

Brightline Trains Florida LLC

Financial Statements



as of December 31, 2024 and 2023

and for the Years then Ended

BRIGHTLINE TRAINS FLORIDA LLC
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Report of Independent Auditors

The Board of Directors and Management
Florida Investment Holdings LLC

Opinion

We have audited the financial statements of Brightline Trains Florida LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and comprehensive loss, changes in member's equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not



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a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Ernst + Young LLP

April 30, 2025

BRIGHTLINE TRAINS FLORIDA LLC
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Dollars in thousands)

	Year Ended	
	December 31,	
	2024	2023
Revenue		
Passenger and ancillary.....	\$ 172,873	\$ 76,340
Other	15,068	11,322
Total revenue	<u>187,941</u>	<u>87,662</u>
Operating expenses:		
Labor	39,110	28,732
Maintenance of way	32,467	13,979
Maintenance of equipment	14,859	11,050
Fuel	14,027	7,806
Facilities and other operating expenses	56,754	43,793
Depreciation and amortization expense	125,488	70,693
Train operating expenses	<u>282,705</u>	<u>176,053</u>
Train operating loss	(94,764)	(88,391)
Corporate, general and administrative	58,672	48,871
Expansion	43	19,520
Operating loss	<u>(153,479)</u>	<u>(156,782)</u>
Other (income) expenses:		
Interest, net.....	177,892	143,667
Other	(1,219)	6,109
Loss on extinguishment of debt	218,564	122
Total other expense	<u>395,237</u>	<u>149,898</u>
Net loss and comprehensive loss	<u>\$ (548,716)</u>	<u>\$ (306,680)</u>

The accompanying notes are an integral part of these financial statements.

BRIGHTLINE TRAINS FLORIDA LLC

BALANCE SHEETS

(Dollars in thousands)

	December 31,	
	2024	2023
Assets		
Current assets		
Cash and cash equivalents.....	\$ 718	\$ -
Restricted cash.....	115,621	22,631
Other current assets.....	129,335	93,774
Total current assets.....	245,674	116,405
Properties, equipment, and investment in rail, net.....	4,677,514	4,756,756
Intangible assets, net.....	224,804	225,026
Restricted cash.....	172,179	31,110
Other assets.....	200,291	210,425
Right-of-use assets - operating leases.....	201,698	207,019
Right-of-use assets - finance leases.....	68,018	2,842
Total assets.....	\$ 5,790,178	\$ 5,549,583
Liabilities and member's equity		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses.....	\$ 116,434	\$ 321,834
Current portion of long-term debt, net.....	-	733,541
Accrued interest.....	57,972	122,737
Other current liabilities.....	79,623	9,431
Current portion of lease liabilities - operating leases.....	6,205	5,362
Current portion of lease liabilities - finance leases.....	5,397	581
Total current liabilities.....	265,631	1,193,486
Long-term debt, net.....	2,184,414	2,889,850
Other liabilities.....	673,438	655,918
Lease liabilities - operating leases, net of current portion.....	198,380	204,053
Lease liabilities - financing leases, net of current portion.....	55,709	1,886
Total liabilities.....	3,377,572	4,945,193
Commitments and contingencies		
Member's equity		
Member's equity.....	2,412,606	604,390
Total member's equity.....	2,412,606	604,390
Total liabilities and member's equity.....	\$ 5,790,178	\$ 5,549,583

The accompanying notes are an integral part of these financial statements.

BRIGHTLINE TRAINS FLORIDA LLC
STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Year Ended December 31,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (548,716)	\$ (306,680)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	125,488	70,693
Amortization of deferred financing costs and discount on bonds	7,307	11,644
Non-cash adjustment related to leases	(2,583)	1,851
Non-cash paid-in-kind interest expense, net	7,316	-
Loss on extinguishment of debt	218,564	122
Impairment of long-lived assets	669	5,218
Other	(1,007)	-
Changes in assets and liabilities:		
Increase in other current assets and other assets	(7,214)	(21,109)
Increase in accounts payable and other current liabilities	3,354	157,453
Net cash used in operating activities	(196,822)	(80,808)
Cash flows from investing activities:		
Purchases of property and equipment, investment in rail and intangible assets.....	(258,756)	(489,501)
Grant payments received from municipalities	6,432	19,982
Net cash used in investing activities	(252,324)	(469,519)
Cash flows from financing activities:		
Proceeds from borrowings	2,574,997	448,832
Repayment of borrowings	(4,129,510)	(75,374)
Payment of deferred financing costs	(116,631)	(3,487)
Repayment of insurance note payable	(1,284)	-
Equity contributions, net	2,356,932	20,124
Payments on finance lease	(581)	(21,567)
Net cash provided by financing activities	683,923	368,528
Net increase (decrease) in cash, cash equivalents, and restricted cash	234,777	(181,799)
Cash, cash equivalents, and restricted cash at beginning of period	53,741	235,540
Cash, cash equivalents and restricted cash at end of period	\$ 288,518	\$ 53,741
 Supplemental disclosure of cash flow information:		
Cash paid for interest, exclusive of \$2.1 million and \$137.8 million capitalized for the years ended December 31, 2024 and 2023, respectively.....	\$ 233,007	\$ 122,925
 Supplemental disclosure of non-cash investing and financing activities:		
Change in capitalized expenditures financed by accounts payable and accrued expenses.....	\$ (199,493)	\$ 48,914
Deposits from Transit Authority applied to sale of Exclusive Assets (see Note 4).....	\$ -	\$ 44,004
 Reconciliation of cash, cash equivalents and restricted cash reported within the accompanying consolidated balance sheets:		
Cash and cash equivalents	\$ 718	\$ -
Restricted cash	287,800	53,741
Total cash, cash equivalents and restricted cash	\$ 288,518	\$ 53,741

The accompanying notes are an integral part of these financial statements.

BRIGHTLINE TRAINS FLORIDA LLC
 STATEMENTS OF CHANGES IN MEMBER'S EQUITY
 (Dollars in thousands)

	Member's Equity
Balance at December 31, 2022	\$ 893,286
Net loss.....	(306,680)
Investment from member, net.....	17,784
Balance at December 31, 2023	604,390
Net loss.....	(548,716)
Investment from member, net.....	2,356,932
Balance at December 31, 2024	\$ 2,412,606

The accompanying notes are an integral part of these financial statements.

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 1. Business and Basis of Presentation

Business

Brightline Trains Florida LLC, referred to as the “Company,” “we,” “us” and “our” throughout these notes to the accompanying financial statements, are in the business of owning and operating an express passenger rail system connecting major population centers in Florida, with plans to expand operations further in Florida.

Our indirect parent company, Brightline Holdings LLC (“Brightline Holdings”), is a subsidiary of Florida Investment Holdings LLC (“FIH” or our “Parent”). The Parent owns approximately 95% of Brightline Holdings’ membership units, while the remaining 5% is owned by a third-party minority investor and employees of Brightline Holdings (based on issued and/or vested membership units as of December 31, 2024). Control and allocation of income and losses of Brightline Holdings are proportional to the membership units owned.

We built and own or control our entire 235-mile rail system, including our track and systems, land, trains, stations and maintenance facilities. We operate in Florida between Miami and Orlando with stations located in the heart of downtown cities and major transit hubs in Miami, Fort Lauderdale, West Palm Beach and Orlando. We commenced service to and from Miami and West Palm Beach in May 2018. Additionally, in December 2022, we opened in-line stations in Boca Raton and Aventura. The portion of the passenger rail system running between Miami and West Palm Beach is referred to as the “South Segment.” On September 22, 2023, we commenced revenue service on our Florida passenger rail system to Orlando International Airport. The portion of the passenger rail system that runs between West Palm Beach and Orlando is referred to as the “North Segment.”

In March 2024, we announced plans to build new in-line stations in Martin County and Brevard County. In collaboration with the local business community and government partners, our affiliate, Brightline Tampa LLC (“Brightline Tampa”), is developing a portion of the system consisting of all stops west of the Orlando International Airport. Currently there are two planned intermediate stops expected to serve the Orange County Convention Center and the major theme parks in Central Florida, and a planned stop in the Tampa area.

We manage our operations as a single operating segment for the purposes of assessing performance and making operating decisions. All of our revenue is earned in, and our assets are maintained in, the United States of America.

Basis of Presentation

The accompanying financial statements have been prepared on a stand-alone basis in accordance with Generally Accepted Accounting Principles in the United States (“GAAP”). The accompanying financial statements have been prepared on a going concern basis. The Company applies Auditing Standards Update (“ASU”) 2018-17, *Targeted Improvements to Related Party Guidance for Variable Interest Entities*, to common control arrangements.

Certain arrangements with our Parent

FIH and its subsidiary Florida East Coast Industries, LLC (“FECI”) historically provided us with certain corporate services and costs associated with those functions were allocated to us. Those allocations were necessary to reflect all of the costs of doing business derived from activities related to corporate development, finance and accounting, legal, information technology, human resources, treasury, and other services, as well as an allocation of

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

share-based compensation attributable to FIH employees providing services to us. Such costs were allocated to us on the basis of direct usage when identifiable, with the remainder allocated on the basis of headcount. As of December 31, 2024 and 2023, we have capitalized on a cumulative basis \$30.3 million and \$28.7 million, respectively, of the allocations that were directly related to capitalizable activities for the construction of assets and recorded the amounts in Properties, equipment and investment in rail, net in the accompanying balance sheets. We believe the basis on which such costs were allocated is a reasonable reflection of the utilization of services provided to, or the benefit received by the Company for the applicable periods presented. The allocations may not reflect expenses we would have incurred as a stand-alone company for the applicable periods presented. Actual costs that may have been incurred if we had been a stand-alone company would depend on a number of factors, including the chosen organization structure, what functions were outsourced or performed by employees, and other strategic decisions.

Note 2. Summary of Significant Accounting Policies

Use of Accounting Estimates

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. We review and evaluate our assumptions and estimates on an on-going basis. Changes in estimates are recorded in the period in which they become known. Actual results may materially differ from the reported amounts under different assumptions and estimates.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents in the accompanying balance sheets is comprised of cash held in bank accounts of the Company. We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted cash consists primarily of deposits held at major financial institutions to meet certain obligations directly related to the construction, development and operation of the North and South Segments, pre-funded interest for our senior loan agreements, and escrow funds mainly for the payment of interest. See Note 3 to these financial statements for more information.

The following table summarizes our cash and cash equivalents and restricted cash balances as of December 31, 2024 and 2023 (dollars in thousands):

	December 31,	
	2024	2023
Cash and cash equivalents.....	\$ 718	\$ -
Restricted cash (current).....	115,621	22,631
Restricted cash (noncurrent).....	172,179	31,110
	\$ 288,518	\$ 53,741

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

With regards to cash management, cash is managed centrally through bank accounts controlled by us or our Parent. Transfers of cash both to and from our Parent, which are not trade or operating items expected to be settled in the near term are reflected within our member's equity line in the accompanying balance sheets.

Fair Value Disclosures of Financial Instruments

We account for financial instruments at fair value or the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

Assets and liabilities that are recorded at fair value are classified and disclosed in one of the following three categories:

- Level 1 — Quoted prices for identical instruments in active markets;
- Level 2 — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations, in which all significant inputs are observable in active markets; or
- Level 3 — Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The classification of assets and liabilities in the fair value hierarchy is based upon the lowest level input that is significant to the fair value measurement in its entirety.

Restricted cash is carried at historical cost, which approximates fair value, determined in accordance with a Level 1 fair value measurement.

There were no changes to the Company's valuation methodology and the Company is not aware of any events or circumstances that would have a significant adverse effect on the carrying value of its assets and liabilities measured at fair value as of December 31, 2024 or 2023. There were no transfers of assets or liabilities between the fair value hierarchy levels during the years ended December 31, 2024 and 2023.

Properties, Equipment and Investment in Rail, Net

Properties, equipment and investment in rail, net is stated at acquisition cost and includes construction in progress, land and land improvements, buildings and building improvements, rail infrastructure, investment in rail, rolling stock and other assets. Investment in rail consists of rail assets and other costs related to the rehabilitation and improvement of existing Florida East Coast Railway ("FECR") track infrastructure. Rail infrastructure consists of rail assets, equipment, construction, installation and other rail related capital improvements necessary to build the passenger rail systems. We capitalize the cost of major additions and improvements and expense the cost for maintenance and repairs that do not extend the life of the asset by greater than one year. Construction in progress is comprised of costs and interest related to projects under development that are not yet completed. Depreciation expense is presented entirely within the Depreciation and amortization expense line item in our statements of operations and comprehensive loss and begins in the period in which the asset is placed into service.

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

Depreciation is computed using the straight-line method over the estimated lives of the assets, as follows:

	Useful Life (Years)
Buildings and building improvements.....	15-39
Rail infrastructure.....	30-80
Bridge infrastructure.....	80
Investment in rail.....	45
Rolling stock.....	35
Furniture and fixtures.....	3-7
Machinery and equipment and replacement parts.....	3-35
Computer hardware and software.....	2-5

Cost Capitalization

Capitalized costs relate to the construction of buildings, building improvements, and other infrastructure for our stations and office space, as well as investment in rail and rolling stock. Capitalization of costs ceases when an asset is substantially complete or no longer undergoing activities to prepare it for its intended use.

The interest costs associated with qualified expenditures for assets under construction are capitalized and included in the cost of the asset. Interest capitalization ceases once an asset is substantially complete or no longer undergoing activities to prepare it for its intended use. When no debt is incurred specifically for a project, interest is capitalized on amounts expended on the project using the weighted-average cost of our outstanding borrowings. Total capitalized interest costs approximated \$1.8 million and \$161.1 million for the years ended December 31, 2024 and 2023, respectively.

Intangible Assets

We have indefinite-lived and definite-lived intangible assets. Our indefinite-lived intangible asset is comprised of our right-of-way for passenger rail service from Miami to Cocoa, Florida. Our definite-lived intangible assets include right-of-way access rights from third parties obtained in connection with our passenger rail service in Florida (see Note 6 for additional information). Amortization is computed using the straight-line method over the estimated useful lives of the intangible assets. We evaluate the useful lives of our intangible assets with definite lives at each reporting period. Definite-lived intangible assets are stated at cost less accumulated amortization.

Acquisition Costs

Acquisitions are accounted for using the purchase method of accounting. The initial purchase price of net tangible and identifiable intangible assets acquired and liabilities assumed is based on relative fair values at the acquisition date. We capitalize the qualifying acquisition costs of asset purchases.

Impairment

We perform an impairment review of our intangible asset with an indefinite-life annually as of April 1, or more frequently if events or circumstances indicate the carrying value may be impaired. Our indefinite-lived intangible

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

asset is assessed for impairment by initially performing a qualitative assessment before performing quantitative impairment testing to determine whether it is more likely than not the asset has been impaired. If it is more likely than not that our definite lived intangible asset is impaired, we would then perform a quantitative test to determine whether the asset is impaired.

When a quantitative impairment analysis is required, we determine the fair value of the intangible assets with an indefinite life based upon expected discounted future cash flows, third-party appraisals and other inputs. Inherent in our fair value determinations are certain judgments and estimates, including projections of future cash flows, the discount rate reflecting the risk inherent in future cash flows, the interpretation of current economic indicators and market valuations and our strategic plans related to passenger rail service operations. A change in these underlying assumptions could cause a change in the results of the impairment tests and the estimated fair values of the assets. An impairment loss generally is recognized if and when the carrying value of the net asset exceeds its estimated fair value. Any excess of the carrying of the carrying amount of the intangible asset over its fair value is recognized as an impairment loss.

We review the carrying value of our properties and equipment, investment in rail, and definite-lived intangible assets for impairment whenever events or changes in circumstances indicate the carrying value of an asset or asset grouping may not be recoverable. Recoverability is measured by comparing the carrying value of an asset, or group of assets, to the estimated future undiscounted cash flows expected to be generated by the asset or group of assets. If these comparisons indicate that the carrying value of the asset or group of assets is not recoverable, an impairment loss is recognized for the amount by which the carrying value of the asset exceeds its estimated fair value.

Equity Method Investment

We hold a 50% interest in Florida DispatchCo LLC (“DispatchCo”), which is accounted for pursuant to the equity method of accounting as we can exercise significant influence, but not control, over DispatchCo. This investment is recorded at its initial cost and adjusted for capital contributions made, dividends received and our proportionate share of DispatchCo’s earnings or losses. This investment is reported as a component of Other assets in the accompanying balance sheets and amounted to approximately \$2.3 million and \$2.2 million as of December 31, 2024 and 2023, respectively. Equity in earnings for the periods presented were not significant.

Deferred Financing Costs

Deferred financing costs are directly attributable to issuing debt and recorded as a direct deduction from the carrying value of the associated indebtedness in the accompanying balance sheets. We amortize these costs to interest expense in the accompanying statements of operations and comprehensive loss over the term of the related indebtedness using the effective interest method.

Deferred financing costs are presented as an asset within Other assets in the accompanying balance sheets until the associated indebtedness is issued. If, and at the time it is probable the associated debt instrument will not be issued, any deferred financing costs are written-off to Other (income) expenses in the accompanying statements of operations and comprehensive loss.

Total unamortized deferred financing costs related to debt approximated \$103.5 million and \$43.9 million as of December 31, 2024 and 2023, respectively. We classified approximately \$103.5 million and \$42.9 million, net of

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

accumulated amortization, of the total balance as a direct deduction from the carrying value of total debt (long-term and current portion) in the accompanying balance sheets as of December 31, 2024 and 2023, respectively. Deferred financing costs of nil and \$1.0 million related to debt that had not yet been issued is reported in Other assets in the accompanying balance sheets as of December 31, 2024 and 2023, respectively.

Government Assistance

We account for grants received from governmental entities in connection with the construction of our train stations as deferred revenue when cash is received. At December 31, 2024 and 2023, \$75.6 million and \$71.3 million, respectively, are included in Other liabilities in the accompanying balance sheets. We amortize deferred amounts to revenue over the estimated useful lives of our stations upon the start of station revenue operations. The Company has recognized in Other revenue \$2.1 million and \$1.7 million for the years ended December 31, 2024 and 2023, respectively.

Contingencies

Contingent obligations are accrued when a liability is both probable and the amount is reasonably estimable. Contingent obligations are primarily the result of claims, assessments and lawsuits resulting from our operations. We review and evaluate the facts and circumstances to determine whether a liability is both probable and reasonably estimable and, based on that assessment, recognize the estimated liability in our financial statements. In determining the measurement and appropriateness of contingent obligations, we use assumptions and estimates and, in certain circumstances, may consider the professional judgment obtained from independent third parties and outside counsel to assist in evaluating the facts and circumstances. Adjustments to contingency reserves are recognized in the financial statements as facts concerning contingencies become known. Actual resolution results may differ from the reported amounts of these contingencies.

Revenue Recognition

The Company records revenue in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). The core principle of ASC 606 is an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount reflecting the consideration to which the entity expects to be entitled to in exchange for those goods or services. We recognize all revenue related to contracts with customers in accordance with ASC 606.

Passenger and ancillary revenue in the accompanying statements of operations and comprehensive loss includes revenue related to the sale of passenger tickets, food and beverage, baggage, merchandise, parking and other on-board and in-station products, and is presented exclusive of sales taxes. These revenues are recognized when we satisfy the related performance obligations as the services are performed or goods are sold. Amounts received in advance for passenger tickets are deferred in Other current liabilities in the accompanying balance sheets until the ticket is used or expires unused. Customer incentives, which are primarily promotional pricing and discounts offered to passengers, are recorded as a reduction to passenger and ancillary revenue, as applicable.

Other revenue consists of revenue generated from grants, advertising and sponsorship activities, affiliate revenue (see Note 12), as well as third-party rentals of space at our stations and parking garages (rental revenue). In general, other revenues are recognized when: (i) services are performed; or (ii) contractual obligations are met. Rental

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

revenue is recognized on a straight-line basis over the contractual term of the lease arrangement. Other revenues received in advance, are contract liabilities which are deferred in Other liabilities in the accompanying balance sheets and recognized ratably over the contract period or period of benefit of each respective agreement.

The following table disaggregates our revenue by major type of activity for the years ended December 31, 2024 and 2023 (dollars in thousands):

	Year Ended	
	December 31,	
	<u>2024</u>	<u>2023</u>
Passenger ticket revenue.....	\$ 152,486	\$ 65,117
Passenger food and beverage revenue.....	12,495	5,917
Ancillary passenger revenue.....	<u>7,892</u>	<u>5,306</u>
Passenger and ancillary revenue.....	172,873	76,340
Affiliate revenue (see Note 12).....	6,977	6,920
Sponsorship and advertising revenue.....	5,583	2,608
Grant income.....	2,051	1,650
Other service income.....	<u>457</u>	<u>144</u>
Other revenue.....	<u>15,068</u>	<u>11,322</u>
Total revenue.....	<u>\$ 187,941</u>	<u>\$ 87,662</u>

There have been no impairment losses recognized on any receivables or contract assets arising from contracts with customers during the periods presented herein.

Consideration Received from Vendors

We receive funds from certain vendors in the normal course of business, principally as a result of purchase volumes, sales or promotions of vendors’ products. Generally, these vendor funds do not represent the reimbursement of specific, incremental and identifiable costs incurred to sell the vendors’ product. Therefore, these funds are treated as a reduction in the cost of inventory (included in “Other current assets”) as the amounts are accrued and recognized as a reduction of cost of sales (included in “Facilities and other operating expenses”) when the inventory is sold. Funds from vendors that are determined to be reimbursements of specific, incremental and identifiable costs incurred related to vendors’ products are recorded as an offset to the related expense.

Advertising

Advertising costs are charged to expense as incurred and are approximately \$8.2 million and \$9.9 million for the years ended December 31, 2024 and 2023, respectively. These costs are included within Facilities and other operating expenses in our accompanying statements of operations and comprehensive loss.

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

Employee Benefit Plans

Eligible employees participate in our Parent's 401(k) Savings Plan. The plan provides for salary reduction contributions on behalf of the participants and provides for employer matching pursuant to the terms of the plan. Matching contributions under the plan related to our employees total \$1.5 million and \$1.3 million for the years ended December 31, 2024 and 2023, respectively. These expenses are recorded either within Labor, Corporate, general and administrative expenses or Expansion in the accompanying statements of operations and comprehensive loss based on the employee classification (train operations, corporate or expansion).

Expansion

Expansion expenses in our accompanying statements of operations and comprehensive loss is comprised of operating expenses incurred in connection with activities unrelated to current operations in our South and North Segments. Such costs include costs associated with the North Segment (until it was placed in service), the extension of our South Florida network including additional in-line stations, as well as costs related to developing stations serving the theme parks and Orange County Convention Center as part of our expansion to Tampa (see Note 12).

Leases

Leases are evaluated at inception to determine if the arrangement is a lease or contains a lease. Lease classification as an operating or finance lease is determined at the lease commencement date, which is the date that the lessor makes the asset available for our use. The term of the lease used for this evaluation includes renewal option periods only in instances in which the exercise of the renewal option is reasonably certain, including consideration of whether the failure to exercise such option would result in an economic penalty. The lease is recognized and measured as of the lease commencement date.

If the lease is deemed to be operating, we recognize rent expense, including lease incentives, premiums and minimum rent expenses, on a straight-line basis over the expected lease term beginning on the lease commencement date. Rent abatements and escalations are considered in the calculation of minimum lease payments in our operating versus finance lease analysis and in determining straight-line rent expense for operating leases.

The Company made an accounting policy election available under Accounting Standards Codification Topic 842, *Leases* ("ASC 842"), to not recognize right-of-use ("ROU") assets and lease liabilities for short-term leases (leases with a term of 12 months or less). For all other leases, the initial measurement of the ROU asset and lease liability is based on the present value of future lease payments over the remaining lease term as of the commencement date. To determine the present value of lease payments, the Company has made an accounting policy election available to non-public companies to use a risk-free rate, which is aligned with the lease term at the lease commencement date. The Company further adjusts the ROU asset for both lease payments made at or before the commencement date, any lease incentives received, and any initial direct costs incurred.

Lease payments may include future escalations based on an index or other rate (such as the consumer price index), which the Company initially measures using the index or rate at lease commencement. Subsequent changes or other periodic market-rate adjustments to base rent are recorded as variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease liability only when it is probable they will be incurred.

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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The Company has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for all asset classes. The non-lease components represent additional services transferred to the Company, which are typically variable in nature and recorded in variable lease expense in the period incurred.

The Company accounts for land easements entered into prior to the adoption of ASC 842 on January 1, 2022 in accordance with ASC 350, *Goodwill and Other*. For land easements entered into or modified after January 1, 2022, the Company applies ASC 842 to such arrangements to first determine whether such arrangements are or contain a lease.

Share-Based Compensation

We recognize share-based compensation expense for share-based payment awards of Brightline Holdings equity to certain Company employees and Brightline Holdings and Parent employees providing substantive services on our behalf. Brightline Holdings recognizes share-based compensation expense for all awards granted based on the grant date estimated fair value and compensation expense over the requisite service period for awards with: (i) graded vesting features using the straight-line basis for service awards; (ii) the accelerated basis for performance-based awards; and (iii) only for those awards expected to vest. We recognize share-based compensation expense as a component of Corporate, general and administrative expense and Expansion in our accompanying statements of operations and comprehensive loss.

Income Taxes

We are exempt from federal, state, and local income taxes and our losses are passed through, and allocated to our member. Accordingly, no provision or liability for income taxes has been made in the accompanying financial statements.

Note 3. Restricted Cash

As of December 31, 2024, total restricted cash was approximately \$287.8 million and is summarized as follows:

- Funded Interest was \$119.0 million
- Other reserves totaled \$168.8 million
- In addition, the Company had \$45.0 available to be drawn on its revolving credit facility

As of December 31, 2023, total restricted cash was approximately \$53.7 million and is summarized as follows:

- \$32.7 million was restricted to meet certain obligations directly related to construction, development and operation of the North and South Segments. Of this amount, \$31.1 million is restricted specifically for construction and development of long-term assets.
- \$21.0 million was held as escrow funds mainly for the payment of interest on our long-term debt.

Restricted cash potentially subjects the Company to significant concentrations of credit risk. Substantially all restricted cash is deposited in accounts with financial institutions we believe are of high credit quality. As such, the

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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funds are considered to be subject to minimal credit risk. Such deposits have exceeded, and will continue to exceed, federally insured limits. We have not experienced any losses on our cash deposits historically.

Note 4. Properties, Equipment and Investment in Rail, Net

Properties, equipment and investment in rail, net consisted of the following (dollars in thousands):

	December 31,	
	2024	2023
Construction in progress.....	\$ 36,450	\$ 51,444
Land and land improvements.....	73,657	76,150
Buildings and building improvements.....	582,765	581,772
Rail infrastructure.....	3,361,856	3,303,431
Bridge infrastructure.....	354,551	353,130
Investment in rail.....	29,123	29,123
Rolling stock.....	494,999	500,727
Machinery and equipment and replacement parts.....	56,852	55,230
Other.....	48,906	42,854
Total properties and equipment and investment in rail.....	5,039,159	4,993,861
Less accumulated depreciation.....	(361,645)	(237,105)
Total	<u>\$ 4,677,514</u>	<u>\$ 4,756,756</u>

We recognized depreciation expense of approximately \$124.8 million and \$70.0 million for the years ended December 31, 2024, and 2023, respectively.

In December 2024, one of the Company’s locomotives was damaged and is expected to be replaced, resulting in a \$12.4 million write-off, which reduced the Rolling stock amount presented above. See Note 5 to these financial statements for more information.

Transit Improvement Agreement

In August 2016, we entered into various construction, operating and other related agreements with South Florida Regional Transit Authority (the “Transit Authority”) and FECR (collectively, the “Transit Improvement Agreement”) to provide access from the Transit Authority’s existing commuter rail line and public transport service to the Miami Station (the “Transit Rail”). Pursuant to the Transit Improvement Agreement, the Transit Authority paid us to design and construct common area improvements at our Miami Station and for the right to use the improvements that will be shared with the Transit Authority (the “Shared Assets”), as well as to construct improvements to existing rail transportation corridors which will be used exclusively by the Transit Authority (the “Exclusive Assets”). The Transit Improvement Agreement obligates the Transit Authority to reimburse certain infrastructure costs.

The Company recorded cash receipts from the Transit Authority as deposit liabilities in the accompanying balance sheets. As of December 31, 2022, \$35.5 million was recorded as Deposits from Transit Authority and \$24.8

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

million was recorded as a component of Other liabilities. During 2023, the Exclusive Assets with a carrying value of \$50.9 million were sold to the Transit Authority with a corresponding reduction in the deposit liabilities, resulting in no gain or loss. The Shared Assets were placed into service and are included in Properties, equipment and investment in rail, net in the accompanying balance sheets. Deposit liabilities related to this agreement of \$15.8 million and \$16.2 million are included as a component of Other liabilities in the accompanying balance sheet as of December 31, 2024 and 2023, respectively. This deposit liability is being amortized as a reduction to depreciation expense, offsetting depreciation expense on the Shared Assets over their estimated useful lives.

Note 5. Other Current Assets

Other current assets consisted of the following (dollars in thousands):

	December 31,	
	2024	2023
Due from affiliates, net (Note 12).....	\$ 89,415	\$ 78,000
Prepaid expenses.....	18,920	13,240
Inventory.....	897	644
Other (trade accounts receivable and other).....	7,903	1,890
Insurance recovery receivable.....	12,200	-
Total.....	\$ 129,335	\$ 93,774

In December 2024, one of the Company's locomotives was damaged and is expected to be replaced. The Company recognized an insurance recovery receivable of \$12.2 million for the expected recovery from its insurance carrier, which is considered probable. The \$0.5 million difference between the locomotive's net book value and the insurance recovery receivable, which represents the Company's insurance deductible, was recognized in other (income) expense for the year ended December 31, 2024.

Note 6. Intangible Assets

Intangible assets consisted of the following (dollars in thousands):

	December 31,	
	2024	2023
Indefinite life intangible asset:		
Passenger rail services.....	\$ 195,480	\$ 195,480
Definite life intangible assets:		
Rail line property easements.....	\$ 32,234	\$ 32,131
Less accumulated amortization.....	(2,910)	(2,585)
	29,324	29,546
Total intangible assets, net.....	\$ 224,804	\$ 225,026

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

Indefinite Life Intangible Asset

The identifiable intangible asset with indefinite life consists of the Company's easement rights, privileges and interests in our passenger rail service right-of-way from Miami to Cocoa, Florida.

Definite Life Intangible Assets

With regards to our definite-lived intangible assets, the remaining weighted-average amortization period for the rail line property easements as of December 31, 2024 was approximately 90 years for the right-of-way attributable to our Florida system. We recognized amortization expense of approximately \$0.3 million for each of the years ended December 31, 2024 and 2023. With regards to the next five fiscal years, we expect to recognize approximately \$0.3 million of amortization expense related to these definite-lived intangibles per year.

Note 7. Other Assets

Other assets consisted of the following (dollars in thousands):

	December 31,	
	2024	2023
Equity method investment.....	\$ 2,314	\$ 2,234
Materials and supplies.....	2,441	2,441
Deposits and deferred financing costs (see Note 12).....	194,495	204,717
Other assets.....	1,041	1,033
Total	\$ 200,291	\$ 210,425

Note 8. Leases

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under ASC 842, a contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company leases real estate from unrelated parties under operating lease agreements that have remaining terms ranging from one to 44 years. Additionally, the Company had one financing lease for real estate which terminated during 2023, and it has two financing leases for equipment. Most leases include one or more options to renew, generally at the Company's sole discretion, with renewal terms that can extend the lease term up to five years per renewal option. Some leases may contain rights to terminate whereby those termination options are held by either the Company, the lessor, or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Company will exercise that option. The Company's leases generally do not contain any material restrictive covenants.

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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Effective August 29, 2022, the Company entered into an agreement to purchase the property located at 300 NW 2nd Street Ft. Lauderdale, FL for a purchase price of \$20.9 million. The transaction closed on March 30, 2023. In connection with the purchase agreement, the Company modified the existing lease to shorten the remaining term from 16 years to six months and change the classification from operating to financing. At execution of the agreement, the Company included the purchase price of \$20.9 million in the remaining lease payments as the purchase option was reasonably certain to be exercised.

The Company ordered 20 additional rolling stock coaches, costing approximately \$96.0 million. In the first quarter of 2023, the Company assigned to a third party its right to purchase the coaches and entered into an agreement pursuant to which the Company will lease the coaches from the purchaser once completed. The first ten were delivered in 2024 and are accounted for as a finance lease. Related to the second ten that will be delivered in 2025, the Company is making payments to the purchaser, which are accounted for as prepaid lease payments. Future commitments associated with the ten coaches not yet delivered are not recognized in the accompanying financial statements and excluded from this Note 8 but are included in the Company's future lease commitments in Note 11.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized based on amortization of the ROU asset and interest expense calculated using the effective interest method. The components of lease expense are as follows (dollars in thousands):

	Year Ended	
	December 31,	
	2024	2023
Operating lease cost	\$ 9,781	\$ 10,113
Finance lease cost - amortization of right-of-use assets	406	538
Finance lease cost - interest on lease liabilities	84	222
Total lease cost	\$ 10,271	\$ 10,873

Rent expense was approximately \$9.8 million and \$10.1 million for the years ended December 31, 2024 and 2023, respectively. Variable lease expense is not material to the Company's financial statements.

Supplemental cash flow information related to leases is as follows (dollars in thousands):

	Year Ended	
	December 31,	
	2024	2023
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows - payments on operating leases	\$ 9,289	\$ 9,513
Operating cash outflows - payments on finance leases	\$ 84	\$ 222
Financing cash outflows - payments on finance leases	\$ 581	\$ 21,567
Right-of-use assets obtained in exchange for new or modified lease obligations:		
Operating leases	\$ 325	\$ 38,990
Finance leases	\$ 59,220	\$ 3,248

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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Supplemental balance sheet information related to leases is as follows (dollars in thousands):

	December 31,	
	2024	2023
Operating Leases		
Operating lease assets, net	\$ 201,698	\$ 207,019
Current portion of operating lease liabilities	\$ 6,205	\$ 5,362
Operating lease liabilities, non-current	198,380	204,053
Total operating lease liabilities	\$ 204,585	\$ 209,415
Finance Leases		
Rolling stock	\$ 65,582	\$ -
Machinery and equipment	3,248	3,248
Accumulated depreciation	(812)	(406)
Property and equipment, net	\$ 68,018	\$ 2,842
Current portion of finance lease liabilities	\$ 5,397	\$ 581
Finance lease liabilities, non-current	55,709	1,886
Total finance lease liabilities	\$ 61,106	\$ 2,467
 Weighted-average remaining lease term (in years):		
Operating leases	38	38
Finance leases	10	7
 Weighted-average discount rate:		
Operating leases	2.00%	2.00%
Finance leases	4.56%	3.89%

Future undiscounted cash flows for each of the next five years and thereafter and reconciliation to the lease liabilities recognized on the accompanying balance sheet as of December 31, 2024 is as follows (dollars in thousands):

Year Ending December 31,	Operating Leases	Finance Leases
2025	\$ 10,217	\$ 8,070
2026	9,240	8,055
2027	8,845	8,055
2028	8,522	7,391
2029	8,522	7,391
Thereafter	246,867	36,953
Total lease payments	\$ 292,213	\$ 75,915
Less imputed interest	(87,628)	(14,809)
Total present value of lease liabilities	\$ 204,585	\$ 61,106

BRIGHTLINE TRAINS FLORIDA LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

Note 9. Debt

Long-term debt consisted of the following (dollars in thousands):

	December 31,	
	2024	2023
Series 2024A Bonds.....	\$ 2,219,280	\$ -
Series 2019A Bonds.....	-	1,540,000
Series 2019A-1 Bonds.....	-	210,000
Series 2019B Bonds.....	-	950,000
2021 Senior Secured Notes.....	-	400,000
2021 Term Loan Credit Facility.....	-	125,000
2022 Bank Term Loan.....	-	10,000
Subordinated Promissory Note.....	-	64,269
Garage Term Loan.....	-	12,107
2023 Bank Term Loan.....	-	50,000
2023 Credit Facility.....	-	365,000
Total debt principal.....	2,219,280	3,726,376
Unamortized premium (discount), net.....	68,644	(60,119)
Unamortized deferred financing costs.....	(103,510)	(42,866)
Total long-term debt, net.....	2,184,414	3,623,391
Less current portion of long-term debt, net.....	-	(733,541)
Total long-term debt, net of current portion.....	\$ 2,184,414	\$ 2,889,850

On May 9, 2024, the Company entered into a refinancing transaction with its indirect parents, AAF Operations Holdings LLC (“AAFOH”) and Brightline East LLC (“Brightline East”) whereby, AAFOH issued \$925.0 million of Florida Development Finance Corporation Revenue Bonds and additional preferred equity (such that total capitalization of AAFOH was approximately \$1.7 billion), Brightline East issued \$1,325.0 million in senior secured notes and \$80.0 million in subordinated debt, and the Company issued \$2,219.3 million of Florida Development Finance Corporation Revenue Bonds Series 2024A and borrowed \$25.0 million under a new revolving credit facility (the “2024 Revolving Credit Facility”). AAFOH and Brightline East contributed a portion of their proceeds (approximately \$2.3 billion) to the Company which, combined with the Company’s proceeds, repaid and discharged all prior indebtedness of the Company, funded required reserve accounts and paid related transaction costs on the refinancing date. In conjunction with the refinancing transaction, the Company recognized a loss on extinguishment of debt in the amount of \$215.1 million, consisting of redemption premiums of \$110.8 million, unamortized discounts of \$55.8 million and unamortized deferred financing costs of \$48.5 million.

Total interest costs before capitalization approximated \$179.7 million and \$304.8 million, inclusive of amortization of deferred financing costs and debt issuance discount of approximately \$7.3 million and \$11.6 million, for the years ended December 31, 2024 and 2023, respectively.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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Total interest costs of approximately \$1.8 million and \$161.1 million were capitalized and included within construction in progress as a component of Properties, equipment and investment in rail, net for the years ended December 31, 2024 and 2023, respectively. Refer to Note 11 of these financial statements for a tabular presentation of the aggregate maturities of our debt instruments for each of the next five years and thereafter.

Series 2024A Bonds

In its role as a conduit lender, the Florida Development Finance Corporation (the “FDFC”) provides qualifying projects with access to capital to support, enhance, and promote economic development in the state of Florida. On May 9, 2024, the FDFC issued \$2.22 billion aggregate principal amount of Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2024A (the “Series 2024A Bonds”). We entered into a senior loan agreement (the “Series 2024A Senior Loan Agreement”) with FDFC whereby FDFC loaned the proceeds from the Series 2024A Bonds to us and we agreed to pay all principal and interest on the bonds. The aggregate principal amount is comprised of the following (dollars in thousands):

	Principal	Interest Rate	Issue Price	Final Maturity
\$	16,315	5.00%	105.535%	7/1/2034
	21,765	5.00%	104.972%	7/1/2035
	33,715	5.00%	104.482%	7/1/2036
	43,790	5.00%	103.579%	7/1/2037
	52,525	5.00%	102.959%	7/1/2038
	218,625	5.00%	101.194%	7/1/2041
	326,350	5.00%	103.717%	7/1/2044
	213,180	5.25%	105.061%	7/1/2047
	213,210	5.25%	101.649%	7/1/2047
	593,910	5.25%	104.023%	7/1/2053
	485,895	5.50%	102.297%	7/1/2053
<u>\$</u>	<u>2,219,280</u>			

Interest is payable on January 1 and July 1 of each year, commencing July 1, 2024. Pursuant to the underlying loan agreement, we are required to comply with various covenants for the benefit of the trustee and the holders of the Series 2024A Bonds, such as a limitation on the ability to incur additional indebtedness, and limitations on the payment of dividends or distributions. We were in compliance with applicable debt covenants as of December 31, 2024. The payment of the Series 2024A Bonds is secured by a trust estate and a senior lien on the assets and other property of the Company AAFOH (the “Pledgor”). The collateral includes certain real property of the Company, substantially all personal property of the Company, and a pledge of the membership interests in the Company of the Pledgor.

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The Series 2024A Bonds are subject to redemption at the option of the Company, in whole or in part, at any time prior to July 1, 2032 at a redemption price equal to the Make-Whole Redemption Price (as defined), plus interest accrued to but not including the redemption date. The bonds are subject to redemption prior to maturity, at the option of the Company, on or after July 1, 2032 in whole or in part in such order of sinking fund maturity or sinking fund installments, if any, at a redemption price equal to the principal amount redeemed, plus interest accrued to but not including the redemption date.

The Series 2024A Bonds maturing July 1, 2041, 2044, 2047 and 2053 are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount redeemed, plus accrued and unpaid interest to, but not including, the redemption date on July 1 of the years and in the aggregate principal amounts shown below (dollars in thousands).

Redemption Date (July 1)	July 1, 2041	July 1, 2044	July 1, 2047	July 1, 2047	July 1, 2053	July 1, 2053
2039	\$ 62,315					
2040	72,860					
2041	83,450					
2042		\$ 95,570				
2043		108,325				
2044		122,455				
2045			\$ 67,455	\$ 67,470		
2046			71,000	71,005		
2047			74,725	74,735		
2048					\$ 86,520	\$ 70,790
2049					91,160	74,585
2050					96,050	78,580
2051					101,200	82,795
2052					106,630	87,235
2053					112,350	91,910
	<u>\$ 218,625</u>	<u>\$ 326,350</u>	<u>\$ 213,180</u>	<u>\$ 213,210</u>	<u>\$ 593,910</u>	<u>\$ 485,895</u>

The net proceeds from the offering of the Series 2024A Bonds were used by us, together with a portion of the net proceeds from the 2024 Revolving Credit Facility and other indebtedness and preferred equity raised by indirect parents and other available funds, to (i) finance or refinance a portion of the costs of the project (including through the refunding or refinancing of Prior Indebtedness and reimbursement of us and our affiliates for expenditures for the project), (ii) fund interest on the Series 2024A Bonds due on each interest payment date through July 1, 2025, (iii) fund other reserves and (iv) pay certain costs of issuance. The "Prior Indebtedness" consisted of our (i) the Series 2019 Bonds, (ii) 2021 Senior Secured Notes due 2028 (Green Notes), (iii) 2021 Term Loan and Revolving Loan Credit Facility, (iv) 2022 Bank Term Loan, (v) 2023 Bank Term Loan, (vi) 2023 Credit Facility, (vii) Garage Term Loan, and (viii) Subordinated Promissory Note.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

2024 Revolving Credit Facility

On May 9, 2024, the Company entered into a \$45.0 million revolving credit facility. Borrowings under the revolving credit facility bear interest at a rate equal to the Secured Overnight Financing Rate (“SOFR”) plus 2.00% with a scheduled maturity date of May 8, 2025; however, the Company has the option to extend the maturity date for up to two additional one-year periods, subject to lender approval and compliance with applicable covenants. As of December 31, 2024, the balance of the revolving credit facility was nil.

Series 2019 Bonds

We entered into two senior loan agreements (collectively the “Senior Loan Agreements”) with FDFC whereby FDFC loaned the proceeds from the Series 2019A Bonds and Series 2019B Bonds to us and we agreed to pay all principal and interest on those bond issuances.

Series 2019A Bonds

On April 18, 2019, the FDFC issued \$1.75 billion aggregate principal amount of Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019A (the “Series 2019A Bonds”). The \$1.75 billion of aggregate principal amount was comprised of three bonds with par values of \$250 million, \$500 million and \$1 billion, which bore interest at rates of 6.25%, 6.375% and 6.50%, respectively. In December 2020, we remarketed an aggregate of \$210 million of the Series 2019A Bonds, comprised of \$60 million at 6.25% and \$150 million at 6.5% into \$210 million of Series 2019A-1 Bonds at 7.375% per annum (the “Series 2019A-1 Bonds”).

Pursuant to a senior loan agreement (the “Series 2019A Senior Loan Agreement”), the FDFC loaned the proceeds from the issuance of the Series 2019A Bonds to the Company. We agreed to pay all principal and interest on the Series 2019A and Series 2019A-1 Bonds when due as well as comply with various covenants for the benefit of the trustee and the owners of the Series 2019A and Series 2019A-1 Bonds.

The proceeds from the Series 2019A Bonds were used for the redemption, satisfaction, and discharge of the then outstanding \$600.0 million Series 2017 Bonds (including a \$30 million prepayment premium) and the repayment of the Siemens Credit Agreement, the funding of certain reserves, and additional financing for the design, development, acquisition, construction, installation, equipping, ownership and operation of the segment from Miami to Orlando, Florida (“Project Costs”). The proceeds from the Series 2019A-1 Bonds were used for the redemption, satisfaction, and discharge of \$60 million of the 6.25% and \$150 million of the 6.5% then outstanding Series 2019A Bonds. The Series 2019A Bonds were issued, pursuant to an indenture, to qualified institutional buyers in the U.S. pursuant to Rule 144A under the Securities Act of 1933 (the “Securities Act”) as fully registered bonds. Pursuant to the underlying loan agreement, we were required to comply with various covenants for the benefit of the trustee and the holders of the Series 2019A and Series 2019A-1 Bonds, such as a limitation on the ability to incur additional indebtedness subject to certain limitations set forth in the Series 2019A Senior Loan Agreement, and limitations on the payment of dividends or distributions. We were in compliance with applicable debt covenants as of December 31, 2023. Our payment obligations with respect to the Series 2019A and 2019A-1 Bonds and the Series 2019A Senior Loan Agreement were secured by mortgage liens encumbering substantially all of the real property interests for the North and South Segments (including the stations), substantially all of our personal property, and a pledge by our indirect parent company, of 100% of its interest in us.

The Series 2019A Bonds had a maturity date of January 1, 2049 and bore interest during an initial Term Rate

BRIGHTLINE TRAINS FLORIDA LLC
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DECEMBER 31, 2024

Period which ended on December 31, 2023, 2025 and 2028 for the Series 2019A 6.25% bonds, 6.375% bonds, and 6.5% bonds, respectively. The Series 2019A-1 Bonds had a maturity date of January 1, 2049 and bore interest at a fixed rate of 7.375% through maturity. Interest was payable semi-annually on January 1 and July 1 of each year, commencing on July 1, 2019.

During the initial Term Rate Period, the Series 2019A Bonds were subject to redemption, in whole, at our option at any time on or after January 1, 2020 to December 31, 2024, at a redemption price equal to the principal outstanding plus a premium and accrued and unpaid interest. The redemption premium was 2% for the Series 2019A 6.25% bonds and 3% for the Series 2019A 6.375% and 6.50% bonds, if such redemption occurred on or after January 1, 2022, and on or prior to December 31, 2022. These redemption premiums decreased by 100 basis points for each calendar year thereafter. The Series 2019A-1 Bonds were not subject to an optional redemption until January 1, 2024, at which time the redemption premium was 7%. The redemption premium was scheduled to decrease by 100 basis points on January 1 of each year 2025 through 2030, at which time there would have been no redemption premium.

The Series 2019A Bonds were subject to mandatory sinking fund redemption prior to maturity, in part, at a redemption price equal to the principal amount redeemed, plus accrued and unpaid interest to the redemption date, beginning on January 1, 2026 and every year thereafter on January 1 through the final maturity on January 1, 2049. The principal amounts to be redeemed through maturity were as follows (dollars in thousands):

Redemption Date (January 1)	Principal Amount			
	Series 2019A 6.250% Bonds	Series 2019A 6.375% Bonds	Series 2019A 6.5% Bonds	Series 2019A-1 7.375% Bonds
2026	\$4,560	-	-	\$1,440
2027	4,865	-	-	1,535
2028	5,165	-	-	1,635
2029	5,475	-	-	1,725
2030	5,775	\$12,000	\$21,380	5,600
Thereafter through 2049 ^(a)	6,080 – 10,340	12,000 – 36,500	23,485 – 81,670	6,065 - 17,670

(a) Range represents increasing annual amounts through 2049 maturity date.

On January 2, 2024, we completed the remarketing of \$190 million of bonds related to the 6.25% Series 2019A Bonds. The new Series 2019A-2 bonds of \$190 million were issued at par at a 6.25% interest rate with a Scheduled Mandatory Tender Date of December 18, 2024 and a final maturity of January 1, 2049. In connection with this remarketing, the Company recognized a loss on extinguishment of debt related to the write-off of unamortized deferred financing costs and unamortized debt discount of approximately \$3.4 million. The Series 2019A Bonds were repaid in connection with the refinancing transaction that occurred on May 9, 2024.

Series 2019B Bonds

On June 20, 2019, the FDFC issued \$950 million aggregate principal amount of Surface Transportation Facility Revenue Bonds (Brightline Trains Florida Passenger Rail Project), Series 2019B (the "Series 2019B Bonds") at par with a flexible rate of 1.9% per annum payable at the Scheduled Mandatory Tender Date. Pursuant to a senior loan agreement (the "Series 2019B Senior Loan Agreement"), the FDFC loaned the proceeds from the issuance of the Series 2019B Bonds to us. The Company agreed to pay all principal and interest on the Series 2019B Bonds when due as

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well as comply with various covenants for the benefit of the Trustee and the owners of the Series 2019B Bonds.

On June 18, 2020, we remarketed its \$950 million Series 2019B Bonds as additional escrow bonds at par with a flexible rate of 0.55% per annum payable at the Scheduled Mandatory Tender Date. The proceeds from the remarketed Series 2019B Bonds were deposited into the Series 2019B Escrow Reserve Redemption Account in the Escrow Debt Service Fund and invested in the Escrow Securities. The Escrow Securities were direct obligations of the United States of America (or certain agencies thereof) and were pledged to secure the payment of the principal and interest of the Series 2019B Bonds, matured on or before the January 28, 2021 Scheduled Mandatory Tender Date and were not available for use by us before the Series 2019B bonds are tendered. The Series 2019B Bonds were not secured by any of our other assets prior to the remarketing transaction discussed below.

On December 23, 2020, the Series 2019B Bonds were remarketed as project bonds at 95.732% of par with a fixed rate of 7.375%. The first interest payment for the Series 2019B Bonds was due on July 1, 2021. The proceeds of the Series 2019B Bonds were used to: (a) pay or reimburse a portion of the costs of the design, development, acquisition, construction, installation, equipping, ownership, operation, maintenance and administration of those portions of the Project located in the PABs Counties, including the new in-line stations and capacity expansion projects; (b) pay the interest to accrue on the Series 2019B Bonds through the interest payment due on January 1, 2023; (c) pay the interest to accrue on the Series 2019A Bonds from July 1, 2022 through the interest payment due on January 1, 2023; (d) fund certain accounts for the Series 2019B Bonds, including the ramp-up reserve account and the construction account, to the extent permitted by the Internal Revenue Code and the Treasury Regulations; (e) repay a portion of our outstanding short-term debt; and (f) pay or reimburse certain costs in connection with the remarketing of the Series 2019B Bonds.

The Series 2019B Bonds were remarketed, pursuant to an indenture, to qualified institutional buyers in the U.S. pursuant to Rule 144A under the Securities Act and accredited investors under Rule 501(a) of the Securities Act as fully registered bonds. Pursuant to the underlying loan agreement, we were required to comply with various covenants for the benefit of the trustee and the holders of the Series 2019B Bonds, such as a limitation on the ability to incur additional indebtedness subject to certain limitations set forth in the Series 2019B Senior Loan Agreement, and limitations on the payment of dividends or distributions. We were in compliance with applicable debt covenants as of December 31, 2023. Our payment obligations with respect to the Series 2019B Bonds and the Series 2019B Senior Loan Agreement were secured by mortgage liens encumbering substantially all of the real property interests for the North and South Segments (including the stations), substantially all of our personal property, and a pledge by AAFOH of 100% of its interest in our membership units.

The Series 2019B Bonds had a maturity date of January 1, 2049. Interest was payable semi-annually on January 1 and July 1 of each year, commencing on July 1, 2021.

The Series 2019B Bonds were subject to mandatory sinking fund redemption prior to maturity, in part, at a redemption price equal to the principal amount redeemed, plus accrued and unpaid interest to the redemption date, beginning on January 1, 2030 and every year thereafter on January 1 through the final maturity on January 1, 2049. The principal amounts to be redeemed through maturity were as follows:

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Redemption Date (January 1)	Principal Amount Series 2019B 7.375% Bonds
	<i>(Dollars in thousands)</i>
2026	-
2027	-
2028	-
2029	-
2030	\$24,465
Thereafter through 2049 ^(a)	26,060 – 80,960

(a) Range represents increasing annual amounts through 2049 maturity date.

The Series 2019B Bonds were repaid in connection with the refinancing transaction that occurred on May 9, 2024.

2021 Senior Secured Notes

On August 11, 2021, we issued \$400 million aggregate principal amount of Senior Secured Notes due 2028 (the “Senior Secured Notes”) in a global private offering exempt from registration pursuant to Section 4(a)(2) of the Securities Act and Regulation S under the Securities Act. The Senior Secured Notes were secured on a pari passu basis by security interests in all the assets that also secured the Series 2019 Bonds. The net proceeds of the Senior Secured Notes were available to fund certain Project Costs, repayment in full of the 2021 Term Loan Credit Facility issued in February 2021, pre-funded interest and pre-opening costs and cost of issuance of the Senior Secured Notes. The Senior Secured Notes would have matured on January 1, 2028 and bore interest at 8.0% per annum, payable semi-annually in arrears on January 1 and July 1 each year, beginning on January 1, 2022. The Senior Secured Notes were secured by mortgage liens encumbering substantially all of the real property interests for the North and South Segments (including the stations), substantially all personal property in Florida owned by the Company, and a pledge by AAFOH. At any time and from time to time prior to January 1, 2024, the Company could have, at its option, redeemed some or all the notes at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus a make-whole premium (as defined) and accrued and unpaid interest, if any, to the date of redemption. Thereafter, the Company could have, at its option, redeemed some or all the notes during the periods and at the prices set forth below:

Period During Which Redeemed	Redemption Price
January 1, 2024 to December 31, 2024	104%
January 1, 2025 to December 31, 2025	102%
From and after January 1, 2026	100%

Pursuant to a senior loan agreement (the “Senior Secured Notes Senior Loan Agreement”), the Company was required to comply with various covenants for the benefit of the Trustee and the holders of the Senior Secured Notes, such as a limitation on the ability to incur additional indebtedness subject to certain limitations set forth in the Senior Secured Notes Senior Loan Agreement and limitations on the payment of dividends and distributions.

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The 2021 Senior Secured Notes were repaid in connection with the refinancing transaction that occurred on May 9, 2024.

2021 Term Loan and Revolving Loan Credit Facility

On September 24, 2021, we entered into a \$125 million Bank Credit Facility (“the Credit Facility”) with a syndicate of financial institutions. The proceeds of the Credit Facility were available for Project Costs, including construction of our North Segment, new in-line stations as well as general corporate purposes. The Credit Facility was increased to \$175 million in November and December 2021. The Credit Facility consisted of \$75.0 million in the form of a Revolving Loan at a rate of LIBOR plus 2.5% with a maturity of October 24, 2023, as amended, and \$100 million was in the form of a Term Loan at a rate of LIBOR plus 6.5% with a maturity of September 24, 2024. The Revolving Loan was funded with a \$50 million draw on September 30, 2021 and a \$25 million draw on November 26, 2021. The Term Loan was funded with \$50 million on September 24, 2021, \$15 million on November 12, 2021 and \$35 million on December 23, 2021. The Credit Facility was secured by mortgage liens encumbering substantially all of the real property interests for the North and South Segments (including the stations), substantially all personal property of the Company, and a pledge by AAFOH of its membership interests in us. On May 31, 2023, the \$75.0 million Revolving Loan was paid off with the proceeds of the 2023 Credit Facility (see below). On June 1, 2023, the 2021 Term Loan was increased by \$25 million. The 2021 Term Loan and Revolving Loan Credit Facility was repaid in connection with the refinancing transaction that occurred on May 9, 2024.

2022 Bank Term Loan

On April 21, 2022, the Company entered into a \$10.0 million secured term loan credit facility. The credit facility bore interest at a rate of SOFR plus 2.65% with a scheduled maturity on February 24, 2024 (which was subsequently extended to April 5, 2024 and subsequently extended further until May 6, 2024). Proceeds, after pre-funded interest and costs of issuance, were used to finance construction of the Aventura and Boca Raton train stations. This loan was repaid in connection with the refinancing transaction that occurred on May 9, 2024.

Garage Term Loan

On March 29, 2023, the Company entered into a \$12.5 million secured term loan. The term loan bore interest at a rate of 7.24% with a scheduled maturity on March 29, 2026. Proceeds, after pre-funded interest and costs of issuance, were used to finance the purchase of the Fort Lauderdale parking garage from FIH. This loan was repaid in connection with the refinancing transaction that occurred on May 9, 2024.

2023 Bank Term Loan

On March 31, 2023, the Company entered into a \$50.0 million credit facility. The credit facility bore interest at a rate of SOFR plus 6.5% with a scheduled maturity on March 30, 2024. On April 1, 2024, the Company amended the Bank Term Loan it had executed on March 31, 2023. In connection with the amendment, the Company borrowed an additional \$50 million, increasing the amount of the loan from \$50 million to \$100 million. In addition, the maturity date was extended to May 15, 2024 with the ability to extend the loan further to June 30, 2024. This loan was repaid in connection with the refinancing transaction that occurred on May 9, 2024.

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2023 Credit Facility

On May 31, 2023, the Company entered into a \$365.0 million credit facility. The credit facility bore interest at a rate of SOFR plus 6.25% with a scheduled maturity on May 31, 2024. Proceeds, after pre-funded interest and costs of issuance, were used to refinance the \$75.0 million 2021 Revolving Loan Credit facility. This loan was repaid in connection with the refinancing transaction that occurred on May 9, 2024.

Refinancing Resolution

On August 2, 2023, the FDFC approved a resolution for the refinancing of our outstanding tax-exempt debt, including \$2.7 billion of senior debt and \$985 million of bonds issued separately by our affiliate and secured by commuter rail access rights.

Subordinated Promissory Note

On October 3, 2023, the Company entered into a second amended and restated subordinated promissory note with its indirect parent, BL Florida LLC. The subordinated promissory note bore interest at a per annum rate of 8.75% with a scheduled maturity on August 25, 2032. In May 2024, in connection with the refinancing transaction, an affiliate of the Company repaid the full outstanding balance of \$64 million on behalf of the Company which is included in Equity contributions, net on the accompanying statement of cash flows for the year ended December 31, 2024.

Note 10. Share-based Compensation

We recognize compensation expense for share-based compensation awards issued by Brightline Holdings based on our proportionate share of Brightline Holdings' share-based compensation expense. Our total reimbursed share-based compensation expense approximated \$0.3 million and \$3.9 million for the years ended December 31, 2024 and 2023, respectively.

Brightline Holdings grants share-based compensation awards with either time vesting or performance vesting features to certain employees considered key to its operations, including us. In general, time vesting awards have a three-year graded vesting schedule. Performance vesting awards are issued in tranches and will vest over a service period dependent upon achieving targets specified in each recipient's agreement. Brightline Holdings recognizes share-based compensation awards based on the estimated fair value of the award at the grant date. Grants of share-based compensation awards are of restricted membership units ("RSUs") of Brightline Holdings.

Brightline Holdings' share-based compensation award activity during the year ended December 31, 2024 was as follows:

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	<u>Number of Awards</u>	<u>Weighted Average Grant Date Fair Value Per Unit</u>
Awards Outstanding as of December 31, 2023.....	40,956	\$1,350
Granted.....	-	-
Forfeited.....	(118)	\$1,313
Awards Outstanding as of December 31, 2024.....	<u>40,838</u>	\$1,350
Vested Awards at December 31, 2024	34,401	\$1,344
Non-vested Awards at December 31, 2024	6,437	\$1,384

Brightline Holdings' share-based compensation award activity during the year ended December 31, 2023 was as follows:

	<u>Number of Awards</u>	<u>Weighted Average Grant Date Fair Value Per Unit</u>
Awards Outstanding as of December 31, 2022.....	37,301	\$1,354
Granted.....	3,655	\$1,313
Forfeited.....	-	-
Awards Outstanding as of December 31, 2023.....	<u>40,956</u>	\$1,350
Vested Awards at December 31, 2023	33,790	\$1,345
Non-vested Awards at December 31, 2023	7,166	\$1,377

As of December 31, 2024, Brightline Holdings' total unrecognized share-based compensation expense related to non-vested awards was approximately \$0.05 million, which is expected to be recognized over a weighted-average period of approximately 0.2 years. The total grant date fair value of awards vesting during the years ended December 31, 2024 and 2023 approximated \$1.0 million and \$31.0 million, respectively.

Note 11. Commitments and Contingencies and Other

Litigation, Legal Proceedings and Contingencies

We are routinely involved in claims and legal proceedings, typical within our industry. The majority of these claims are covered by insurance. We believe the outcome of such claims, net of expected insurance recoveries, will not have a material adverse impact on our financial condition or results of operations and cash flows.

On November 15, 2018, Brightline Holdings entered into a Trade Mark License Agreement ("TMLA") with Virgin Enterprises Limited ("VEL"). Pursuant to the TMLA, VEL granted to Brightline Holdings the right to use the Virgin

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brand, in connection with the operation of an intercity passenger rail service in Florida and along certain other routes in the United States. In July 2020, Brightline Holdings terminated the TMLA. VEL disputed the validity of the termination notice and in February 2021 filed a claim against Brightline Holdings in U.K. courts. Following a trial in July 2023, the judge entered an order finding in favor of VEL on October 12, 2023. Brightline Holdings filed a notice for permission to appeal with the appellate court on November 1, 2023, which was denied on February 5, 2024. The judge deferred consideration of a claim by VEL that the amount of the contractually agreed damages should be increased only if VEL can show that a change of control of Brightline Holdings would have occurred prior to November 2024. VEL was granted permission to amend its claim to plead the change of control, which is now subject to further discovery and a hearing date yet to be set. Brightline Holdings believes this claim is without merit and will vigorously defend against it. The Company is not party to the TMLA or this litigation. The outcome of these proceedings is not likely to materially impact the Company.

Siemens Maintenance Agreement

We are a party to a contract with Siemens for all warranty repairs and maintenance on our rolling stock. This 30-year contract, entered into in December 2014, as amended in June 2018 and September 2020, ensures regular preventative maintenance, as well as capital maintenance over the life of the contract at a set price with an established cost escalator. Our monthly service payment obligations began on January 13, 2018, with the commencement of passenger rail service, and will continue over the term of the contract. As a result of our temporary suspension of service in March 2020, we amended the Siemens Maintenance Agreement to provide for lower costs commensurate with the reduced maintenance requirements during our service suspension. We recognized approximately \$14.2 million and \$13.1 million for the years ended December 31, 2024 and 2023, respectively, as a component of Maintenance of equipment in the accompanying statements of operations and comprehensive loss.

Off-Balance Sheet Arrangements

As of December 31, 2022, we had an outstanding undrawn irrevocable letter of credit commitment, fully collateralized by restricted cash, with an aggregate face amount of \$10.0 million. This letter of credit was canceled and the related cash was released from restrictions during 2023.

Contractual Obligations

In the normal course of business, we enter into contracts and commitments that obligate us to make payments in the future. The following table summarizes our obligations for indebtedness, purchase, lease, and other contractual obligations as of December 31, 2024 (dollars in thousands):

	2025	2026	2027	2028	2029	Thereafter	Total
Total debt (long-term and current portion)....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,219,280	\$ 2,219,280
Interest on total debt ⁽¹⁾	115,300	115,300	115,300	115,622	115,300	2,221,272	2,798,094
Lease liabilities ⁽²⁾	24,300	24,686	24,291	23,303	23,303	324,469	444,352
Service agreements ⁽³⁾	17,330	17,330	17,330	17,330	17,692	311,941	398,953
Land easements.....	138	138	138	241	275	13,267	14,197
Total	\$ 157,068	\$ 157,454	\$ 157,059	\$ 156,496	\$ 156,570	\$ 5,090,229	\$ 5,874,876

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- (1) Reflects interest on our debt instruments as of December 31, 2024 at interest rates and maturity terms detailed in Note 9.
- (2) Represents future minimum lease payments under non-cancelable operating and finance leases for office space, parking garages, rolling stock, and equipment. The amounts include lease prepayments and payments for leases that have not yet commenced.
- (3) Reflects the remaining term of our original 30-year equipment maintenance service agreement, as amended, with Siemens. The agreement, as amended, attributes services between our North and South Segments, as well as enables us to terminate the contract at any time throughout the term of the agreement, subject to a 90-day written notice and payment of penalties of \$5.0 million in 2019 and declining to \$1.0 million in 2042 and \$0.0 million in 2048.

Note 12. Related-Party Transactions

Member's equity includes the cumulative net investment by Brightline Holdings in us, including any of our prior net losses or comprehensive loss and contributions received from or repayment of Brightline Holdings' funding associated with our activities. In the normal course of business, Brightline Holdings and FIH provide various business activities on behalf of the Company.

On December 19, 2017, the Company entered into a general operations, management and administrative services agreement with Brightline Holdings (the "Manager") in which the Manager agreed to provide for the Company's day-to-day management and operation, as amended and restated effective as of April 18, 2019 (the "Management Agreement"). The Management Agreement requires the Manager to manage the Company's business affairs in conformity with the policies and the strategy that are approved and monitored by it. The Manager's duties include: (i) performing all of the Company's day-to-day functions, including the design, acquisition, development, construction, installation, equipping, ownership and operation of the business, and (ii) providing financial and accounting management services. The Manager is responsible for the Company's day-to-day management and operations and for performing (or causing to be performed) such services and activities relating to the Company's assets, operations and business as may be necessary or desirable in connection with operating the business. The initial term of the Management Agreement expires on December 19, 2027, and the Management Agreement will be renewed automatically thereafter for successive five-year periods unless the Company or the Manager elects to terminate the Management Agreement upon 90 days' prior written notice. In connection with the remarketing of a portion of the 2019A Bonds into the 2019A-2 Bonds in January 2024, the Management Agreement was amended in order to provide 180 days' prior written notice for either the Company or the Manager to elect to terminate the agreement. The Company pays the Manager a charge equal to the costs incurred with respect to the services provided plus an annual premium equal to \$500,000 (subject to increase for inflation based on the Consumer Price Index) and also reimburses the Manager for certain expenses. On November 1, 2022, the Company entered into a master shared services agreement (the "Shared Services Agreement") with Brightline Holdings, the Manager, DesertXpress Enterprises LLC, an affiliate, DXE Management LLC, an affiliate, and FECL, in which the parties thereto have agreed to provide each other with certain human resources and information technology services pursuant to the terms of the Shared Services Agreement and individual service contracts entered into between the applicable parties. The Shared Services Agreement governs common terms relating to, among other things, (i) the provision of services and payment of fees and taxes, (ii) dispute resolution procedures, and (iii) mutual confidentiality and indemnification obligations. The net amount due to the Company of \$89.4 million and \$78.0 million as of December 31, 2024 and 2023, respectively, is presented in Other current assets in the accompanying balance sheets.

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Affiliate Bond Transactions

In March 2023, Brightline Florida Holdings LLC (“Brightline Florida”), our indirect parent, closed a \$215 million offering of private activity bonds (“PABs”), utilizing its remaining allocation from the US Department of Transportation. The bonds are not obligations of the Company but are obligations of its affiliate. In connection with the transaction, the Company sold certain access rights for Palm Beach County to an affiliate for an eventual extension of commuter service into Palm Beach County. The proceeds were be used to fund project costs and interest reserves.

On August 25, 2022, Brightline Florida closed a \$770 million offering of Series 2022A PABs, consisting of \$485 million from its remaining allocation from the US Department of Transportation and \$285 million of Series 2021A-1 refunding bonds of BL Expansion LLC (“BL Expansion,” an entity under common control by our Parent). The Series 2022A bonds are not obligations of the Company but are obligations of its affiliate. In connection with the transaction, the Company sold Brightline Florida its option to repurchase certain access rights (see below).

Commuter Access Rights

In February 2022, we executed an agreement with our affiliate, BL Expansion, granting BL Expansion rights to access the railway corridor, as our designee, under our joint use agreement with FECR, which BL Expansion contributed to its subsidiaries (the “Access Agreements”). The Access Agreements provide BL Expansion’s subsidiaries access rights in Miami-Dade County and Broward County for 93 years in exchange for \$245 million. The Company had the option to purchase all the rights granted to BL Expansion per the Access Agreements within two years for consideration of \$350 million (“Repurchase Option”). In August 2022, our indirect parent, Brightline Holdings acquired the Company’s Repurchase Option in exchange for \$175 million and contributed it to BL Expansion’s subsidiaries, effectively terminating the option. Payments under the Access Agreements are non-refundable.

In March 2023, we executed an agreement with Brightline Florida, granting rights to access the railway corridor, as our designee, under our joint use agreement with FECR, which Brightline Florida assigned to its subsidiaries. The access agreement provides Brightline Florida’s subsidiaries access rights in Palm Beach County for 93 years in exchange for \$135 million.

The Company is recognizing income under the access agreements over their 93-year terms on a straight-line basis. Access rights income of approximately \$6.0 million and \$5.7 million is reflected in Other revenue in our statements of operations and comprehensive loss for the years ended December 31, 2024 and 2023, respectively. Unearned revenue relating to fixed access rights payments received in advance of \$540.0 million and \$546.0 million are included in Other liabilities in the accompanying balance sheets at December 31, 2024 and 2023, respectively.

Deposits Related to Transactions with Affiliates

The Company entered into agreements with affiliates to acquire certain assets in the future. As of December 31, 2024 and 2023, these acquisitions had not yet closed, pending completion of the permitted due diligence and other customary closing activities. These refundable deposits totaling \$188.7 million at December 31, 2024 and 2023 primarily relate to potential acquisition of the passenger rail right of way from Cocoa to Jacksonville, Florida and are included in Other assets in the accompanying balance sheets (see Note 7).

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Brightline Tampa

On January 2, 2024, the Company sold the assets associated with the Orlando to Tampa project to its affiliate, Brightline Tampa, including the contracts with architects, surveyors and consultants related to the design and development of the Orlando to Tampa Project (collectively, the “Tampa Assets”) for \$125.0 million. The Tampa Assets are not assets of Company and are not subject to a lien or available to service the Company’s bonds. The Company retained a right to repurchase the assets once the Tampa project receives National Environmental Policy Act permitting and achieved at least 60% of design. The repurchase price would be \$500.0 million in cash plus the assumption of any liabilities Brightline Tampa incurred to develop the project. On April 1, 2024, the Company obtained from Brightline Tampa certain rights which will allow for a connection with the Orlando SunRail corridor providing access to and from downtown Orlando for \$47.5 million paid in cash. These transactions resulted in a net equity contribution of \$78.2 million since they were transactions between entities under common control.

Fort Lauderdale Garage Lease

In August 2016, we entered into a lease agreement, as lessee, with a subsidiary of our Parent, as lessor, for certain of their properties in Fort Lauderdale, Florida (the “FLL Garage Lease”). The FLL Garage Lease was amended in December 2017 and March 2018 and has an original term of 240 months with a monthly base rent of approximately \$0.1 million. The FLL Garage Lease provided an option to renew the lease for three additional renewal terms of 60 months each, subject to a 10% increase in base rent for each renewal term. The lease agreement contained a provision for a 6-month rent holiday after the lease commencement in August 2017. Lease payments commenced in February 2018. We recognized approximately \$0.1 million for the year ended December 31, 2023, which is reported as a component of Facilities and other operating expense in the accompanying statements of operations and comprehensive loss. In March 2023, the Company acquired the Fort Lauderdale parking garage from FIH for a purchase price of \$20.9 million.

Other related party transactions

The Company granted its affiliate, BL West Holdings LLC (“BL West”), the perpetual use of the Brightline name and mark for BL West to use in its current project to develop an express passenger rail system from Los Angeles, California to Las Vegas, Nevada. In exchange, BL West paid the Company a fee of \$20.0 million toward the license. The license fee will be recognized over time of 20 years. Through December 31, 2023, the Company received \$20.0 million in cash and has recognized in Other revenue \$1.0 million and \$1.2 million for the years ended December 31, 2024 and 2023, respectively.

Note 13. Subsequent Events

We have evaluated subsequent events through April 30, 2025, the date on which our financial statements were available to be issued.

In January 2025, the Company was awarded a \$33.8 million Restoration and Enhancement grant to help pay for ramp up costs during 2025 and 2026.