of \$650,403 mainly incurred under Link's term loan and revolver. During the first six months of fiscal 2023, we had net other income of \$1,242,900, which included \$370,446 in equity in income of unconsolidated affiliates mainly related to non-cash gains recognized in May 2023 due to our purchase of the membership interests in 24th Street held by third parties resulting in the remeasurement of our previously held interest in 24th Street, which was partially offset by our share of Sky Harbour's loss from operations during the first six months of fiscal 2023, which we account for under the equity method, interest and dividend income of \$842,956, and other investment income of \$605,215 mainly related to the Sky Harbour warrants held by Boston Omaha, which was partially offset by the impact of the fair value mark-to-market adjustments recorded for the commercial real estate assets held within each of the 24th Street Funds. These items were partially offset by interest expense of \$575,717 mainly incurred under Link's term loan.

Generally accepted accounting principles ("GAAP") requires us to include the unrealized changes in market prices of investments in public equity securities in our reported earnings. Due to the size of our percentage ownership interest in Sky Harbour's Class A common stock and our right to elect one of the seven members of Sky Harbour's Board of Directors, our investment is recorded under the equity method using the fair market value of Sky Harbour's Class A common stock as of the date of the business combination and we do not include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. In the future, if we are deemed to no longer have significant influence, we may no longer be able to record our investment under the equity method and will be required to include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. While we intend to hold our current securities for the longer term, we may in the future choose to sell them for a variety of reasons resulting in realized losses or gains.

Additionally, we have evaluated our investment in Sky Harbour as of June 30, 2024, and determined that there was not an other-than-temporary impairment. Our conclusion was based on several contributing factors, including: (i) our assessment that the underlying business and financial condition of Sky Harbour is favorable; (ii) the period of time for which the fair value was less than the carrying value during 2023, (iii) the recovery of Sky Harbour's stock price during the last several months, and (iv) our ability and intent to hold the investment. We will continue to review our investment in Sky Harbour for an other-than-temporary impairment on a quarterly basis or upon the occurrence of certain events. If Sky Harbour's stock price drops below our carrying value of \$6.61 per share for a sustained period of time, it will likely result in an impairment of our investment. There may also be a future impairment of our investment if our expectations about Sky Harbour's prospective results of operations and cash flows decline, which could be influenced by a variety of factors including adverse market conditions.

Net Loss Attributable to Common Stockholders. We had a net loss attributable to common stockholders in the amount of \$5,043,300 in the first six months of fiscal 2024, or a loss per share of \$0.16, based on 31,594,198 diluted weighted average shares outstanding. This is compared to a net loss attributable to common stockholders of \$1,779,542 in the first six months of fiscal 2023, or a loss per share of \$0.06, based on 30,876,835 diluted weighted average shares outstanding.

Results of Operations by Segment

The following tables report results for the following four segments in which we operate: billboards, broadband, insurance and asset management for the second quarter of fiscal 2024 and the second quarter of fiscal 2023:

Results of Billboard Operations

	For the Three Months Ended June 30, (unaudited)			
	2024		2023	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Billboard rentals, net	\$ 11,437,468	100.0%	\$ 10,835,524	100.0%
Cost of Revenues				
Ground rents	2,059,827	18.0%	1,993,554	18.4%
Utilities	451,797	3.9%	443,007	4.1%
Commissions paid	910,785	8.0%	833,397	7.7%
Other costs of revenues	458,398	4.0%	538,666	4.9%
Total cost of revenues	3,880,807	33.9%	3,808,624	35.1%
Gross margin	7,556,661	66.1%	7,026,900	64.9%
Other Operating Expenses				
Employee costs	1,918,753	16.8%	1,790,992	16.5%
Professional fees	62,758	0.5%	299,799	2.8%
Depreciation	1,281,057	11.2%	1,263,469	11.7%
Amortization	970,746	8.5%	983,385	9.1%
General and administrative	959,686	8.4%	1,023,269	9.4%
Accretion	50,968	0.4%	53,823	0.5%
(Gain) loss on disposition of assets	(106,011)	(0.9%)	31,376	0.3%
Total expenses	5,137,957	44.9%	5,446,113	50.3%
Segment Income from Operations	2,418,704	21.2%	1,580,787	14.6%
Interest expense, net	(339,908)	(3.0%)	(213,901)	(2.0%)
Other investment (loss) income	-	-	(9,754)	(0.1%)
Net Income Attributable to Common Stockholders	\$ 2,078,796	18.2%	\$ 1,357,132	12.5%

Comparison of the Second Quarter of Fiscal 2024 to the Second Quarter of Fiscal 2023. In the second quarter of fiscal 2024, there was a 5.6% increase in net billboard revenues from the second quarter of fiscal 2023, reflecting an improvement in rental and occupancy rates across a number of our markets. The key factors affecting our billboard operations results during the second quarter of fiscal 2024 were as follows:

- Ground rent expense decreased as a percentage of total segment operating revenues from 18.4% in the second quarter of fiscal 2023 to 18.0% in the second quarter of fiscal 2024.
- Commissions paid as a percentage of total segment operating revenues increased from 7.7% in the second quarter of fiscal 2023 to 8.0% in the second quarter of fiscal 2024.
- Employee costs as a percentage of total segment operating revenues increased from 16.5% in the second quarter of fiscal 2023 to 16.8% in the second quarter of fiscal 2024.
- General and administrative expenses decreased as a percentage of total segment operating revenues from 9.4% in the second quarter of fiscal 2023 to 8.4% in the second quarter of fiscal 2024. The decrease is mainly driven by lower credit card and merchant fees.
- Depreciation and amortization expenses as a percentage of total segment operating revenues decreased slightly from 11.7% and 9.1% in the second quarter of fiscal 2023 to 11.2% and 8.5% in the second quarter of fiscal 2024, respectively.
- Net interest expense was \$339,908 in the second quarter of fiscal 2024 compared to net interest expense of \$213,901 in the second quarter of fiscal 2023. The increase is mainly driven by the additional borrowings on the revolving line of credit.

Results of Broadband Operations

	For the Three Months Ended June 30, (unaudited)			
	2024		2023	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Broadband revenues	\$ 9,787,983	100.0%	\$ 8,695,235	100.0%
Cost of Revenues				
Network operations and data costs	1,286,218	13.1%	1,184,747	13.6%
Software costs	220,575	2.3%	193,788	2.2%
Cell site rent and utilities	335,209	3.4%	447,638	5.2%
Other costs of revenues	633,449	6.5%	456,002	5.2%
Total cost of revenues	2,475,451	25.3%	2,282,175	26.2%
Gross margin	7,312,532	74.7%	6,413,060	73.8%
Other Operating Expenses				
Employee costs	3,794,486	38.8%	3,411,311	39.2%
Professional fees	341,835	3.5%	265,498	3.1%
Depreciation	2,218,667	22.7%	1,686,893	19.4%
Amortization	848,419	8.7%	807,436	9.3%
General and administrative	1,810,810	18.5%	1,582,787	18.2%
Accretion	5,166	0.0%	-	-
Gain on disposition of assets	(77,727)	(0.8%)	(26,130)	(0.3%)
Total expenses	8,941,656	91.4%	7,727,795	88.9%
Segment Loss from Operations	(1,629,124)	(16.7%)	(1,314,735)	(15.1%)
Interest (expense) income, net	(1,403)	(0.0%)	9,646	0.1%
Noncontrolling interest in subsidiary (income) loss	-	-	(10,803)	(0.1%)
Net Loss Attributable to Common Stockholders	<u>\$ (1,630,527)</u>	<u>(16.7%)</u>	<u>\$ (1,315,892)</u>	<u>(15.1%)</u>

Comparison of the Second Quarter of Fiscal 2024 to the Second Quarter of Fiscal 2023. In the second quarter of fiscal 2024, total operating revenues increased by 12.6% when compared to the second quarter of fiscal 2023 mainly reflecting subscriber growth across a number of our markets. The key factors affecting our broadband operations results during the second quarter of fiscal 2024 were as follows:

- Network operations and data costs as a percentage of total segment operating revenues decreased from 13.6% in the second quarter of fiscal 2023 to 13.1% in the second quarter of fiscal 2024 primarily driven by reduced maintenance costs related to our fixed wireless networks.
- Other costs of revenues as a percentage of total segment operating revenues increased from 5.2% in the second quarter of fiscal 2023 to 6.5% in the second quarter of fiscal 2024.
- Employee costs as a percentage of total segment operating revenues decreased from 39.2% in the second quarter of fiscal 2023 to 38.8% in the second quarter of fiscal 2024. The decrease is due to organic revenue growth within our broadband businesses.
- Professional fees as a percentage of total segment operating revenues increased from 3.1% in the second quarter of fiscal 2023 to 3.5% in the second quarter of fiscal 2024.
- General and administrative expenses as a percentage of total segment operating revenues increased from 18.2% in the second quarter of fiscal 2023 to 18.5% in the second quarter of fiscal 2024.
- Depreciation and amortization expenses increased by \$531,774 and \$40,983, respectively, from the second quarter of fiscal 2023. The increase in depreciation expense is mainly driven by continued capital investments across all of our broadband businesses.

Results of Insurance Operations

	For the Three Months Ended June 30, (unaudited)			
	2024		2023	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Premiums earned	\$ 4,737,056	81.4%	\$ 3,458,627	76.2%
Insurance commissions	527,055	9.0%	594,540	13.1%
Investment and other income	558,487	9.6%	486,975	10.7%
Total operating revenues	5,822,598	100.0%	4,540,142	100.0%
Cost of Revenues				
Commissions paid	1,450,667	24.9%	1,056,532	23.3%
Premium taxes, fees, and assessments	132,568	2.3%	48,724	1.1%
Losses and loss adjustment expense	672,429	11.5%	641,122	14.1%
Total cost of revenues	2,255,664	38.7%	1,746,378	38.5%
Gross margin	3,566,934	61.3%	2,793,764	61.5%
Other Operating Expenses				
Employee costs	1,958,337	33.6%	1,645,494	36.2%
Professional fees	179,817	3.1%	185,884	4.1%
Depreciation	44,764	0.8%	35,325	0.8%
Amortization	40,061	0.7%	40,062	0.9%
General and administrative	638,653	11.0%	595,587	13.1%
Total expenses	2,861,632	49.2%	2,502,352	55.1%
Segment Income from Operations	705,302	12.1%	291,412	6.4%
Interest expense, net	-	-	(2)	(0.0%)
Other investment (loss) income	(44,970)	(0.8%)	46,023	1.0%
Net Income Attributable to Common Stockholders	\$ 660,332	11.3%	\$ 337,433	7.4%

Comparison of the Second Quarter of Fiscal 2024 to the Second Quarter of Fiscal 2023. In the second quarter of fiscal 2024, total operating revenues increased by 28.2% when compared to the second quarter of fiscal 2023, mainly due to increased earned premium at our UCS insurance subsidiary. The key factors affecting our insurance operations results during the second quarter of fiscal 2024 were as follows:

- Premiums earned from our UCS insurance subsidiary increased 37.0% in the second quarter of fiscal 2024 when compared to the second quarter of fiscal 2023. The increase in premiums earned was primarily due to increases in production throughout fiscal 2023 and the first six months of fiscal 2024. We recognize revenues for written premium over the life of the surety bond and, as a result, increased sales activities are not fully reflected in the quarter in which the surety bond is issued.
- Insurance commissions generated by our surety brokerage operations decreased by 11.4% in the second quarter of fiscal 2024 when compared to the second quarter of fiscal 2023, mainly due to decreased production through outside insurance carriers.
- Investment and other income at UCS increased from \$486,975 in the second quarter of fiscal 2023 to \$558,487 in the second quarter of fiscal 2024, mainly due to the increase in interest rates over the past 18 months.
- Commissions paid as a percentage of total segment operating revenues increased from 23.3% in the second quarter of fiscal 2023 to 24.9% in the second quarter of fiscal 2024, mainly driven by increased production from non-affiliated insurance brokerage firms.
- Losses and loss adjustment expenses as a percentage of total segment operating revenues decreased from 14.1% in the second quarter of fiscal 2023 to 11.5% in the second quarter of fiscal 2024. Losses and loss adjustment expenses are reserved monthly based on a percentage of earned premium.
- Employee costs as a percentage of total segment operating revenues decreased from 36.2% in the second quarter of fiscal 2023 to 33.6% in the second quarter of fiscal 2024. The decrease is due to organic revenue growth within our insurance businesses.
- General and administrative expenses as a percentage of total segment operating revenues decreased from 13.1% in the second quarter of fiscal 2023 to 11.0% in the second quarter of fiscal 2024.
- During the second quarter of fiscal 2024, our segment income from insurance operations of \$705,302 was decreased by other investment losses of \$44,970 mainly from unrealized losses on our investments in publicly held securities. As of June 30, 2024, UCS had \$2,385,983 in publicly held securities. We expect to continue to invest a portion of our excess capital in accordance with insurance regulatory limitations in both large-cap publicly traded equity securities and bonds. These investments are subject to the risk of loss in value depending upon market conditions and factors outside of our control.

Results of Asset Management Operations

	For the Three Months Ended June 30, (unaudited)			
	2024		2023	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Investment and other income	\$ 39,734	100.0%	\$ 145,493	100.0%
Cost of Revenues				
Total cost of revenues	-	-	-	-
Gross margin	39,734	100.0%	145,493	100.0%
Other Operating Expenses				
Employee costs	269,262	677.6%	386,937	265.9%
Professional fees	109,455	275.5%	116,478	80.1%
Depreciation	-	-	-	-
Amortization	-	-	-	-
General and administrative	169,465	426.5%	158,107	108.7%
Total expenses	548,182	1379.6%	661,522	454.7%
Segment Loss from Operations	(508,448)	(1279.6%)	(516,029)	(354.7%)
Interest and dividend income	76,720	193.1%	30,694	21.1%
Equity in income of unconsolidated affiliates	-	-	4,630,610	3182.7%
Other investment income (loss)	628,355	1581.4%	(1,023,660)	(703.6%)
Noncontrolling interest in subsidiary (income) loss	(218,057)	(548.8%)	908,610	624.5%
Net (Loss) Income Attributable to Common Stockholders	\$ (21,430)	(53.9%)	\$ 4,030,225	2770.0%

Comparison of the Second Quarter of Fiscal 2024 to the Second Quarter of Fiscal 2023. In September 2017, we formed our asset management business. Throughout fiscal 2022 and fiscal 2023 we had been hiring within our asset management business to ensure adequate staffing for the anticipated demands and needs of the business. In May 2023, we acquired 100% of the membership interests in 24th Street from the members of 24th Street other than BOAM. Therefore, comparisons of our asset management results for the second quarter of fiscal 2024 to the second quarter of fiscal 2023 may not be meaningful. In addition, as previously mentioned, we are winding down BOAM's operations and implementing cost-cutting measures. The key factors affecting our asset management operations results during the second quarter of fiscal 2024 were as follows:

- Employee costs in the second quarter of fiscal 2024 decreased by 30.4% from the second quarter of fiscal 2023 as we wind down BOAM's operations and implement cost-cutting measures.
- Professional fees in the second quarter of fiscal 2024 decreased by 6.0% from the second quarter of fiscal 2023.
- General and administrative expenses in the second quarter of fiscal 2024 increased by 7.2% from the second quarter of fiscal 2023.
- Interest and dividend income increased by \$46,026 in the second quarter of fiscal 2024 when compared to the second quarter of fiscal 2023.
- Other investment income in the second quarter of fiscal 2024 primarily included the changes in the fair value of the BFR Fund mainly driven by the underlying real estate properties.
- Noncontrolling interest in subsidiary income in the second quarter of fiscal 2024 primarily included the external limited partners' share of GAAP income within the BFR Fund, mainly driven by the change in fair value referenced above.

Results of Operations by Segment

The following tables report results for the following four segments in which we operate: billboards, broadband, insurance and asset management for the first six months of fiscal 2024 and the first six months of fiscal 2023:

Results of Billboard Operations

	For the Six Months Ended June 30, (unaudited)			
	2024		2023	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Billboard rentals, net	\$ 22,134,128	100.0%	\$ 21,137,747	100.0%
Cost of Revenues				
Ground rents	4,101,726	18.5%	3,997,708	18.9%
Utilities	921,328	4.2%	883,401	4.2%
Commissions paid	1,753,016	7.9%	1,690,802	8.0%
Other costs of revenues	895,371	4.1%	1,044,377	4.9%
Total cost of revenues	7,671,441	34.7%	7,616,288	36.0%
Gross margin	14,462,687	65.3%	13,521,459	64.0%
Other Operating Expenses				
Employee costs	3,787,399	17.1%	3,630,482	17.2%
Professional fees	142,675	0.6%	469,938	2.2%
Depreciation	2,551,766	11.5%	2,504,327	11.8%
Amortization	1,940,571	8.8%	1,955,957	9.3%
General and administrative	1,969,263	8.9%	1,947,841	9.2%
Accretion	101,936	0.5%	107,646	0.5%
Loss (gain) on disposition of assets	47,441	0.2%	(7,629)	(0.0%)
Total expenses	10,541,051	47.6%	10,608,562	50.2%
Segment Income from Operations	3,921,636	17.7%	2,912,897	13.8%
Interest expense, net	(585,731)	(2.6%)	(487,988)	(2.3%)
Other investment income	-	-	-	-
Net Income Attributable to Common Stockholders	\$ 3,335,905	15.1%	\$ 2,424,909	11.5%

Comparison of the First Six months of Fiscal 2024 to the First Six of Fiscal 2023. In the first six months of fiscal 2024, there was a 4.7% increase in net billboard revenues from the first six months of fiscal 2023, reflecting an improvement in rental and occupancy rates across a number of our markets. The key factors affecting our billboard operations results during the first six months of fiscal 2024 were as follows:

- Ground rent expense decreased as a percentage of total segment operating revenues from 18.9% in the first six months of fiscal 2023 to 18.5% in the first six months of fiscal 2024.
- Commissions paid as a percentage of total segment operating revenues decreased from 8.0% in the first six months of fiscal 2023 to 7.9% in the first six months of fiscal 2024.
- Employee costs as a percentage of total segment operating revenues decreased from 17.2% in the first six months of fiscal 2023 to 17.1% in the first six months of fiscal 2024.
- General and administrative expenses decreased as a percentage of total segment operating revenues from 9.2% in the first six months of fiscal 2023 to 8.9% in the first six months of fiscal 2024.
- Depreciation and amortization expenses as a percentage of total segment operating revenues decreased slightly from 11.8% and 9.3% in the first six months of fiscal 2023 to 11.5% and 8.8% in the first six months of fiscal 2024, respectively.
- Net interest expense was \$585,731 in the first six months of fiscal 2024 compared to net interest expense of \$487,988 in the first six months of fiscal 2023. The increase is mainly driven by the additional borrowings on the revolving line of credit.

Results of Broadband Operations

For the Six Months Ended June 30,
(unaudited)

	2024		2023	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Broadband revenues	\$ 19,471,412	100.0%	\$ 17,235,141	100.0%
Cost of Revenues				
Network operations and data costs	2,642,835	13.6%	2,734,160	15.9%
Software costs	410,870	2.1%	408,007	2.4%
Cell site rent and utilities	702,629	3.6%	829,202	4.8%
Other costs of revenues	1,217,229	6.2%	885,157	5.1%
Total cost of revenues	4,973,563	25.5%	4,856,526	28.2%
Gross margin	14,497,849	74.5%	12,378,615	71.8%
Other Operating Expenses				
Employee costs	7,603,356	39.1%	6,931,893	40.2%
Professional fees	513,418	2.6%	394,152	2.3%
Depreciation	4,327,904	22.2%	3,090,629	17.9%
Amortization	1,725,286	8.9%	1,596,830	9.3%
General and administrative	3,634,488	18.7%	3,411,732	19.8%
Accretion	6,869	0.0%	-	-
Gain on disposition of assets	(34,096)	(0.2%)	(32,520)	(0.2%)
Total expenses	17,777,225	91.3%	15,392,716	89.3%
Segment Loss from Operations	(3,279,376)	(16.8%)	(3,014,101)	(17.5%)
Interest (expense) income, net	(3,319)	(0.0%)	5,652	0.0%
Noncontrolling interest in subsidiary (income) loss	(64,765)	(0.3%)	45,318	0.3%
Net Loss Attributable to Common Stockholders	\$ (3,347,460)	(17.1%)	\$ (2,963,131)	(17.2%)

Comparison of the First Six Months of Fiscal 2024 to the First Six Months of Fiscal 2023. In the first six months of fiscal 2024, total operating revenues increased by 13.0% when compared to the first six months of fiscal 2023 mainly reflecting subscriber growth across a number of our markets. The key factors affecting our broadband operations results during the first six months of fiscal 2024 were as follows:

- Network operations and data costs as a percentage of total segment operating revenues decreased from 15.9% in the first six months of fiscal 2023 to 13.6% in the first six months of fiscal 2024 primarily driven by reduced maintenance costs related to our fixed wireless networks.
- Other costs of revenues as a percentage of total segment operating revenues increased from 5.1% in the first six months of fiscal 2023 to 6.2% in the first six months of fiscal 2024.
- Employee costs as a percentage of total segment operating revenues decreased from 40.2% in the first six months of fiscal 2023 to 39.1% in the first six months of fiscal 2024. The decrease is due to organic revenue growth within our broadband businesses.
- Professional fees as a percentage of total segment operating revenues increased from 2.3% in the first six months of fiscal 2023 to 2.6% in the first six months of fiscal 2024.
- General and administrative expenses as a percentage of total segment operating revenues decreased from 19.8% in the first six months of fiscal 2023 to 18.7% in the first six months of fiscal 2024. The decrease is due to organic revenue growth within our broadband businesses.
- Depreciation and amortization expenses increased by \$1,237,275 and \$128,456, respectively, from the first six months of fiscal 2023. The increase in depreciation expense is mainly driven by continued capital investments across all of our broadband businesses.

Results of Insurance Operations

	For the Six Months Ended June 30, (unaudited)			
	2024		2023	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Premiums earned	\$ 8,740,115	80.4%	\$ 6,565,900	77.1%
Insurance commissions	1,029,743	9.5%	1,070,666	12.6%
Investment and other income	1,094,517	10.1%	877,232	10.3%
Total operating revenues	10,864,375	100.0%	8,513,798	100.0%
Cost of Revenues				
Commissions paid	2,585,068	23.8%	1,912,963	22.5%
Premium taxes, fees, and assessments	224,415	2.1%	181,954	2.1%
Losses and loss adjustment expense	1,353,102	12.4%	1,214,493	14.3%
Total cost of revenues	4,162,585	38.3%	3,309,410	38.9%
Gross margin	6,701,790	61.7%	5,204,388	61.1%
Other Operating Expenses				
Employee costs	3,812,721	35.1%	3,290,166	38.7%
Professional fees	350,177	3.2%	232,334	2.7%
Depreciation	88,614	0.8%	70,861	0.8%
Amortization	80,123	0.7%	80,123	0.9%
General and administrative	1,234,278	11.4%	1,009,771	11.9%
Total expenses	5,565,913	51.2%	4,683,255	55.0%
Segment Income from Operations	1,135,877	10.5%	521,133	6.1%
Interest expense, net	-	-	(371)	(0.0%)
Other investment income	207,710	1.9%	345,197	4.1%
Net Income Attributable to Common Stockholders	\$ 1,343,587	12.4%	\$ 865,959	10.2%

Comparison of the First Six Months of Fiscal 2024 to the First Six Months of Fiscal 2023. In the first six months of fiscal 2024, total operating revenues increased by 27.6% when compared to the first six months of fiscal 2023, mainly due to increased earned premium at our UCS insurance subsidiary. The key factors affecting our insurance operations results during the first six months of fiscal 2024 were as follows:

- Premiums earned from our UCS insurance subsidiary increased 33.1% in the first six months of fiscal 2024 when compared to the first six months of fiscal 2023. The increase in premiums earned was primarily due to increases in production throughout fiscal 2023 and the first six months of fiscal 2024. We recognize revenues for written premium over the life of the surety bond and, as a result, increased sales activities are not fully reflected in the quarter in which the surety bond is issued.
- Insurance commissions generated by our surety brokerage operations decreased by 3.8% in the first six months of fiscal 2024 when compared to the first six months of fiscal 2023, mainly due to decreased production through outside insurance carriers.
- Investment and other income at UCS increased from \$877,232 in the first six months of fiscal 2023 to \$1,094,517 in the first six months of fiscal 2024, mainly due to the increase in interest rates over the past 18 months.
- Commissions paid as a percentage of total segment operating revenues increased from 22.5% in the first six months of fiscal 2023 to 23.8% in the first six months of fiscal 2024, mainly driven by increased production from non-affiliated insurance brokerage firms.
- Losses and loss adjustment expenses as a percentage of total segment operating revenues decreased from 14.3% in the first six months of fiscal 2023 to 12.4% in the first six months of fiscal 2024. Losses and loss adjustment expenses are reserved monthly based on a percentage of earned premium.
- Employee costs as a percentage of total segment operating revenues decreased from 38.7% in the first six months of fiscal 2023 to 35.1% in the first six months of fiscal 2024. The decrease is due to organic revenue growth within our insurance businesses.
- General and administrative expenses as a percentage of total segment operating revenues decreased from 11.9% in the first six months of fiscal 2023 to 11.4% in the first six months of fiscal 2024.
- During the first six months of fiscal 2024, our segment income from insurance operations of \$1,135,877 was increased by other investment income of \$207,710 mainly from unrealized gains on our investments in publicly held securities. As of June 30, 2024, UCS had \$2,385,983 in publicly held securities. We expect to continue to invest a portion of our excess capital in accordance with insurance regulatory limitations in both large-cap publicly traded equity securities and bonds. These investments are subject to the risk of loss in value depending upon market conditions and factors outside of our control.

Results of Asset Management Operations

	For the Six Months Ended June 30, (unaudited)			
	2024		2023	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Investment and other income	\$ 170,599	100.0%	\$ 145,493	100.0%
Cost of Revenues				
Total cost of revenues	-	-	-	-
Gross margin	170,599	100.0%	145,493	100.0%
Other Operating Expenses				
Employee costs	765,602	448.7%	749,311	515.0%
Professional fees	337,232	197.7%	233,497	160.5%
Depreciation	-	-	-	-
Amortization	-	-	-	-
General and administrative	343,180	201.2%	238,670	164.0%
Total expenses	1,446,014	847.6%	1,221,478	839.5%
Segment Loss from Operations	(1,275,415)	(747.6%)	(1,075,985)	(739.5%)
Interest and dividend income	479,455	281.0%	38,148	26.2%
Equity in income of unconsolidated affiliates	-	-	4,630,610	3182.7%
Other investment income (loss)	28,853	16.9%	(1,023,660)	(703.6%)
Noncontrolling interest in subsidiary loss	285,678	167.5%	971,187	667.5%
Net (Loss) Income Attributable to Common Stockholders	\$ (481,429)	(282.2%)	\$ 3,540,300	2433.3%

Comparison of the First Six Months of Fiscal 2024 to the First Six Months of Fiscal 2023. In September 2017, we formed our asset management business. Throughout fiscal 2022 and fiscal 2023 we had been hiring within our asset management business to ensure adequate staffing for the anticipated demands and needs of the business. In May 2023, we acquired 100% of the membership interests in 24th Street from the members of 24th Street other than BOAM. Therefore, comparisons of our asset management results for the first six months of fiscal 2024 to the first six months of fiscal 2023 may not be meaningful. In addition, as previously mentioned, we are winding down BOAM's operations and implementing cost-cutting measures. The key factors affecting our asset management operations results during the first six months of fiscal 2024 were as follows:

- Employee costs in the first six months of fiscal 2024 increased by 2.2% from the first six months of fiscal 2023.
- Professional fees in the first six months of fiscal 2024 increased by 44.4% from the first six months of fiscal 2023.
- General and administrative expenses in the first six months of fiscal 2024 increased by 43.8% from the first six months of fiscal 2023.
- Interest and dividend income increased by \$441,307 in the first six months of fiscal 2024 when compared to the first six months of fiscal 2023, mainly due to the consolidation of 24th Street.
- Other investment income in the first six months of fiscal 2024 primarily included the changes in the fair value of the 24th Street and BFR Funds mainly driven by the underlying real estate properties.
- Noncontrolling interest in subsidiary loss in the first six months of fiscal 2024 mainly included the external limited partners' share of GAAP losses within the 24th Street Funds and GAAP income within the BFR Fund, mainly driven by the change in fair value referenced above.

Cash Flows

Cash Flows for the First Six Months of Fiscal 2024 compared to the First Six Months of Fiscal 2023

The table below summarizes our cash flows, in dollars, for the first six months of fiscal 2024 and the first six months of fiscal 2023:

	Six Months Ended June 30, 2024 (unaudited)	Six Months Ended June 30, 2023 (unaudited)
Net cash provided by operating activities	\$ 6,920,547	\$ 4,363,708
Net cash provided by (used in) investing activities	30,155,714	(39,149,019)
Net cash (used in) provided by financing activities	(39,086,411)	39,696,268
Net (decrease) increase in cash, cash equivalents, and restricted cash	\$ (2,010,150)	\$ 4,910,957

Net Cash Provided by Operating Activities. Net cash provided by operating activities was \$6,920,547 for the first six months of fiscal 2024 compared to net cash provided by operating activities of \$4,363,708 for the first six months of fiscal 2023. The increase in net cash provided by operating activities was mainly driven by improved cash flow generation within our billboard and broadband businesses and positive operating cash flow impact from the ProComm and Cable Systems acquisitions at InfoWest. These items were partially offset by operating costs within our FFH business and our asset management business as well as costs associated with our former Co-CEO's separation and stock repurchase agreement.

Net Cash Provided by (Used in) Investing Activities. Net cash provided by investing activities was \$30,155,714 for the first six months of fiscal 2024 as compared with net cash used in investing activities of \$39,149,019 for the first six months of fiscal 2023. The increase in net cash provided by investing activities is primarily attributable to \$47,463,794 in net proceeds from sales of investments mainly from the sale or maturity of U.S. Treasury securities within the 24th Street Funds and BFR Fund, which was partially offset by \$17,268,681 in capital expenditures mainly within our broadband businesses.

Net Cash (Used in) Provided by Financing Activities. Net cash used in financing activities was \$39,086,411 during the first six months of fiscal 2024 as compared to net cash provided by financing activities of \$39,696,268 during the first six months of fiscal 2023. During the first six months of fiscal 2024, net cash used in financing activities mainly consisted of \$27,504,485 in distributions to noncontrolling interests from the 24th Street Funds and BFR Fund, \$16,761,371 related to repurchase of Class A and Class B common stock and Class B warrants from our former Co-CEO, and \$4,504,530 in collateral released by UCS. These items were partially offset by \$10,000,000 in additional borrowings on Link's revolving line of credit.

Liquidity and Capital Resources

Currently, we own billboards in Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, Oklahoma, South Dakota, Tennessee, Virginia, West Virginia and Wisconsin, a surety insurance company we acquired in December 2016, surety insurance brokerage firms we acquired in 2016, 2017 and 2021, broadband services providers whose assets we acquired in 2020, 2022 and 2023, an asset management business, minority investments in commercial real estate management and brokerage services, a bank focused on servicing the automotive loan market, and a developer of private aviation infrastructure focused on building, leasing and managing business aviation hangars. At June 30, 2024, we had approximately \$25 million in unrestricted cash and approximately \$14 million in short-term treasury securities. Subsequent to end of the second quarter of fiscal 2024, we received distributions totaling approximately \$4 million from the 24th Street Funds and BFR Fund. Our strategy is to continue to acquire other billboard locations, insurance businesses, and broadband service providers as well as acquire other businesses and open new businesses which we believe have the potential to generate positive cash flows when made at what we believe to be attractive prices relative to other opportunities generally available to us. We currently expect to finance any future acquisitions and investments with cash, debt and seller or third-party financing. In the future, we may satisfy all or a portion of the purchase price for an acquisition with our equity securities. In addition, we have made investments in several companies and expect to continue to make investments in the securities of both publicly traded and privately held companies.

On July 23, 2024, the Board approved and authorized a share repurchase program (the "Share Repurchase Program"), pursuant to which the Company intends to repurchase up to \$20 million of its Class A common stock, from time to time, in the open market, privately negotiated transactions, or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934. The Board also authorized the Company, in its discretion, to establish "Rule 10b5-1 trading plans" for these share repurchases. The Share Repurchase Program will go into effect on or about August 15, 2024, following the release of this quarterly report on Form 10-Q for the quarter ended June 30, 2024 and will terminate on September 30, 2025, unless earlier terminated in the discretion of the Board. The actual timing, number, and value of shares repurchased under the Share Repurchase Program will depend on a number of factors, including constraints specified in applicable SEC regulations, price, general business and market conditions, and alternative investment opportunities. Pursuant to the Share Repurchase Program, the Company is not obligated to repurchase any specific number of shares of its Class A common stock and shall not repurchase more than 25% of the average daily volume of its stock over the previous 20 trading days.

There can be no assurance that we will consummate any subsequent acquisitions. Furthermore, our acquisitions are subject to a number of risks and uncertainties, including as to when, whether and to what extent the anticipated benefits and cost savings of a particular acquisition will be realized. Our failure to successfully identify and complete future acquisitions of assets or businesses could reduce future potential earnings, available cash and slow our anticipated growth. Although we have entered and continue to enter into non-binding letters of intent to acquire businesses on a regular basis, we do not have current agreements, commitments or understandings for any specific material acquisitions which are probable to be consummated at this time.

To date, we have raised funds through the sale of our common stock in public offerings, sales of our common stock in "at the market" programs, term loan financing through our Link subsidiary, proceeds from the sale of publicly traded securities held by us, cash flow from operations, and, prior to 2019, through private placements of our common stock. As described below, we may raise additional funds through our shelf registration statement allowing us to

raise up to \$500 million through the sale of securities to fund future acquisitions and investments.

2022 Shelf Registration Statement

In April 2022, we filed a shelf registration statement on Form S-3 (File No. 333-264470) that was declared effective on May 11, 2022, which we refer to as the “2022 Shelf Registration Statement,” relating to the registration of Class A common stock, preferred stock, par value \$0.001 per share, which we refer to as “preferred stock,” debt securities and warrants of the Company for up to \$500 million. We may, from time to time, in one or more offerings, offer and sell Class A common stock or preferred stock, various series of debt securities, and/or warrants. The shelf registration statement may also be used by one or more selling security holders, to be identified in the future, of our securities. We or any selling security holders may offer these securities from time to time in amounts, at prices and on terms determined at the time of offering. We may sell these securities to or through one or more underwriters, dealers or agents or directly to purchasers on a delayed or continuous basis. Unless otherwise set forth in an applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities that we offer for general corporate purposes, including, but not limited to, financing our existing businesses and operations, and expanding our businesses and operations through additional hires, strategic alliances and acquisitions. Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds from the sale of securities by any selling stockholders.

Additionally, in the 2022 Shelf Registration Statement, we registered for resale up to 8,297,093 shares of Class A common stock acquired in 2018 or earlier in private placements in accordance with the terms of a 2018 registration rights agreement. We will not receive any proceeds from the sale of Class A common stock by the selling shareholders. Currently, the selling stockholders are the Massachusetts Institute of Technology, or “MIT,” as well as 238 Plan Associates LLC, an MIT pension and benefit fund, and a limited partnership holding our Class A common stock for the economic benefit of MIT. No officer or director has any beneficial interest in any shares eligible for resale by the selling shareholders.

At The Market Offering Programs

Starting in March 2018, we utilized our "at the market" offering that was part of our 2018 Shelf Registration Statement. This 2018 Shelf Registration Statement, which authorized us to sell up to \$200 million through the sales of securities to the public, expired in February 2021 and was superseded by the 2021 Shelf Registration Statement. We sold a total of 2,630,787 shares of Class A common stock resulting in gross proceeds of \$60.1 million under the 2018 Shelf Registration Statement.

On September 29, 2021, we entered into an "at the market" equity offering program pursuant to a Sales Agreement (the "2021 Sales Agreement") by and between us and WFS. Pursuant to the terms of the 2021 Sales Agreement, we could sell, from time to time, shares of our Class A common stock, with an aggregate sales price of up to \$100 million through WFS, in transactions that are deemed to be "at the market" offerings as defined in Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"). The 2021 Shelf Registration Statement expired on March 28, 2022 upon the filing of our 2021 Annual Report on Form 10-K as we no longer qualified as a well-known seasoned issuer. We sold a total of 122,246 shares of our Class A common stock resulting in gross proceeds of approximately \$4.2 million under the 2021 Shelf Registration Statement.

On December 8, 2022, we entered into an "at the market" equity offering program (the "ATM Program") pursuant to a Sales Agreement (the "2022 Sales Agreement") with Wells Fargo Securities, LLC ("WFS"). This ATM Program is consistent with our historical practice of having available to management the option to issue stock from time to time in order to continue to fund the growth of its fiber-to-the-home broadband business, acquire additional billboards, and make other such investments in assets as needed to seek to grow intrinsic value per share. Our general preference is always to have options available to it from a capital allocation perspective which includes, but is not limited to, having a regularly filed ATM program.

Pursuant to the terms of the 2022 Sales Agreement, we may sell, from time to time, shares of our Class A common stock, par value \$0.001 per share (the "Class A common stock"), with an aggregate sales price of up to \$100 million through WFS, in transactions that are deemed to be "at the market" offerings as defined in Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"). Since the signing of the 2022 Sales Agreement, we sold 7,887 shares of Class A common stock in December 2022 for gross proceeds of approximately \$205 thousand and 1,532,065 shares of our Class A common stock during fiscal 2023 for gross sale proceeds of approximately \$37.5 million. We did not sell any shares of our Class A common stock during the first six months of fiscal 2024.

Upon delivery of a placement notice (a "Placement Notice") and upon the terms and subject to the conditions of the 2022 Sales Agreement, WFS will use reasonable efforts consistent with its normal trading and sales practices, applicable laws and the rules of the NYSE to sell the shares available under the ATM Program from time to time based upon our instructions for the sales, including price, time or size limits specified, and otherwise in accordance with, the terms of such Placement Notice. Pursuant to the 2022 Sales Agreement, WFS may sell shares of our Class A common stock under the ATM Program by any method permitted by law deemed to be an "at the market" offering as defined in Rule 415 of the Securities Act, including without limitation sales made through the NYSE or on any other existing trading market for the Class A common stock. Notwithstanding the foregoing, WFS may not purchase shares under the ATM Program for its own account as principal unless expressly authorized to do so by us.

We intend to use the net proceeds from the offering, after deducting WFS' commissions and our offering expenses, for general corporate purposes, which may include financing our existing businesses and operations, and expanding our businesses and operations through additional acquisitions and minority investments, and additional hires. Such expansion may include future billboard acquisitions, broadband acquisitions, acquisitions of surety insurance companies and other growth of our insurance activities, additional investments in real estate management, homebuilding and other real estate service businesses, additional investments in subprime automobile lending, and acquisitions of other businesses. We have not determined the amount of net proceeds to be used for any specific purpose, and we will retain broad discretion over the allocation of net proceeds. While we have no current agreements, commitments or understandings for any specific acquisitions at this time, we may use a portion of the net proceeds for these purposes.

For sales of shares of Class A common stock under the ATM Program through WFS, we will pay WFS a commission at a mutually agreed rate of 3% of the gross sales price per share of Class A common stock sold under the ATM Program. We have no obligation to sell any shares under the 2022 Sales Agreement and may at any time suspend the ATM Program under the 2022 Sales Agreement. The 2022 Sales Agreement contains customary representations and warranties of the parties and indemnification and contribution provisions under which we and WFS have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act. The ATM Program pursuant to the 2022 Sales Agreement will automatically terminate upon the issuance and sale of all of the shares available for sale under the ATM Program through WFS. In addition, we may terminate the 2022 Sales Agreement with WFS without penalty upon 10 days' notice.

The foregoing description of the 2022 Sales Agreement is not complete and is qualified in its entirety by reference to the full text of such agreement, a copy of which is filed as Exhibit 1.1 to the Current Report on Form 8-K dated December 8, 2022 and is incorporated herein by reference.

Link Credit Agreement

On August 12, 2019, Link entered into a Credit Agreement (the “Credit Agreement”) with First National Bank of Omaha (the “Lender”) under which Link could borrow up to \$40 million (the “Credit Facility”). The Credit Agreement provided for an initial term loan (“Term Loan 1”), an incremental term loan (“Term Loan 2”) and a revolving line of credit. Link initially borrowed approximately \$18 million under Term Loan 1 and \$5.5 million under Term Loan 2. On December 6, 2021, Link entered into a Fourth Amendment to Credit Agreement, which modified the Credit Agreement by increasing the borrowing limit to \$30 million and combining the outstanding balances under Term Loan 1 and Term Loan 2 as well as any incremental borrowings into a term loan (“Term Loan”). The Term Loan is secured by all assets of Link and its operating subsidiaries, including a pledge of equity interests of each of Link’s subsidiaries. In addition, each of Link’s subsidiaries has joined as a guarantor to the obligations under the Credit Agreement. The loan is not guaranteed by Boston Omaha or any of our non-billboard businesses.

Principal amounts under the Term Loan were payable in monthly installments according to a 15-year amortization schedule with principal payments commencing on January 1, 2022. Starting July 1, 2023, principal amounts under the Term Loan are payable in monthly installments according to a 25-year amortization schedule. The Term Loan is payable in full on December 6, 2028. During the first three years of the Term Loan, Link may prepay up to 10% of the loan principal in each year without incurring any prepayment penalty. Otherwise, there is a prepayment penalty ranging between 3.0% and 0.5%. After three years, there is no prepayment penalty. The Term Loan has a fixed interest rate of 4.00% per annum.

On May 30, 2024, Link entered into a Ninth Amendment to Credit Agreement, which modified the Credit Agreement by increasing the maximum availability under the revolving line of credit from \$10,000,000 to \$15,000,000. Interest payments are based on the U.S. Prime Rate minus an applicable margin ranging between 0.65% and 1.15% dependent on Link’s consolidated leverage ratio. The new revolving line of credit is due and payable on August 12, 2026. Long-term debt included within our consolidated balance sheet as of June 30, 2024 consists of Link’s Term Loan borrowings of \$26,934,575, of which \$834,335 is classified as current, and \$10,000,000 related to the revolving line of credit as of June 30, 2024.

Under the Term Loan, Link is required to comply with the following financial covenants: A consolidated leverage ratio for any test period ending on the last day of any fiscal quarter of Link (a) beginning with the fiscal quarter ended June 30, 2024 of not greater than 3.50 to 1.00, (b) beginning with the fiscal quarter ended December 31, 2026 of not greater than 3.25 to 1.00 and (c) beginning with the fiscal quarter ended December 31, 2027 and thereafter of not greater than 3.00 to 1.00, and a minimum consolidated fixed charge coverage ratio of not less than 1.15 to 1.00 measured quarterly, based on rolling four quarters. The Company was in compliance with these covenants as of June 30, 2024.

The Credit Agreement includes representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings of this type. Upon the occurrence of an event of default the Lender may accelerate the loan. Upon the occurrence of certain insolvency and bankruptcy events of default the loan will automatically accelerate. The foregoing summary of the Credit Agreement and the transactions contemplated thereby does not purport to be a complete description and is qualified in its entirety by reference to the terms and conditions of the Credit Agreement and Security Agreement, copies of which are attached as Exhibit 10.1 and Exhibit 10.2, respectively to our Form 8-K as filed with the SEC on August 13, 2019, a First Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on October 29, 2019, a Second Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on June 30, 2020, a Third Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on August 24, 2021, a Fourth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on December 9, 2021, a Fifth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on June 3, 2022, a Sixth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on April 11, 2023, a Seventh Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on September 26, 2023, an Eighth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on February 16, 2024, and a Ninth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on June 5, 2024.

Investments in Yellowstone Acquisition Company and Sky Harbour

In 2020, we acted as the sponsor for the initial public offering of Yellowstone and purchased 3,399,724 shares of Yellowstone Class B common stock and 7,719,799 private placement warrants at a combined cost of approximately \$7.8 million. On August 1, 2021, we entered into an equity purchase agreement with Sky Harbour LLC by which Sky Harbour LLC unitholders would acquire a majority interest in the combined businesses following the completion of a business combination. As part of the equity purchase agreement, and immediately prior to the completion by Sky Harbour LLC of a private activity bond financing raising \$160 million in proceeds in September 2021, we purchased Class B Preferred Units in Sky Harbour LLC for a purchase price of \$55 million, which Class B Preferred Units converted to 5,500,000 shares of Sky Harbour Class A common stock upon the closing of the Sky Harbour business combination on January 25, 2022. Also, upon the closing of the business combination, we purchased an additional 4,500,000 shares of Sky Harbour Class A common stock for a purchase price of \$45 million.

- Upon the closing of the Sky Harbour business combination, our Class B common stock converted to Class A common stock of Sky Harbour and our private placement warrants are now exercisable to purchase 7,719,779 shares of Class A common stock of Sky Harbour.
- Each Sky Harbour warrant is exercisable for one share of Class A common stock at a price of \$11.50 per share, subject to adjustment, with each Sky Harbour Warrant being exercisable through January 25, 2027. Unlike Sky Harbour's publicly traded warrants, these warrants are not redeemable by Sky Harbour as long as we or permitted transferees hold these warrants. The Sky Harbour warrants are also exercisable on a cashless basis.
- Our Sky Harbour Class A common stock and the Sky Harbour warrants and the shares underlying the warrants were subject to a lockup which expired on January 24, 2023.
- Subsequent to the closing of the Sky Harbour business combination, we distributed 75,000 shares of Sky Harbour Class A common stock to the outside directors of Yellowstone and 206,250 shares of Sky Harbour Class A common stock to an investor in the Yellowstone IPO. As of June 30, 2024, we hold 12,440,642 shares of Sky Harbour Class A common stock and 7,719,779 Sky Harbour warrants.
- All the shares of Sky Harbour Class A common stock and Sky Harbour warrants to purchase Class A common stock that we hold have been registered under the Securities Act. However, our ability to resell any significant portion of these shares is limited by both the large number of shares and warrants we hold relative to the average trading volume of these securities as well as blackout periods which may prevent us from selling shares as one of our Co-Chief Executive Officers serves on Sky Harbour's Board of Directors. The terms of the Sky Harbour business combination prohibited us from selling any of our securities in Sky Harbour prior to January 25, 2023 and has since expired.

We believe that our existing cash and short-term investments, funds available through the Credit Agreement Link entered into on August 12, 2019, as amended, and any funds that we may receive from cash flows from operations will be sufficient to meet working capital requirements and anticipated capital expenditures for the next 12 months. At June 30, 2024, we had approximately \$25 million in unrestricted cash and approximately \$14 million in short-term treasury securities. Subsequent to end of the second quarter of fiscal 2024, we received distributions totaling approximately \$4 million from the 24th Street Funds and BFR Fund.

If future additional significant acquisition opportunities, expansion opportunities within our billboard and broadband services businesses, and possible further development under our build for rent business become available in excess of our currently available cash, U.S. Treasury securities, and marketable equity securities, we may need to seek additional capital through long term debt borrowings, the sale of our securities, and/or other financing options and we may not be able to obtain such debt or equity financing on terms favorable to us or at all. In the future, we may use a number of different sources to finance our acquisitions and operations, including current cash on hand, potential future cash flows from operations, seller financing, debt financings including but not limited to long-term debt and line of credit facilities, including additional credit facilities which may or may not be secured by our assets or those of our operating subsidiaries, additional common or preferred equity issuances or any combination of these sources, to the extent available to us, or other sources that may become available from time to time, which could include asset sales and issuance of debt securities. In addition to Link's current credit facility, any future debt that we incur may be recourse or non-recourse and may be secured or unsecured. Link's existing credit facility imposes restrictions on Link that could increase our vulnerability to general adverse economic and industry conditions by limiting our flexibility in planning for and reacting to changes in our billboard, insurance, asset management, and broadband businesses. Specifically, these restrictions place limits on Link and its subsidiaries' ability to, among other things, incur additional indebtedness, make additional acquisitions and investments, pay dividends, repurchase stock, create liens, enter into transactions with affiliates, merge or consolidate or transfer or sell our billboard assets. Link's credit facility requires it to meet a fixed charge coverage ratio and other financial covenants. Link's ability to comply with these loan covenants may be affected by factors beyond its control and a breach of any loan covenants would likely result in an event of default under the Credit Agreement, which would permit the Lender to declare all amounts incurred thereunder to be immediately due and payable and to terminate their commitment to make future extensions of credit. We also may take advantage of joint venture or other partnering opportunities as such opportunities arise in order to acquire properties that would otherwise be unavailable to us. Any future credit facilities which we or any of our subsidiaries may enter into would likely impose similar restrictions and risks.

We may use the proceeds of any future borrowings to acquire assets or for general corporate purposes. In determining when to use leverage, we will assess the appropriateness of new equity or debt capital based on market conditions, including assumptions regarding future cash flow, the creditworthiness of customers, and future rental rates.

We conduct and plan to continue to conduct our activities in such a manner as not to be deemed an investment company under the Investment Company Act of 1940 (the "Investment Company Act"). Therefore, no more than 40% of our total assets can be invested in investment securities, as such term is defined in the Investment Company Act. In addition, we do not invest or intend to invest in securities as our primary business. Although we do not currently hold investments in an amount which would cause us to register under the Investment Company Act, we run the risk of inadvertently being deemed to be an investment company that is required to register under the Investment Company Act because a significant portion of our assets consists of investments in companies in which we own less than a majority interest. The risk varies depending on events beyond our control, such as significant appreciation or depreciation in the market value of certain of our publicly traded holdings, adverse developments with respect to our ownership of certain of our subsidiaries, and transactions involving the sale of certain assets. If we are deemed to be an inadvertent investment company, we may seek to rely on a safe-harbor under the Investment Company Act that would provide us a one-year grace period to take steps to avoid being deemed to be an investment company. In order to ensure we avoid being deemed an investment company, we have taken, and may need to continue to take, steps to reduce the percentage of our assets that constitute investments assets under the Investment Company Act. These steps have included, among others, selling marketable securities that we might otherwise hold for the long-term and deploying our cash in non-investment assets. We have recently sold marketable securities, including at times at a loss, and we may be forced to sell our investment assets at unattractive prices or to sell assets that we otherwise believe benefit our business in the future to remain below the requisite threshold. We may also seek to acquire additional non-investment assets to maintain compliance with the Investment Company Act, and we may need to incur debt, issue additional equity or enter into other financing arrangements that are not otherwise attractive to our business. Any of these actions could have a material adverse effect on our results of operations and financial condition. Moreover, we can make no assurance that we would successfully be able to take the necessary steps to avoid being deemed to be an investment company in accordance with the safe-harbor. If we were unsuccessful, then we would have to register as an investment company, and we would be unable to operate our business in its current form. We would be subject to extensive, restrictive, and potentially adverse statutory provisions and regulations relating to, among other things, operating methods, management, capital structure, indebtedness, dividends, and transactions with affiliates. If we were deemed to be an investment company and did not register as an investment company when required to do so, there would be a risk, among other material adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, that we would be unable to enforce contracts with third parties, and/or that third parties could seek to obtain rescission of transactions with us undertaken during the period in which we were deemed to be an unregistered investment company.

Our certificate of incorporation and bylaws do not limit the amount of debt that we may incur. Our Board of Directors has not adopted a policy limiting the total amount of debt that we may incur. Our Board of Directors will consider a number of factors in evaluating the amount of debt that we may incur. If we adopt a debt policy, our Board of Directors may from time to time modify such policy in light of then-current economic conditions, relative costs of debt and equity capital, market values of our properties, general conditions in the markets for debt and equity securities, fluctuations in the market price of our Class A common stock if then trading on any exchange, growth and acquisition opportunities, and other factors. Our decision to use leverage in the future to finance our assets will be at our discretion and will not be subject to the approval of our stockholders, and we are not restricted by our governing documents or otherwise in the amount of leverage that we may use.

Off-Balance Sheet Arrangements

Except for our normal operating leases, we do not have any off-balance sheet financing arrangements, transactions, or special purpose entities.

Quantitative and Qualitative Disclosures About Market Risk

At June 30, 2024, we held no significant derivative instruments that materially increased our exposure to market risks for interest rates, foreign currency rates, commodity prices or other market price risks. Our operations are currently conducted entirely within the U.S.; therefore, we had no significant exposure to foreign currency exchange rate risk.

Critical Accounting

The preparation of the consolidated financial statements and related notes to the consolidated financial statements requires us to make estimates that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities. We base these estimates on historical results and various other assumptions believed to be reasonable, all of which form the basis for making estimates concerning the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. Information with respect to our critical accounting policies that we believe could have the most significant effect on our reported results or require subjective or complex judgments by management is contained in *Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations*, and in the *Notes to the Consolidated Financial Statements* each in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as filed with the SEC on March 27, 2024. Other than as discussed below, we believe that at June 30, 2024, there has been no material change to this information.

Investments in Unconsolidated Entities

- We account for investments where we have significant influence but do not have a controlling interest, typically ownership of less than 50% and more than 20%, using the equity method of accounting. In accordance with ASC 323-30, we account for investments in limited partnerships and limited liability companies using the equity method of accounting when our investment is more than minimal (greater than 3% to 5%). Our share of income (loss) of such entities is recorded as a single amount as equity in income (loss) of unconsolidated affiliates. Dividends, if any, are recorded as a reduction of the investment.
- We monitor our equity method investments for factors indicating other-than-temporary impairment. We consider several factors when evaluating our investments, including, but not limited to, (i) the period of time for which the fair value has been less than the carrying value, (ii) operating and financial performance of the investee, (iii) the investee's future business plans and projections, (iv) discussions with their management, and (v) our ability and intent to hold the investment until it recovers in value.

Retention of Specialized Accounting

- Each of 24th Street Fund I and 24th Street Fund II, collectively "the 24th Street Funds," and Fund One Boston Omaha Build for Rent LP qualify as investment companies and apply specialized industry accounting. We report fund investments on our consolidated balance sheets at their estimated fair value, with gains (losses) resulting from changes in fair value reflected within 'Other investment income' in the accompanying consolidated statements of operations. Accordingly, the accompanying consolidated financial statements reflect different accounting policies for investments depending on whether or not they are held through a consolidated investment company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable as we are a "smaller reporting company."

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officers and principal financial and accounting officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officers and principal financial and accounting officer each concluded that, as of June 30, 2024, our disclosure controls and procedures are effective and designed to ensure that the information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the requisite time periods.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the fiscal quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management, including our principal executive officers and principal financial and accounting officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Due to the nature of our business, we are, from time to time and in the ordinary course of business, involved in routine litigation or subject to disputes or claims related to our business activities, including, without limitation, workers' compensation claims and employment-related disputes. In the opinion of our management, none of the pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect individually or in the aggregate on our financial condition, cash flows or results of operations.

Item 1A. Risk Factors.

Not applicable as we are a "smaller reporting company." For a list of risk factors, please refer to our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on March 27, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On April 23, 2024, the Company issued to four employees an aggregate of 2,580 unregistered shares of Class A common stock, \$.001 par value per share ("Class A common stock") valued at \$40,000 in the aggregate, as of the date of issuance, all of which shares are fully vested. The shares were issued for services rendered to the Company under an exemption available pursuant to Section 4(2) of the Securities Act of 1933, as amended. No cash consideration was paid for the shares.

On May 9, 2024, the Company entered into a Separation and Stock Repurchase Agreement (the "Separation Agreement") with Alex Rozek (our former Co-Chief Executive Officer and Co-Chair of the Company's Board of Directors) and Boulderado Partners, LLC, an entity controlled by Mr. Rozek ("Boulderado"). As part of the Separation Agreement, the Company agreed to repurchase from Mr. Rozek and Boulderado, in the aggregate, 210,000 shares of the Company's Class A common stock, 527,780 shares of Company Class B common stock, par value \$0.001 per share ("Class B common stock"), and 51,994 warrants to acquire 51,994 shares of Company Class B common stock. The aggregate purchase price payable to Mr. Rozek was \$9,175,605, comprised of (a) a cash payment of \$8,800,480 and (b) 36,705 shares of Class A common stock, par value \$0.0001 of Sky Harbour Group Corporation (the "SKYH Shares"). The aggregate purchase price payable to Boulderado was \$9,951,113, comprised of (a) a cash payment of \$7,960,891 and (b) 194,738 SKYH Shares. The repurchase of these shares of Boston Omaha Class A common stock, Class B common stock and warrants to purchase Class B common stock was consummated on May 17, 2024. The foregoing description of the Separation Agreement is not complete and is qualified in its entirety by reference to the full text of such agreement, a copy of which is filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 10, 2024, and is incorporated herein by reference.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the three months and six months ended June 30, 2024, none of the Company's directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Regulation S-K, Item 408).

Item 6. Exhibits.

The exhibits listed in the following Exhibit Index are incorporated herein by reference.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Description</u>
3.1 (*)	<u>Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on May 26, 2017.</u>
3.2 (*)	<u>First Amendment to the Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on May 7, 2018.</u>
3.3 (*)	<u>Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on June 2, 2020.</u>
3.4 (*)	<u>Amended and Restated Bylaws of the Company, as amended, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on April 1, 2020.</u>
10.1 (*)	<u>Credit Agreement, dated August 12, 2019 by and between Link Media Holdings, LLC, and First National Bank of Omaha, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019.</u>
10.2 (*)	<u>Security Agreement, dated August 12, 2019, by and among Link Media Holdings, LLC and the Subsidiary Guarantors in Favor of First National Bank of Omaha, filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019.</u>
10.3 (*)	<u>Subsidiaries Guaranty dated August 12, 2019 by and among the Subsidiary Guarantors in Favor of First National Bank of Omaha, filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019.</u>
10.4 (*)	<u>\$24,900,000 Term Loan Note 1 dated August 12, 2019 issued by Link Media Holdings, LLC to First National Bank of Omaha, filed as Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019.</u>
10.5 (*)	<u>\$5,000,000 Revolving Note dated August 12, 2019 issued by Link Media Holdings, LLC to First National Bank of Omaha, filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019.</u>
10.6 (*)	<u>First Amendment to Credit Agreement dated October 25, 2019, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on October 29, 2019.</u>
10.7 (*)	<u>Second Amendment to Credit Agreement dated June 25, 2020, filed as Exhibit 10.1 to the Company's Current report on Form 8-K as filed with the Commission on June 30, 2020.</u>
10.8 (*)	<u>Third Amendment to Credit Agreement, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on August 24, 2021.</u>
10.9 (*)	<u>Fourth Amendment to Credit Agreement, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on December 9, 2021.</u>
10.10 (*)	<u>Amended and Restated Term Loan Note, filed as Exhibit 10.2 to the Company's Current Report on Form 8-K as filed with the Commission on December 9, 2021.</u>
10.11 (*)	<u>Fifth Amendment to Credit Agreement, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on June 3, 2022.</u>
10.12 (*)	<u>Sixth Amendment to Credit Agreement, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on April 11, 2023.</u>
10.13 (*)	<u>Seventh Amendment to Credit Agreement, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on September 26, 2023.</u>
10.14 (*)	<u>Amended and Restated Revolving Note, filed as Exhibit 10.2 to the Company's Current Report on Form 8-K as filed with the Commission on September 26, 2023.</u>
10.15 (*)	<u>Eighth Amendment to Credit Agreement, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on February 16, 2024.</u>
31.1 (#)	<u>Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).</u>

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31.2 (#)	<u>Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).</u>
32.1 (#)(##)	<u>Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.</u>
32.2 (#)(##)	<u>Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.</u>
101.INS (#)	Inline XBRL Instance Document.
101.SCH (#)	Inline XBRL Taxonomy Extension Schema Document.
101.CAL (#)	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF (#)	Inline XBRL Taxonomy Extension Definition.
101.LAB (#)	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE (#)	Inline XBRL Taxonomy Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
(*)	Incorporated by reference to the filing indicated.
(#)	Filed herewith.
(##)	The certifications attached as Exhibits 32.1 and 32.2 that accompany this Report, are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Boston Omaha Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Report irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BOSTON OMAHA CORPORATION
(Registrant)

By: /s/ Adam K. Peterson
Adam K. Peterson
President (Principal Executive Officer)

August 13, 2024

By: /s/ Joshua P. Weisenburger
Joshua P. Weisenburger
Chief Financial Officer (Principal Financial Officer)

August 13, 2024

By: /s/ Joseph M. Meisinger
Joseph M. Meisinger
Chief Accounting Officer

August 13, 2024

CERTIFICATIONS

I, Adam K. Peterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Boston Omaha Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2024

/s/ Adam K. Peterson

Adam K. Peterson, Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Joshua P. Weisenburger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Boston Omaha Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2024

/s/ Joshua P. Weisenburger

Joshua P. Weisenburger, Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Boston Omaha Corporation (the “Company”) on Form 10-Q for the three months ended June 30, 2024 as filed with the Securities and Exchange Commission on or about the date hereof (the “Report”), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2024

/s/ Adam K. Peterson

Adam K. Peterson, Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Boston Omaha Corporation (the “Company”) on Form 10-Q for the three months ended June 30, 2024 as filed with the Securities and Exchange Commission on or about the date hereof (the “Report”), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2024

/s/ Joshua P. Weisenburger

Joshua P. Weisenburger, Chief Financial Officer
(Principal Financial Officer)