

YELLOWSTONE ACQUISITION CO

FORM 10-Q (Quarterly Report)

Filed 11/05/21 for the Period Ending 09/30/21

| | |
|-------------|---|
| Address | 1601 DODGE STREET SUITE 3300 OMAHA, NE, 68102 |
| Telephone | (402) 225-6511 |
| CIK | 0001823587 |
| Symbol | YSAC |
| SIC Code | 6770 - Blank Checks |
| Industry | Holding Companies |
| Sector | Financials |
| Fiscal Year | 12/31 |

**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 September 30, 2021
- 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 001-39648

YELLOWSTONE ACQUISITION COMPANY
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

85-2732947
(I.R.S. Employer Identification No.)

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

(402) 225-6511
(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 |
|--|----------------|--------------------------------------|
| Units, each consisting of one share of Class A common stock, \$0.0001 par value, and one-half of one redeemable warrant | YSACU | The Nasdaq Stock Market LLC |
| Class A common stock, \$0.0001 par value included as part of the units | YSAC | The Nasdaq Stock Market LLC |
| Warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$11.50 per share | YSACW | The Nasdaq Stock Market LLC |

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

[Table of Contents](#)

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 | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |
| | | Emerging growth company | <input checked="" type="checkbox"/> |

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

As of November 4, 2021, 13,598,898 shares of Class A common stock, par value \$0.0001 per share, and 3,399,724 shares of Class B common stock, par value \$0.0001 per share, were issued and outstanding, respectively.

YELLOWSTONE ACQUISITION COMPANY
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
TABLE OF CONTENTS

| | <u>Page</u> |
|---|--------------------|
| Part I – Financial Information | 1 |
| Item 1. Financial Statements (Unaudited) | 1 |
| Unaudited Balance Sheets as of September 30, 2021 and December 31, 2020 | 1 |
| Unaudited Statements of Operations - Three and Nine Months Ended September 30, 2021 and for the Period from August 25, 2020 (Inception) through September 30, 2020 | 2 |
| Unaudited Statements of Changes in Stockholders' Equity - For the Period from August 25, 2020 (Inception) through September 30, 2020 and for the period from December 31, 2020 through September 30, 2021 | 3 |
| Unaudited Statements of Cash Flows - For the Nine Months Ended September 30, 2021 and for the Period from August 25, 2020 (Inception) through September 30, 2020 | 4 |
| Notes to Unaudited Financial Statements | 5 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 13 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 16 |
| Item 4. Controls and Procedures | 16 |
| Part II – Other Information | 16 |
| Item 1. Legal Proceedings | 16 |
| Item 1A. Risk Factors | 16 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 17 |
| Item 3. Defaults Upon Senior Securities | 17 |
| Item 4. Mine Safety Disclosures | 17 |
| Item 5. Other Information | 17 |
| Item 6. Exhibits | 18 |
| Exhibit Index | 18 |
| Signatures | 19 |

Part I – Financial Information**Item 1. Financial Statements (Unaudited)****YELLOWSTONE ACQUISITION COMPANY
UNAUDITED BALANCE SHEETS**

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> |
|---|------------------------------|------------------------------|
| Assets: | | |
| Current assets: | | |
| Cash | \$ 865,018 | \$ 1,122,194 |
| Investments held in Trust | 138,742,756 | 138,716,226 |
| Prepaid expenses | 295,041 | 403,186 |
| Total Assets | <u>139,902,815</u> | <u>140,241,606</u> |
| Liabilities and Stockholders' Equity: | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | 370,287 | 153,928 |
| Note payable to Sponsor | 1,000,000 | - |
| Deferred underwriting fee payable | 4,759,615 | 4,759,615 |
| Total Current Liabilities | <u>6,129,902</u> | <u>4,913,543</u> |
| Warrants liability | 13,648,074 | 18,003,841 |
| Total Liabilities | <u>19,777,976</u> | <u>22,917,384</u> |
| Commitments and Contingencies: | | |
| Class A common stock, \$0.0001 par value; 13,598,898 shares subject to possible redemption at \$10.20 per share | 138,708,760 | 138,708,760 |
| Stockholders' Equity: | | |
| Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding | - | - |
| Class A common stock, \$0.0001 par value; 200,000,000 shares authorized | - | - |
| Class B common stock, \$0.0001 par value; 20,000,000 shares authorized; 3,399,724 shares issued and outstanding at September 30, 2021 and December 31, 2020 | 340 | 340 |
| Additional paid-in capital | - | - |
| Accumulated deficit | (18,584,261) | (21,384,878) |
| Total Stockholders' Equity | <u>(18,583,921)</u> | <u>(21,384,538)</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 139,902,815</u> | <u>\$ 140,241,606</u> |

YELLOWSTONE ACQUISITION COMPANY
UNAUDITED STATEMENTS OF OPERATIONS

For the Three and Nine Months Ended September 30, 2021
and for the Period from August 25, 2020 (Inception) through September 30, 2020

| | For the Three Months Ended September 30, 2021 | For the period from August 25, 2020 (inception) through September 30, 2020 | For the Nine Months Ended September 30, 2021 | For the period from August 25, 2020 (inception) through September 30, 2020 |
|---|--|---|---|---|
| Professional fees and other expenses | \$ (823,735) | \$ - | \$ (1,074,639) | \$ - |
| State franchise taxes, other than income tax | (21,803) | - | (150,000) | - |
| General and administrative costs | (204,406) | (2,178) | (352,029) | (2,178) |
| Change in fair value of warrant liability | (2,177,885) | - | 4,355,766 | - |
| Net (loss) income from operations | (3,227,829) | (2,178) | 2,779,098 | (2,178) |
| Other income - interest and dividend income | 9,500 | - | 23,387 | - |
| Unrealized gain (loss) on marketable securities held in Trust | 1,812 | - | (1,868) | - |
| Income (loss) before income taxes | (3,216,517) | (2,178) | 2,800,617 | (2,178) |
| Income tax (provision) benefit | - | - | - | - |
| Net (loss) income attributable to common shares | <u>\$ (3,216,517)</u> | <u>\$ (2,178)</u> | <u>\$ 2,800,617</u> | <u>\$ (2,178)</u> |
| <i>Net (loss) income per common share:</i> | | | | |
| Class A Common Stock - basic and diluted | <u>\$ (0.19)</u> | <u>\$ (0.00)</u> | <u>\$ 0.16</u> | <u>\$ (0.00)</u> |
| Class B Common Stock - basic and diluted | <u>\$ (0.19)</u> | <u>\$ (0.00)</u> | <u>\$ 0.16</u> | <u>\$ (0.00)</u> |

YELLOWSTONE ACQUISITION COMPANY
UNAUDITED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

**For the Period from August 25, 2020 (Inception) through September 30, 2020 and
for the Period from December 31, 2020 through September 30, 2021**

| | Common Stock | | | | Additional Paid-In Capital | Accumulated Deficit | Total Stockholders' Equity |
|--|--------------|--------|------------------|---------------|----------------------------------|------------------------|----------------------------------|
| | Class A | | Class B | | | | |
| | Shares | Amount | Shares | Amount | | | |
| Balance – August 25, 2020 (inception) | - | \$ - | - | \$ - | - | \$ - | - |
| Issuance of Class B common stock to Sponsor | - | - | 3,593,750 | 359 | 24,641 | - | 25,000 |
| Net loss | - | - | - | - | - | (2,178) | (2,178) |
| Balance – September 30, 2020 | - | \$ - | 3,593,750 | \$ 359 | \$ 24,641 | \$ (2,178) | \$ 22,822 |
| Balance – December 31, 2020 | - | \$ - | 3,399,724 | \$ 340 | - | \$ (21,384,878) | \$ (21,384,538) |
| Net income (loss) | - | - | - | - | - | 4,430,213 | 4,430,213 |
| Balance – March 31, 2021 | - | \$ - | 3,399,724 | \$ 340 | - | \$ (16,954,665) | \$ (16,954,325) |
| Net income (loss) | - | - | - | - | - | 1,586,921 | 1,586,921 |
| Balance – June 30, 2021 | - | \$ - | 3,399,724 | \$ 340 | - | \$ (15,367,744) | \$ (15,367,404) |
| Net income (loss) | - | - | - | - | - | (3,216,517) | (3,216,517) |
| Balance – September 30, 2021 | - | \$ - | 3,399,724 | \$ 340 | - | \$ (18,584,261) | \$ (18,583,921) |

YELLOWSTONE ACQUISITION COMPANY
UNAUDITED STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2021
and for the Period from August 25, 2020 (Inception) through September 30, 2020

| | For the nine months ended September 30, 2021 | For the period from August 25, 2020 (inception) through September 30, 2020 |
|--|---|---|
| Cash Flows from Operating Activities: | | |
| Net Income (Loss) | \$ 2,800,617 | \$ (2,178) |
| Adjustments to reconcile net income to net cash used in operating activities: | | |
| Unrealized gain (loss) on marketable securities held in Trust | 1,868 | - |
| Issuance costs related to warrant liability | - | - |
| Change in fair value of warrant liability | (4,355,766) | - |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | 108,145 | - |
| Accounts payable and accrued expenses | 216,359 | - |
| Net cash used in operating activities | <u>(1,228,777)</u> | <u>(2,178)</u> |
| Cash Flows from Investing Activities: | | |
| Proceeds from sales of investments | 901,737,862 | - |
| Purchase of investments | (901,766,261) | - |
| Net cash used in investing activities | <u>(28,399)</u> | <u>-</u> |
| Cash Flows from Financing Activities: | | |
| Proceeds from issuance of Class A common stock, gross | - | - |
| Proceeds from issuance of Class B common stock to Sponsor | - | 25,000 |
| Proceeds from issuance of Private Placement Warrants | - | - |
| Proceeds from Note Payable to Sponsor | 1,000,000 | 150,000 |
| Deferred offering costs paid | - | (145,242) |
| Net cash provided by financing activities | <u>1,000,000</u> | <u>29,758</u> |
| Net (decrease) increase in cash | <u>(257,176)</u> | <u>27,580</u> |
| Cash – beginning of the period | <u>1,122,194</u> | <u>-</u> |
| Cash – end of the period | <u>\$ 865,018</u> | <u>\$ 27,580</u> |
| Interest Paid in Cash | <u>\$ -</u> | <u>\$ -</u> |
| Income Taxes Paid in Cash | <u>\$ -</u> | <u>\$ -</u> |

YELLOWSTONE ACQUISITION COMPANY
NOTES TO FINANCIAL STATEMENTS

Note 1 — Organization and Business Description

Organization and General

Yellowstone Acquisition Company (the “Company” or “Yellowstone”) was incorporated in Delaware on August 25, 2020. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar Business Combination with one or more businesses (the “Business Combination”). The Company has neither engaged in any operations nor generated any revenue to date. The Company’s management has broad discretion with respect to the Business Combination, but intends to focus its search for a target business in the homebuilding, manufacturing serving the homebuilding market, financial services and commercial real estate industries. The Company’s Sponsor is BOC Yellowstone LLC, a Delaware limited liability company (the “Sponsor”). The Company has selected December 31 as its fiscal year-end.

The Company completed its initial public offering (“IPO”) on October 26, 2020 as further described below. The Company will not generate any operating revenues until after the completion of its Business Combination, at the earliest. Subsequent to the IPO, the Company has generated and will continue to generate non-operating income in the form of investment income on cash and cash equivalents from the proceeds derived from the IPO and the sale of the Private Placement Warrants (as defined below) held in the Trust Account (as defined below).

In our opinion, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of unaudited financial position and unaudited results of operations for the interim period presented have been reflected herein. The results of operations for the interim period are not necessarily indicative of the results to be expected for the full year. Notes to the interim unaudited financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the year ended December 31, 2020 as reported in our Annual Report on Form 10-K/A, filed with the Securities and Exchange Commission on May 24, 2021, have been omitted.

Proposed Sky Harbour Business Combination

On August 1, 2021, Yellowstone Acquisition Company (the “Company”) and Sky Harbour LLC (“SHG”), a Delaware limited liability company, entered into a definitive equity purchase agreement (the “Equity Purchase Agreement”), which was subsequently announced on August 2, 2021. Immediately thereafter, BOC YAC Funding LLC (“BOC YAC”), a Delaware limited liability company and wholly owned subsidiary of Boston Omaha Corporation (“Boston Omaha”), entered into a Series B Preferred Unit Purchase Agreement (the “Series B Purchase Agreement”) with SHG, which was also subsequently announced. As part of the transaction, BOC YAC invested \$55 million directly into SHG, and upon the successful consummation of the business combination between SHG and Yellowstone (the “Proposed Business Combination”), this investment will convert into 5,500,000 shares of the post-combination public company’s Class A Common Stock, valued at \$10.00 per share (the “BOC Initial Investment”). In the event the Business Combination is not consummated, Boston Omaha’s investment will remain as Series B Preferred units of SHG. Additionally, the Company and SHG will seek to raise additional funding to support the business combination through a private placement investment (“PIPE”) of \$100 million to be consummated at the closing of the transaction.

On August 25, 2021, SHG announced that its subsidiary, Sky Harbour Capital LLC (“SH Capital”), entered into an agreement for \$166 million in financing through the sale of Series 2021 private activity tax-exempt senior bonds through municipal conduit issuer, Public Finance Authority (“PFA”). SH Capital and its subsidiaries Sky Harbour Sugar Land Airport, LLC, Sky Harbour Opa Locka Airport, LLC, Nashville Hangars LLC, APA Hangars LLC, and DVT Hangars LLC will constitute an Obligated Group, the property and revenues of which will secure the bonds on a joint and several basis. The bond issuance consists of unrated senior fixed rate tax-exempt bonds with three term maturities, in 2036, 2041 and 2054, with principal amortization from 2032 thru 2054 (average life of 24 years). The term bonds were priced to yield 3.80% (2036), 4.00% (2041) and 4.25% (2054). This bond financing was completed on September 14, 2021.

In addition to the \$138.7 million held in trust related to Yellowstone’s initial public offering and the \$55.0 million preferred financing, Boston Omaha has agreed to provide to SHG a backstop valued at up to an additional \$45.0 million through the purchase of additional shares of Yellowstone Class A common stock at a price of \$10 per share if needed to meet the minimum investment condition of \$150.0 million of cash and securities to SHG at the closing. This amount excludes additional funds which may be raised in the PIPE. All SHG equityholders are retaining 100% of their equity in the combined company. The cash proceeds are expected to be used to fund the completion of four initial airport hangar campuses in addition to expansion at SHG’s location currently in operation.

The transaction has been unanimously approved by the Yellowstone Board of Directors, as well as the Board of Managers and all equityholders of SHG, and is subject to the satisfaction of customary closing conditions, including the approval of the shareholders of Yellowstone.

Financing

The registration statement for the Company’s IPO was declared effective on October 21, 2020. On October 26, 2020, the Company consummated its IPO of 12,500,000 units (the “Units” and, with respect to the shares of Class A common stock, par value \$0.0001 per share (“Class A common stock”), of the Company included in the Units being offered, the “Public Shares”) at \$10.00 per Unit, which is discussed in Note 3, and the sale of 7,500,000 warrants (the “Private Placement Warrants”) at a price of \$1.00 per Private Placement Warrant in a private placement to BOC Yellowstone LLC (the “Sponsor”), that closed simultaneously with the Initial Public Offering.

Upon the closing of the IPO, \$127,500,000 (\$10.20 per Unit) of the net proceeds of the sale of the Units in the IPO, including proceeds of the sale of the Private Placement Warrants, were placed in a trust account (“Trust Account”) located in the United States at JP Morgan Chase Bank, N.A. with Continental Stock Transfer & Trust Company acting as trustee. In connection with the exercise of the underwriters’ overallotment option on December 1, 2020, \$10,988,980 of the net proceeds of the sale of the additional Units sold, inclusive of the proceeds from the sale of the additional Private Placement Warrants to our Sponsor, were placed in the Trust Account.

Trust Account

Funds held in the Trust Account are invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or in any open-ended investment company that holds itself out as a money market fund meeting certain conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination or (ii) the distribution of the funds in the Trust Account to the Company's stockholders, as described below.

YELLOWSTONE ACQUISITION COMPANY
NOTES TO FINANCIAL STATEMENTS

Note 1 — Description of Organization and Business Operations (continued)

Business Combination

The Company's management has broad discretion with respect to the specific application of the net proceeds of the IPO and the sale of the Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward completing a Business Combination. The Company must complete its initial Business Combination with one or more target businesses that together have a fair market value equal to at least 80% of the net assets held in the Trust Account (excluding the amount of any deferred underwriting commissions held in the Trust Account) at the time of the agreement to enter into a Business Combination. The Company will only complete a Business Combination if the post-Business Combination company owns or acquires 50% or more of the issued and outstanding voting securities of the target or otherwise acquires a controlling interest in the target business sufficient for it not to be required to register as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"). There is no assurance that the Company will be able to successfully effect a Business Combination although the Company believes the Proposed Business Combination meets all of these criteria.

As discussed above, the Company, entered into a definitive agreement for the Proposed Business Combination and intends to seek stockholder approval of the Proposed Business Combination at a meeting called for such purpose in connection with which stockholders may seek to redeem their shares, regardless of whether they vote for or against the Proposed Business Combination, for cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the Business Combination, including interest income but less taxes payable. The Company will complete the Proposed Business Combination only if a majority of the outstanding shares of common stock voted are voted in favor of the Proposed Business Combination.

The Company will provide its stockholders holding Class A common stock with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company. The stockholders will be entitled to redeem their shares for a pro rata portion of the amount held in the Trust Account (initially \$10.20 per share), calculated as of two business days prior to the completion of a Business Combination, including any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations. There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants. The shares of Class A common stock are recorded at redemption value and classified as temporary equity, in accordance with Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity."

In such case, the Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 upon consummation of such Business Combination and a majority of the shares voted are voted in favor of the Business Combination. If a stockholder vote is not required under applicable law or stock exchange listing requirements and if the Company does not decide to hold a stockholder vote for business or other reasons, the Company will, pursuant to its Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), conduct the redemptions pursuant to the tender offer rules of the Securities and Exchange Commission ("SEC"), and file tender offer documents containing substantially the same information as would be included in a proxy statement with the SEC prior to completing a Business Combination. If the Company seeks stockholder approval in connection with a Business Combination, the holders of the Founder Shares have agreed to vote their Founder Shares (as defined in Note 4) and any Public Shares purchased in or after the IPO in favor of approving a Business Combination and to waive their redemption rights with respect to any such shares in connection with a stockholder vote to approve a Business Combination. However, in no event will the Company redeem its Public Shares in an amount that would cause its net tangible assets to be less than \$5,000,001. In such case, the Company would not proceed with the redemption of its Public Shares and the related Business Combination, and instead may search for an alternate Business Combination. Additionally, each public stockholder may elect to redeem its Public Shares, without voting, and if they do vote, irrespective of whether they vote for or against a proposed Business Combination.

Notwithstanding the foregoing, if the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Company's Certificate of Incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from redeeming its shares with respect to more than an aggregate of 15% of the Public Shares without the Company's prior written consent.

YELLOWSTONE ACQUISITION COMPANY
NOTES TO FINANCIAL STATEMENTS

Note 1 — Description of Organization and Business Operations (continued)

Business Combination (continued)

The Sponsor has agreed (a) to waive its redemption rights with respect to any Founder Shares and Public Shares held by it in connection with the completion of a Business Combination and (b) not to propose an amendment to the Certificate of Incorporation (i) to modify the substance or timing of the Company's obligation to redeem 100% of the Public Shares if the Company does not complete a Business Combination within the Combination Period (as defined below) or (ii) with respect to any other provision relating to stockholders' rights or pre-initial Business Combination activity, unless the Company provides the public stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment and (iii) to waive its rights to liquidating distributions from the Trust Account with respect to the Founder Shares if the Company fails to complete a Business Combination.

The Company will have until 15 months from the closing of the IPO, or January 25, 2022, to complete a Business Combination. If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than 10 business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned (less up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and the Company's board of directors, dissolve and liquidate, subject in each case to its obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

The Sponsor has agreed to waive its liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination within the Combination Period. However, if the Sponsor acquires Public Shares in or after the IPO, such Public Shares will be entitled to liquidating distributions from the Trust Account if the Company fails to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to their deferred underwriting commission (see Note 5) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the IPO price per Unit (\$10.00).

The Sponsor has agreed that it will be liable to the Company, if and to the extent any claims by a third party for services rendered or products sold to the Company, or by a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (1) \$10.20 per Public Share or (2) such lesser amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of trust assets, in each case net of the amount of interest which may be withdrawn to pay taxes. This liability will not apply with respect to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account nor will it apply to any claims under the Company's indemnity of the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (other than the Company's independent public accountants), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart our Business Startups Act of 2012 (the "JOBS Act"), and it has opted to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has not elected to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, will adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statement with another emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Covid-19 Considerations

Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position and results of its operations, the specific impact is not readily determinable as of the date of the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the accounting and disclosure rules and regulations of the Securities and Exchange Commission.

YELLOWSTONE ACQUISITION COMPANY
NOTES TO FINANCIAL STATEMENTS

Note 2 — Summary of Significant Accounting Policies (continued)

Net (Loss) Income Per Common Share

Net (loss) income per share of common stock is computed by dividing net (loss) income by the weighted average number of common shares outstanding during the period. We apply the two-class method in calculating earnings per share. Accretion associated with the redeemable shares of Class A common stock is excluded from earnings per share as the redemption value approximates fair value.

As of September 30, 2021, we had outstanding warrants to purchase up to 14,519,228 shares of Class A common stock. The weighted average of these shares was excluded from the calculation of diluted net (loss) income per share of common stock since the exercise of the warrants is contingent upon the occurrence of future events. As of September 30, 2021, we did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into shares of common stock and then share in our earnings. As a result, diluted net (loss) income per common share is the same as basic net (loss) income per common share for the period.

Reconciliation of Earnings per Common Share

Basic and diluted earnings per common share is calculated as follows:

| | For the Three Months Ended September 30, 2021 | | For the Nine Months Ended September 30, 2021 | |
|---|--|--------------|---|------------|
| | Class A | Class B | Class A | Class B |
| Basic and diluted net (loss) income per share | | | | |
| Numerator: | | | | |
| Allocation of net (loss) income | \$ (2,573,214) | \$ (643,303) | \$ 2,240,494 | \$ 560,123 |
| Denominator: | | | | |
| Weighted-average shares outstanding | 13,598,898 | 3,399,724 | 13,598,898 | 3,399,724 |
| Basic and diluted net (loss) income per share | \$ (0.19) | \$ (0.19) | \$ 0.16 | \$ 0.16 |

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which, at times, may exceed the Federal Depository Insurance Coverage of \$250,000. At September 30, 2021, the Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts presented in the balance sheet.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

YELLOWSTONE ACQUISITION COMPANY
NOTES TO FINANCIAL STATEMENTS

Note 2 — Summary of Significant Accounting Policies (cont.)

Warrants Liability

We account for the warrants in accordance with the guidance contained in Accounting Standards Codification 815 (“ASC 815”), “Derivatives and Hedging”, under which the warrants do not meet the criteria for equity treatment and must be recorded as derivative liabilities. Accordingly, we classify the warrants as liabilities at their fair value and adjust the warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until the warrants are exercised, and any change in fair value is recognized in our statement of operations. The fair value of the Private Placement Warrants and the Public Warrants issued in connection with the Public Offering have been measured based on the listed market price of such Warrants.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under ASC 740, “Income Taxes.” Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

For those liabilities or benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to uncertain tax positions as income tax expense. At September 30, 2021, management has not identified any uncertain tax positions that are not more likely than not to be sustained.

The Company may be subject to potential examination by U.S. federal, states or foreign jurisdiction authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income amounts in various tax jurisdictions and compliance with U.S. federal, states or foreign tax laws.

The Company is incorporated in the State of Delaware and is required to pay franchise taxes to the State of Delaware on an annual basis.

Redeemable Shares of Class A Common Stock

All of the 13,598,898 shares of Class A common stock sold as parts of the Units in the Public Offering contain a redemption feature. In accordance with the Accounting Standards Codification 480-10-S99-3A (“ASC 480”), “Classification and Measurement of Redeemable Securities”, redemption provisions not solely within the control of the Company require the security to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity’s equity instruments, are excluded from the provisions of ASC 480. The Company classifies all shares of Class A common stock as redeemable.

Recently issued accounting pronouncements not yet adopted

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company’s financial statements based on current operations of the Company. The impact of any recently issued accounting standards will be re-evaluated on a regular basis or if a Business Combination is completed where the impact could be material.

Note 3 — Initial Public Offering

Public Units

On October 26, 2020, the Company consummated its IPO of 12,500,000 units at \$10.00 per Unit, generating gross proceeds of \$125,000,000. Each unit issued in the offering consisted of one share of Yellowstone’s Class A common stock and one-half of one warrant, each whole warrant entitling the holder thereof to purchase one share of Class A common stock at an exercise price of \$11.50 per share, subject to adjustment (see Note 6). The underwriters were granted a 45-day option from the date of the final prospectus to the Initial Public Offering to purchase up to 1,875,000 additional Units to cover over-allotments, if any, at \$10.00 per Unit. On December 1, 2020, the underwriters’ over-allotment option was exercised resulting in the purchase of an additional 1,098,898 Units.

YELLOWSTONE ACQUISITION COMPANY
NOTES TO FINANCIAL STATEMENTS

Note 4 — Related Party Transactions

Founder Shares

On August 31, 2020, the Sponsor purchased 5,750,000 shares (the “Founder Shares”) of the Company’s Class B common stock, par value \$0.0001 per share (the “Class B common stock”), for an aggregate price of \$25,000. Between October 9, 2020, and December 31, 2020, the Sponsor surrendered 2,350,276 Founder Shares to the Company for no consideration, resulting in an aggregate of 3,399,724 Founder Shares outstanding as of September 30, 2021. The Founder Shares will automatically convert into Class A common stock on a one-for-one basis at the time of the Company’s initial Business Combination and are subject to certain transfer restrictions.

Private Placement Warrants

The Sponsor purchased an aggregate of 7,500,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant from the Company in a private placement that closed simultaneously with the closing of the IPO. In connection with the underwriter’s exercise of the over-allotment option on December 1, 2020, the Sponsor purchased an additional 219,779 private placement warrants at a price of \$1.00 per whole warrant. Each Private Placement Warrant is exercisable for one share of Class A common stock at a price of \$11.50 per share, subject to adjustment (see Note 6). Of the total \$7,500,000 in initial proceeds from the sale of the Private Placement Warrants, \$5,000,000 was added to the net proceeds from the IPO held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Placement Warrants held in the Trust Account will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Placement Warrants will expire worthless.

Related Party Reimbursement and Loans

In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company’s officers and directors may, but are not obligated to, loan the Company funds as may be required (“Working Capital Loans”). Any Working Capital Loans made by the Sponsor may be converted into warrants, at the price of \$1.50 per warrant at the option of the lender. Such warrants would be identical to the Private Placement Warrants, including as to exercise price, exercisability and exercise period. If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds held in the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination is not completed, the Company may use a portion of the proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans.

On September 27, 2021, the Sponsor agreed to loan the Company an aggregate of up to \$1,000,000 to cover expenses related to the Proposed Business Combination pursuant to a promissory note (the “Note”). This loan bears interest at the Federal Short Term Rate published pursuant to Section 1274(d) of the Code, compounded annually. The loan is payable on the earlier of the date on which the Company consummates its Business Combination or the date that the Company’s winding up is effective. The principal balance, together with all accrued interest thereon, may be prepaid at any time at the election of the Company. As of September 30, 2021, there was \$1,000,000 outstanding under the Note. At the option of the holder, the Note is convertible into Private Placement Warrants at a price of \$1.00 per warrant. The Sponsor may elect to convert all or any portion of the unpaid principal balance of the Note, together with all accrued and unpaid interest thereon, into that number of warrants, each whole warrant exercisable for one ordinary share of the Company (the “Conversion Warrants”), equal to: (x) the portion of the principal amount of the Note, together with all accrued and unpaid interest thereon, being converted, divided by (y) \$1.50, rounded up to the nearest whole number of warrants. The Conversion Warrants shall be identical to the Private Placement Warrants issued by the Company to the Sponsor.

Note 5 — Commitments

Registration Rights

The holders of the Founder Shares, Private Placement Warrants, Conversion Warrants that may be issued upon conversion of the Note and any additional warrants that may be issued in connection with any further Working Capital Loans (and any shares of Class A common stock issuable upon the exercise of the Private Placement Warrants, the Conversion Warrants that may be issued upon conversion of the Note and any additional warrants that may be issued in connection with any further Working Capital Loans and upon conversion of the Founder Shares) will be entitled to registration rights pursuant to a registration rights agreement. The holders of these securities will be entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the completion of a Business Combination. However, the registration rights agreement provides that the Company will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable lockup period. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The underwriters were entitled to a cash underwriting discount of \$0.20 per Unit, or \$2,500,000 in the aggregate, which amount was paid upon the closing of the Initial Public Offering. In addition, the underwriters are entitled to a deferred fee of \$0.35 per Unit, or \$4,759,615 (including over-allotment units) in the aggregate. The deferred fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

YELLOWSTONE ACQUISITION COMPANY
NOTES TO FINANCIAL STATEMENTS

Note 6 — Stockholders' Equity

Common Stock

Class A common stock — The Company is authorized to issue 200,000,000 shares of Class A common stock with a par value of \$0.0001 per share. As of September 30, 2021, there were 13,598,898 shares of Class A common stock issued and outstanding, all of which is subject to possible redemption.

Class B common stock — The Company is authorized to issue 20,000,000 shares of Class B common stock with a par value of \$0.0001 per share. As of September 30, 2021, there were 3,399,724 shares of Class B common stock outstanding.

Common stockholders of record are entitled to one vote for each share held on all matters to be voted on by stockholders. Holders of the Class A common stock and holders of the Class B common stock will vote together as a single class on all matters submitted to a vote of the Company's stockholders, except as required by law.

The shares of Class B common stock are identical to the shares of Class A common stock included in the units sold in the offering, and holders of Class B common stock have the same stockholder rights as public stockholders, except that (i) the shares of Class B common stock are subject to certain transfer restrictions, as described in more detail below, (ii) the Sponsor, officers and directors have entered into a letter agreement with the Company, pursuant to which they have agreed (A) to waive their redemption rights with respect to any Class B common stock and any public shares held by them in connection with the completion of the Business Combination and (B) to waive their rights to liquidating distributions from the Trust Account with respect to any Class B common stock held by them if the Company fails to complete the Business Combination within the prescribed time period, although they will be entitled to liquidating distributions from the Trust Account with respect to any public shares they hold if the Company fails to complete the Business Combination within such time period, (iii) the Class B common stock are shares that will automatically convert into shares of the Class A common stock at the time of the initial Business Combination, on a one-for-one basis, subject to adjustment pursuant to certain anti-dilution rights and (iv) are subject to registration rights. If the Company submits the Business Combination to the public stockholders for a vote, the Sponsor has agreed to vote any Class B common stock held by it and any public shares purchased during or after the offering in favor of the initial Business Combination.

With certain limited exceptions, the shares of Class B common stock are not transferable, assignable or saleable (except to the officers and directors and other persons or entities affiliated with the Sponsor and other permitted transferees, each of whom will be subject to the same transfer restrictions) until the earlier of (A) one year after the completion of the initial Business Combination or (B) subsequent to the initial Business Combination, (x) if the last sale price of the Class A common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial Business Combination, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the stockholders having the right to exchange their shares of common stock for cash, securities or other property.

On November 16, 2020, BOC Yellowstone LLC transferred to BOC Yellowstone II LLC 206,250 shares of Class B common stock for no consideration. All other shares of Class B common stock are owned by BOC Yellowstone LLC. BOC Yellowstone LLC sold to the lead investor in the Company's IPO a membership interest in BOC Yellowstone II LLC for a purchase price of \$309,375. Upon the completion of any Business Combination, BOC Yellowstone LLC has agreed to transfer the 206,250 shares of Class B common stock to this investor. Any Class B common stock ultimately distributed to the investor is subject to all restrictions imposed on the Sponsor, including but not limited to, waiver of redemption rights in connection with completion of any initial Business Combination and rights to liquidating distributions from the trust account if the Company fails to complete the initial Business Combination. Any shares held by such investor will be subject to the anti-dilution provisions for the Class B common stock and the impact thereof. BOC Yellowstone LLC is the sole managing member of BOC Yellowstone II LLC.

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock, with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of September 30, 2021, there were no shares of preferred stock issued or outstanding.

Note 7 — Fair Value Measurements

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

The Company's assets that are measured at fair value on a recurring basis at September 30, 2021 are comprised of \$138,742,756 of marketable U.S. treasury securities held in the Trust Account and \$13,648,074 of Public and Private Placement warrants issued in connection with our Initial Public Offering, all of which are classified as Level 1 within the fair value hierarchy and are measured using quoted prices in active markets for identical assets or liabilities. For the nine months ended September 30, 2021, the Company recognized a gain in the statement of operations resulting from a decrease in the fair value of the warrant liability of \$4,355,766 presented as change in fair value of warrant liability.

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

References to the “Company,” “Yellowstone Acquisition Co.,” “our,” “us” or “we” refer to Yellowstone Acquisition Company. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the unaudited financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Cautionary Note Regarding 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, and Section 21E of the Exchange Act. We have based these forward-looking statements on our current expectations and projections about future events. 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,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “continue,” or the negative of such terms or other similar expressions. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company’s Annual Report on Form 10-K as amended as filed with the Securities and Exchange Commission (the “SEC”) on May 24, 2021. The Company’s securities filings can be accessed on the EDGAR section of the SEC’s website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to us or persons acting on the Company’s behalf are qualified in their entirety by this paragraph.

Overview

We are a blank check company incorporated as a Delaware corporation and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We are an emerging growth company and, as such, we are subject to all of the risks associated with emerging growth companies. On August 2, we announced the entry into the Equity Purchase Agreement for the Proposed Business Combination.

Our Sponsor is BOC Yellowstone LLC, a Delaware limited liability company. The registration statement for our Initial Public Offering was declared effective on October 21, 2020. On October 26, 2020, we consummated our Initial Public Offering of 12,500,000 Units, at \$10.00 per Unit, generating gross proceeds of \$125.0 million, and incurring offering costs of approximately \$7.3 million (including \$6.9 million in underwriters' fees). The underwriters were granted a 45-day option from the date of the final prospectus to the Initial Public Offering to purchase up to 1,875,000 additional Units to cover over-allotments, if any, at \$10.00 per Unit. On December 1, 2020, the underwriters' over-allotment option was exercised resulting in the purchase of an additional 1,098,898 Units.

Simultaneously with the closing of the Initial Public Offering, we consummated the private placement of 7,500,000 Private Placement Warrants to our Sponsor, each exercisable to purchase one share of Class A common stock at \$11.50 per share, at a price of \$1.00 per Private Placement Warrant, generating gross proceeds to us of \$7.5 million. In connection with the partial exercise of the underwriter's over-allotment option, our Sponsor purchased an additional 219,779 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant, generating additional gross proceeds of \$219,779.

Upon the closing of the Initial Public Offering, \$127,500,000 (\$10.20 per Unit) of the net proceeds of the sale of the Units in the Initial Public Offering, including proceeds of the sale of the Private Placement Warrants, were placed in a Trust Account located in the United States at JP Morgan Chase Bank, N.A. with Continental Stock Transfer & Trust Company acting as trustee, and are invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or in any open-ended investment company that holds itself out as a money market fund meeting certain conditions of Rule 2a-7 of the Investment Company Act, as determined by us (or our management), until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds in the Trust Account to our stockholders, as described below. Upon the closing of the underwriter's over-allotment option, an additional \$11,208,760 in proceeds from the exercise of the over-allotment and the sale of the additional Private Placement Warrants were placed in the Trust Account, resulting in total funds held in the Trust Account of \$138,708,760.

Our management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination.

If we are unable to complete a Business Combination within 15 months from the closing of the Initial Public Offering, or January 25, 2022, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than 10 business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned (less up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders’ rights as stockholders (including the right to receive further liquidation distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and our board of directors, dissolve and liquidate, subject in each case to its obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

Results of Operations

For the nine months ended September 30, 2021, we had net income of \$2,800,617, which includes a gain of \$4,355,766 related to the change in the fair value of the warrant liability. Our business activities from inception to September 30, 2021 consisted primarily of our formation and completing our Public Offering, and since the offering, our activity has been limited to identifying and evaluating prospective acquisition targets for an Initial Business Combination. On August 2, 2021, we announced the entry into the Equity Purchase Agreement for the Proposed Business Combination.

Liquidity and Capital Resources

As of September 30, 2021, we held \$865,018 in our operating cash account.

Management believes that we will have sufficient working capital to meet our needs through January 25, 2022. Over this time period, we will be using these funds for paying existing accounts payable, and structuring, negotiating and consummating the Proposed Business Combination.

Related Party Transactions

In August 2020, our Sponsor acquired 5,750,000 founder shares for an aggregate purchase price of \$25,000. Prior to the initial investment in the company of \$25,000 by our Sponsor, we had no assets, tangible or intangible. The number of founder shares issued was determined based on the expectation that such founder shares would represent 20% of the outstanding shares upon completion of our initial public offering. The per share purchase price of the founder shares was determined by dividing the amount of cash contributed to us by an aggregate number of founder shares issued. Subsequently, we decreased the size of the offering and decreased the number of founder shares proportionally in the offering as to maintain the ownership of our initial stockholders at 20% of the issued and outstanding shares of our common stock upon the consummation of the offering. In connection with the underwriter's exercise of the over-allotment option on December 1, 2020, we decreased the number of founder shares to 3,399,724 shares, resulting in a purchase price of \$.00735 per share of Class B common stock. Our Sponsor intends to transfer certain founder shares to each of our independent director nominees, at their original purchase price.

On September 27, 2021, the Sponsor agreed to loan the Company an aggregate of up to \$1,000,000 to cover expenses related to the Proposed Business Combination pursuant to a promissory note (the "Note"). This loan bears interest at the Federal Short Term Rate published pursuant to Section 1274(d) of the Code, compounded annually. The loan is payable on the earlier of the date on which the Company consummates its initial business combination or the date that the Company's winding up is effective. The principal balance, together with all accrued interest thereon, may be prepaid at any time at the election of the Company. As of September 30, 2021, there was \$1,000,000 outstanding under the Note. At the option of the holder, the Note is convertible into Private Placement Warrants at a price of \$1.00 per warrant. The Sponsor may elect to convert all or any portion of the unpaid principal balance of the Note, together with all accrued and unpaid interest thereon, into that number of Conversion Warrants, each whole warrant exercisable for one ordinary share of the Company, equal to: (x) the portion of the principal amount of the Note, together with all accrued and unpaid interest thereon, being converted, divided by (y) \$1.50, rounded up to the nearest whole number of warrants. The Conversion Warrants shall be identical to the Private Placement Warrants issued by the Company to the Sponsor. In addition, in order to finance transaction costs in connection with an intended initial business combination, our Sponsor or an affiliate of our Sponsor or certain of our officers and directors may, but are not obligated to, loan us additional funds as may be required. If we complete our initial business combination, we would repay such loaned amounts. In the event that our initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. Up to \$1,500,000 of such loans (including the \$1,000,000 previously loaned on September 27, 2021) may be convertible into warrants, at a price of \$1.50 per warrant at the option of the lender. Such warrants would be identical to the private placement warrants, including as to exercise price, exercisability and exercise period. The terms of such loans by our officers and directors, if any, have not been determined and no written agreements exist with respect to such loans. We do not expect to seek loans from parties other than our Sponsor or an affiliate of our Sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our trust account.

Our Sponsor, officers, directors, advisors or any of their respective affiliates, will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf, including expenses related to our formation and initial public offering as well as identifying potential target businesses and performing due diligence on suitable business combinations, and any expenses incurred in negotiating and consummating any potential business combination. Additionally, our Sponsor, officers, directors, advisors, or our or their affiliates may receive a payment in connection with the successful completion of our initial business combination; however, any such payment would not be made from the proceeds of this offering held in the trust account and we currently do not have any arrangement or agreement with our Sponsor, officers, directors, advisors, or our or their affiliates, to do so. Our audit committee will review on a quarterly basis all payments that were made or are to be made to our Sponsor, officers, directors, or our or their affiliates and will determine which expenses and the amount of expenses that will be reimbursed. There is no cap or ceiling on the reimbursement of out-of-pocket expenses incurred by such persons in connection with activities on our behalf.

In connection with our initial public offering, our Sponsor purchased an aggregate of 7,500,000 private placement warrants at a price of \$1.00 per whole warrant (\$7,500,000 in the aggregate) in a private placement which closed simultaneously with the closing of the initial public offering. Each whole private placement warrant is exercisable for one whole share of our Class A common stock at \$11.50 per share. In addition, in connection with the exercise of the underwriter's overallotment option on December 1, 2020, we purchased private placement warrants at a price of \$1.00 per whole warrant to purchase an additional 219,779 shares of Class A common stock at a price of \$11.50 per share. Our Sponsor will be permitted to transfer the private placement warrants held by it to certain permitted transferees, including our officers, directors, and other permitted transferees and any such permitted transferees receiving such securities will be subject to the same agreements with respect to such securities as the Sponsor.

Pursuant to the registration rights agreement entered into with our initial stockholders prior to the closing of our initial public offering, we may be required to register certain securities for sale under the Securities Act. These holders, and holders of warrants issued upon conversion of Working Capital Loans, if any, are entitled under the registration rights agreement to make up to three demands that we register certain of our securities held by them for sale under the Securities Act and to have the securities covered thereby registered for resale pursuant to Rule 415 under the Securities Act. In addition, these holders have the right to include their securities in other registration statements filed by us. However, the registration rights agreement provides that we will not permit any registration statement

filed under the Securities Act to become effective until the securities covered thereby are released from their lock-up restrictions, as described herein. We will bear the costs and expenses of filing any such registration statements. See the section of this prospectus entitled "Certain Relationships and Related Party Transactions."

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and expenses during the periods reported. Actual results could materially differ from those estimates.

We have identified the following as our critical accounting policies:

Net (Loss) Income Per Common Share

Net (loss) income per share of common stock is computed by dividing net (loss) income by the weighted average number of common shares outstanding during the period. We apply the two-class method in calculating earnings per share. Accretion associated with the redeemable shares of Class A common stock is excluded from earnings per share as the redemption value approximates fair value.

As of September 30, 2021, we had outstanding warrants to purchase of up to 14,519,228 shares of Class A common stock. The weighted average of these shares was excluded from the calculation of diluted net income per share of common stock since the exercise of the warrants is contingent upon the occurrence of future events. As of September 30, 2021, we did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into shares of common stock and then share in our earnings. As a result, diluted net income per common share is the same as basic net income per common share for the period.

Redeemable Shares of Class A Common Stock

All of the 13,598,898 shares of Class A common stock sold as parts of the Units in the Public Offering contain a redemption feature. In accordance with the Accounting Standards Codification 480-10-S99-3A (“ASC 480”), “Classification and Measurement of Redeemable Securities”, redemption provisions not solely within the control of the Company require the security to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity’s equity instruments, are excluded from the provisions of ASC 480. The Company classifies all shares of Class A common stock as redeemable.

Warrants Liability

We account for the warrants in accordance with the guidance contained in Accounting Standards Codification 815 (“ASC 815”), “Derivatives and Hedging”, under which the warrants do not meet the criteria for equity treatment and must be recorded as derivative liabilities. Accordingly, we classify the warrants as liabilities at their fair value and adjust the warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until the warrants are exercised, and any change in fair value is recognized in our statement of operations. The fair value of the Private Placement Warrants and the Public Warrants issued in connection with the Public Offering have been measured based on the listed market price of such Warrants.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on our financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of September 30, 2021, we were not subject to any market or interest rate risk. The net proceeds of the Initial Public Offering, including amounts in the Trust Account, are invested in U.S. government securities with a maturity of 185 days or less or in money market funds that meet certain conditions under Rule 2a-7 under the Investment Company Act of 1940, as amended, that invest only in direct U.S. government treasury obligations. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk.

We have not engaged in any hedging activities since our inception and we do not expect to engage in any hedging activities with respect to the market risk to which we are exposed.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officers and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officers and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2021. Based upon this evaluation, our Chief Executive Officers and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures were not effective, as of September 30, 2021 because of the material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis. Specifically, the Company’s management has concluded that our control around the interpretation and accounting for certain complex features of the Class A common stock and Warrants issued by the Company was not effectively designed or maintained. This material weakness resulted in the restatement of the Company’s financial statements for the year ended December 31, 2020 and its balance sheet as of October 26, 2020. Additionally, this material weakness could result in a misstatement of the warrant liability, Class A common stock and related accounts and disclosures that would result in a material misstatement of the financial statements that would not be prevented or detected on a timely basis.

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Factors that could cause our actual results to differ materially from those in this Quarterly Report are any of the risks described in our Annual Report on Form 10-K, as amended by our filing of a Form 10-K/A on May 24, 2021. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

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

For a description of the use of the proceeds generated in our Initial Public Offering, see Part I, Item 2 of this Quarterly Report.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Exhibit Description</u> |
|--------------------|---|
| 1.1 (*) | Underwriting Agreement between the Company and Wells Fargo Securities LLC, as representative of the several underwriters, dated October 19, 2020, filed as Exhibit 1.1 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020. |
| 2.1 (*) | Equity Purchase Agreement dated August 1, 2021 |
| 3.1 (*) | Certificate of Incorporation, filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1, as amended, (File No. 333-249035) originally filed with the Commission on September 25, 2020. |
| 3.2 (*) | Amended and Restated Certificate of Incorporation, dated October 19, 2020, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020. |
| 3.3 (*) | Certificate of Correction of Amended and Restated Certificate of Incorporation, dated October 21, 2020, filed as Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020. |
| 3.4 (*) | Bylaws, filed as Exhibit 3.3 to the Company's Registration Statement on Form S-1, as amended, (File No. 333-249035) originally filed with the Commission on September 25, 2020. |
| 4.1 (*) | Specimen Unit Certificate, filed as Exhibit 4.1 to the Company's Registration Statement on Form S-1, as amended, (File No. 333-249035) originally filed with the Commission on September 25, 2020. |
| 4.2 (*) | Specimen Class A Common Stock Certificate, filed as Exhibit 4.2 to the Company's Registration Statement on Form S-1, as amended, (File No. 333-249035) originally filed with the Commission on September 25, 2020. |
| 4.3 (*) | Specimen Warrant Certificate, filed as Exhibit 4.3 to the Company's Registration Statement on Form S-1, as amended, (File No. 333-249035) originally filed with the Commission on September 25, 2020. |
| 4.4 (*) | Warrant Agreement between the Company and Continental Stock Transfer & Trust Company, as agent, dated October 21, 2020, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020. |
| 10.1 (*) | Promissory Note, dated August 31, 2020, issued to BOC Yellowstone LLC, filed as Exhibit 10.7 to the Company's Registration Statement on Form S-1, as amended, (File No. 333-249035) originally filed with the Commission on September 25, 2020. |
| 10.2 (*) | Securities Subscription Agreement, dated August 31, 2020, between Yellowstone Acquisition Company and BOC Yellowstone, LLC, filed as Exhibit 10.4 to the Company's Registration Statement on Form S-1, as amended, (File No. 333-249035) originally filed with the Commission on September 25, 2020. |
| 10.3 (*) | Sponsor Warrants Purchase Agreement, dated October 9, 2020, between Yellowstone Acquisition Company and BOC Yellowstone LLC, filed as Exhibit 10.5 to the Company's Registration Statement on Form S-1/A, as amended, (File No. 333-249035) filed with the Commission on October 9, 2020. |
| 10.4 (*) | Amended and Restated Securities Subscription Agreement, dated October 9, 2020, between Yellowstone Acquisition Company and BOC Yellowstone, LLC, filed as Exhibit 10.8 to the Company's Registration Statement on Form S-1/A, as amended, (File No. 333-249035) filed with the Commission on October 9, 2020. |
| 10.5 (*) | Amended and Restated Sponsor Warrants Purchase Agreement, dated October 17, 2020, between Yellowstone Acquisition Company and BOC Yellowstone, LLC, filed as Exhibit 10.9 to the Company's Registration Statement on Form S-1/A, as amended, (File No. 333-249035) filed with the Commission on October 19, 2020. |
| 10.6 (*) | Second Amended and Restated Sponsor Warrants Purchase Agreement between the Company and BOC Yellowstone LLC, dated October 21, 2020, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020. |
| 10.7 (*) | Second Amended and Restated Securities Subscription Agreement, dated October 21, 2020, between Yellowstone Acquisition Company and BOC Yellowstone LLC, filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020. |
| 10.8 (*) | Investment Management Trust Agreement, dated October 21, 2020, between the Company and Continental Stock Transfer & Trust Company, as trustee, filed as Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020. |
| 10.9 (*) | Registration Rights Agreement between the Company and BOC Yellowstone LLC, dated October 21, 2020, filed as Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020. |

- 10.10 (*) [Letter Agreement between the Company, BOC Yellowstone LLC and each of the officers and directors of the Company, dated October 21, 2020, filed as Exhibit 10.5 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020.](#)
- 10.11 (*) [Indemnity Agreement by and between the Company and Sydney Atkins, dated October 21, 2020, filed as Exhibit 10.6 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020.](#)
- 10.12 (*) [Indemnity Agreement by and between the Company and David Bronczek, dated October 21, 2020, filed as Exhibit 10.7 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020.](#)
- 10.13 (*) [Indemnity Agreement by and between the Company and Shanna Khan, dated October 21, 2020, filed as Exhibit 10.8 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020.](#)
- 10.14 (*) [Indemnity Agreement by and between the Company and Adam Peterson, dated October 21, 2020, filed as Exhibit 10.9 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020.](#)
- 10.15 (*) [Indemnity Agreement by and between the Company and Alex Rozek, dated October 21, 2020, filed as Exhibit 10.10 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020.](#)
- 10.16 (*) [Indemnity Agreement by and between the Company and Joshua Weisenburger, dated October 21, 2020, filed as Exhibit 10.11 to the Company's Current Report on Form 8-K, filed with the Commission on October 26, 2020.](#)
- 10.17 (*) [Sponsor Voting and Support Agreement dated August 1, 2021](#)
- 10.18 (#) [\\$1,000,000 Promissory Note dated September 27, 2021](#)
- 14.1 (*) [Code of Ethics, filed as Exhibit 14.1 to the Company's Annual Report on Form 10-K, filed with the Commission on March 12, 2021.](#)
- 31.1 (#) [Certification of Co-Chief Executive Officer required by Rule 13a-14\(a\) or Rule 15d-14\(a\).](#)
- 31.2 (#) [Certification of Co-Chief Executive Officer required by Rule 13a-14\(a\) or Rule 15d-14\(a\).](#)
- 31.3 (#) [Certification of the Chief Financial Officer required by Rule 13a-14\(a\) or Rule 15d-14\(a\).](#)
- 32.1 (#)(##) [Certification of the Co-Chief Executive Officer required by Rule 13a-14\(b\) or Rule 15d-14\(b\) and 18 U.S.C. 1350.](#)
- 32.2 (#)(##) [Certification of the Co-Chief Executive Officer required by Rule 13a-14\(b\) or Rule 15d-14\(b\) and 18 U.S.C. 1350.](#)
- 32.3 (#)(##) [Certification of the Chief Financial Officer required by Rule 13a-14\(b\) or Rule 15d-14\(b\) and 18 U.S.C. 1350.](#)
- 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, 32.2, and 32.3 that accompany this Report, are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Yellowstone Acquisition Company 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.

YELLOWSTONE ACQUISITION COMPANY (Registrant)

By: /s/ Alex B. Rozek
Alex B. Rozek
Co-President (Principal Executive Officer)

November 5, 2021

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

November 5, 2021

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

November 5, 2021

THIS PROMISSORY NOTE (“NOTE”) HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF REGISTRATION OF THE RESALE THEREOF UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY IN FORM, SCOPE AND SUBSTANCE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

PROMISSORY NOTE

Principal Amount: Up to \$1,000,000.00

Yellowstone Acquisition Company, a Delaware corporation (“**Maker**”), promises to pay to the order of BOC Yellowstone LLC, a Delaware limited liability company, or its registered assigns or successors in interest or order (“**Payee**”), the principal sum of up to One Million Dollars (\$1,000,000.00), together with all accrued interest thereon, in lawful money of the United States of America, on the terms and conditions described below. All payments on this Note (unless the full principal amount, together with all accrued interest thereon, is converted pursuant to Section 15 below) shall be made by check or wire transfer of immediately available funds to such account as Payee may from time to time designate by written notice in accordance with the provisions of this Note.

1. Payment. All payments of interest and principal provided for in this Note shall be payable on the earliest to occur of (i) the date on which Maker consummates its initial business combination and (ii) the date that the winding up of Maker is effective (such date, the “**Maturity Date**”). The principal balance, together with all accrued interest thereon, may be prepaid at any time, at the election of Maker.

2. Interest. The outstanding principal amount hereunder shall bear interest at a rate per annum equal to the Applicable Federal Rate from the date of this Note through such date as it is paid in full. As used herein, “Applicable Federal Rate” means a rate of interest equal to the Federal Short Term Rate published pursuant to Section 1274(d) of the Code, compounded annually. Interest will only be payable upon demand. In no event shall interest exceed the maximum legal rate permitted by law. All computations of interest shall be made on the basis of 365 or 366 days, as the case may be, and the actual number of days elapsed. Interest shall accrue beginning on the date hereof, and shall not accrue on the date the amount under this Note is paid.

3. Drawdown Requests. Payee, in its sole and absolute discretion, may fund the principal amount of up to One Million Dollars (\$1,000,000.00) for costs reasonably related to Maker’s consummation of an initial business combination as contemplated by its initial public offering prospectus (the “initial business combination”). The principal of this Note may be drawn down from time to time until the date on which Maker consummates its initial business combination, upon written request from Maker to Payee (each, a “**Drawdown Request**”). Each Drawdown Request must state the amount to be drawn down, and must be in multiples of not less than Ten Thousand Dollars (\$10,000) unless agreed upon by Maker and Payee. Payee, in its sole discretion, shall fund each Drawdown Request no later than five (5) business days after receipt of a Drawdown Request; provided, however, that the maximum principal amount of drawdowns collectively under this Note shall not exceed One Million Dollars (\$1,000,000.00). Once an amount is drawn down under this Note, it shall not be available for future Drawdown Requests even if prepaid. Except as set forth herein, no fees, payments or other amounts shall be due to Payee in connection with, or as a result of, any Drawdown Request by Maker.

4. Application of Payments. All payments of interest and principal received by Payee pursuant to this Note shall be applied first to the payment in full of any costs incurred in the collection of any sum due under this Note, including (without limitation) reasonable attorney's fees, and then to the reduction of the unpaid principal balance of this Note.

5. Events of Default. The following shall constitute an event of default ("**Event of Default**"):

(a) Failure to Make Required Payments. Failure by Maker to pay when due any amount of the unpaid principal balance or accrued and unpaid interest thereon owing under this Note within five (5) business days of the Maturity Date.

(b) Voluntary Bankruptcy, etc. The commencement by Maker of a voluntary case under any applicable bankruptcy, insolvency, reorganization, rehabilitation or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Maker or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of Maker generally to pay its debts as such debts become due, or the taking of corporate action by Maker in furtherance of any of the foregoing.

(c) Involuntary Bankruptcy, Etc. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Maker in an involuntary case under any applicable bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Maker or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

6. Remedies.

(a) Upon the occurrence of an Event of Default specified in Section 5(a) hereof, Payee may, by written notice to Maker, declare this Note to be due immediately and payable, whereupon the unpaid principal amount of this Note and all other amounts payable hereunder (including accrued and unpaid interest), shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the documents evidencing the same to the contrary notwithstanding.

(b) Upon the occurrence of an Event of Default specified in Sections 5(b) and 5(c) hereof, the unpaid principal balance of this Note and all other amounts payable hereunder (including accrued and unpaid interest thereon), shall automatically and immediately become due and payable, in all cases without any action on the part of Payee.

7. Waivers. Maker and all endorsers and guarantors of, and sureties for, this Note waive presentment for payment, demand, notice of dishonor, protest, and notice of protest with regard to this Note, all errors, defects and imperfections in any proceedings instituted by Payee under the terms of this Note, and all benefits that might accrue to Maker by virtue of any present or future laws exempting any property, real or personal, or any part of the proceeds arising from any sale of any such property, from attachment, levy or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment; and Maker agrees that any real or personal property that may be levied upon pursuant to a judgment obtained by virtue hereof, on any writ of execution issued hereon, may be sold upon any such writ in whole or in part in any order desired by Payee.

8. Unconditional Liability. Maker hereby waives all notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note, and agrees that its liability shall be unconditional, without regard to the liability of any other party, and shall not be affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Payee, and consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Payee with respect to the payment or other provisions of this Note, and agrees that additional makers, endorsers, guarantors, or sureties may become parties hereto without notice to Maker or affecting Maker's liability hereunder.

9. Notices. All notices, statements or other documents which are required or contemplated by this Note shall be: (i) in writing and delivered personally or sent by first class registered or certified mail, overnight courier service or facsimile or electronic transmission to the address designated in writing, (ii) by facsimile to the number most recently provided to such party or such other address or fax number as may be designated in writing by such party and (iii) by electronic mail, to the electronic mail address most recently provided to such party or such other electronic mail address as may be designated in writing by such party. Any notice or other communication so transmitted shall be deemed to have been given on the day of delivery, if delivered personally, on the business day following receipt of written confirmation, if sent by facsimile or electronic transmission, one (1) business day after delivery to an overnight courier service or five (5) days after mailing if sent by mail.

10. Construction. THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF DELAWARE, WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS THEREOF.

11. Severability. Any provision contained in this Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Trust Waiver. Notwithstanding anything herein to the contrary, Payee hereby waives any claim in or to any distribution of or from the trust account (the "**Trust Account**") established in connection with Maker's initial public offering (the "**IPO**") or any distributions to its public stockholders therefrom, and hereby agrees not to seek recourse, reimbursement, payment or satisfaction for any claim against the Trust Account or any distributions to its public stockholders therefrom for any reason whatsoever; provided, however, that upon the consummation of the initial business combination, Maker shall repay the principal balance of this Note, together with all accrued and unpaid interest thereon, first using the proceeds released to Maker from the Trust Account and not distributed to its public stockholders.

13. Amendment; Waiver. Any amendment hereto or waiver of any provision hereof may be made with, and only with, the written consent of Maker and Payee.

14. Assignment. No assignment or transfer of this Note or any rights or obligations hereunder may be made by any party hereto (by operation of law or otherwise) without the prior written consent of the other party hereto and any attempted assignment without the required consent shall be void; *provided*, however, that the foregoing shall not apply to an affiliate of Payee who agrees to be bound to the terms of this Note.

15. Conversion.

(a) Notwithstanding anything contained in this Note to the contrary, at Payee's option, at any time prior to payment in full of principal amount under this Note, together with all accrued interest thereon, Payee may elect to convert all or any portion of the unpaid principal balance of this Note, together with all accrued and unpaid interest thereon, into that number of warrants, each whole warrant exercisable for one ordinary share of the Maker (the "**Conversion Warrants**"), equal to: (x) the portion of the principal amount of this Note, together with all accrued and unpaid interest thereon, being converted pursuant to this Section 15, divided by (y) \$1.50, rounded up to the nearest whole number of warrants. The Conversion Warrants shall be identical to the warrants issued by the Maker to the Payee in a private placement upon consummation of the Maker's initial public offering. The Conversion Warrants and the ordinary shares issuable upon the exercise of the Conversion Warrants, and any other equity security of Maker issued or issuable with respect to the foregoing by way of a share dividend or share split or in connection with a combination of shares, recapitalization, amalgamation, consolidation or reorganization, shall be entitled to the registration rights set forth in Section 16 hereof.

(b) Upon any complete or partial conversion of the principal amount of this Note, together with accrued by unpaid interest thereon, (i) such owed amount shall be so converted and such converted portion of this Note shall become fully paid and satisfied, (ii) Payee shall surrender and deliver this Note, duly endorsed, to Maker or such other address which Maker shall designate against delivery of the Conversion Warrants, (iii) Maker shall promptly deliver a new duly executed Note to Payee in the principal amount, together with all accrued and unpaid interest thereon, that remains outstanding, if any, after any such conversion and (iv) in exchange for all or any portion of the surrendered Note, Maker shall, at the direction of Payee, deliver to Payee (or its members or their respective affiliates) (Payee or such other persons, the "**Holders**") the Conversion Warrants, which shall bear such legends as are required, in the opinion of counsel to Maker or by any other agreement between Maker and Payee and applicable state and federal securities laws.

(c) The Holders shall pay any and all issue and other taxes that may be payable with respect to any issue or delivery of the Conversion Warrants upon conversion of this Note pursuant hereto; provided, however, that the Holders shall not be obligated to pay any transfer taxes resulting from any transfer requested by the Holders in connection with any such conversion.

(d) The Conversion Warrants shall not be issued upon conversion of this Note unless such issuance and such conversion comply with all applicable provisions of law.

16. Registration Rights.

(a) Reference is made to that certain Registration Rights Agreement between Maker and the parties thereto, dated as of October 21, 2020 (the “**Registration Rights Agreement**”). All capitalized terms used in this Section 16 shall have the same meanings ascribed to them in the Registration Rights Agreement.

(b) The Holders shall be entitled to one Demand Registration, which shall be subject to the same provisions as set forth in Section 2.1 of the Registration Rights Agreement.

(c) The Holders shall also be entitled to include the Conversion Warrants and the ordinary shares issuable upon the exercise of the Conversion Warrants in Piggyback Registrations, which shall be subject to the same provisions as set forth in Section 2.2 of the Registration Rights Agreement; provided, however, that in the event that an underwriter advises Maker that the Maximum Number of Securities has been exceeded with respect to a Piggyback Registration, the Holders shall not have any priority for inclusion in such Piggyback Registration.

(d) Except as set forth above, the Holders and Maker, as applicable, shall have all of the same rights, duties and obligations set forth in the Registration Rights Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, Maker, intending to be legally bound hereby, has caused this Note to be duly executed by the undersigned as of the day and year first above written.

YELLOWSTONE ACQUISITION COMPANY

By: /s/ Joshua P. Weisenburger

Name: Joshua P. Weisenburger

Title: Chief Financial Officer

[Signature Page to Promissory Note]

CERTIFICATIONS

I, Alex B. Rozek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Yellowstone Acquisition Company;
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 is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [omitted];
 - (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: November 5, 2021

/s/ Alex B. Rozek

Alex B. Rozek, Co-Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Adam K. Peterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Yellowstone Acquisition Company;
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 is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [omitted];
 - (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: November 5, 2021

/s/ Adam K. Peterson

Adam K. Peterson, Co-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 Yellowstone Acquisition Company;
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 is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [omitted];
 - (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: November 5, 2021

/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 Yellowstone Acquisition Company (the "Company") on Form 10-Q for the three months ended September 30, 2021 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.

Dated: November 5, 2021

/s/ Alex B. Rozek

Alex B. Rozek, Co-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 Yellowstone Acquisition Company (the “Company”) on Form 10-Q for the three months ended September 30, 2021 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.

Dated: November 5, 2021

/s/ Adam K. Peterson

Adam K. Peterson, Co-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 Yellowstone Acquisition Company (the “Company”) on Form 10-Q for the three months ended September 30, 2021 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.

Dated: November 5, 2021

/s/ Joshua P. Weisenburger

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