

POWER FOR THE AFTERMARKET

INNOVATING CFM56 POWER

FTAI Aviation

Supplemental Information First Quarter 2023



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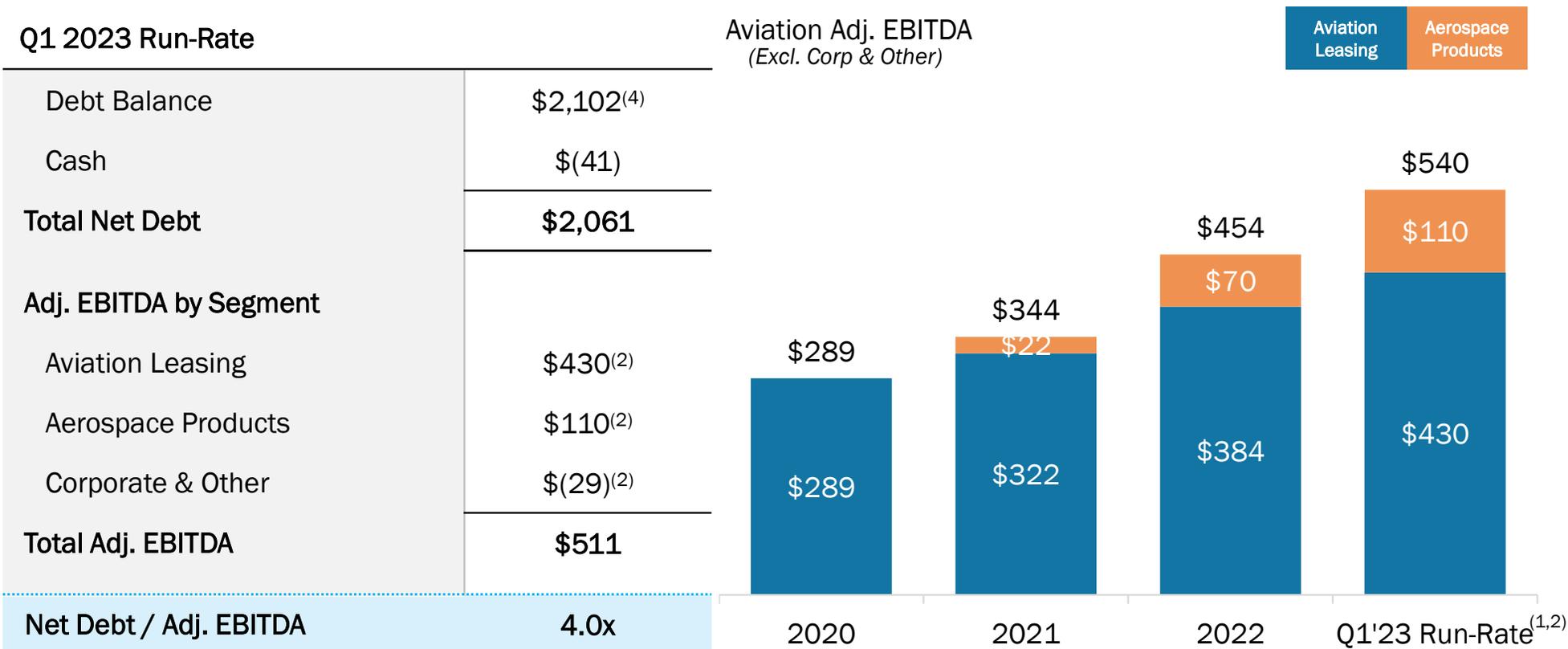
NON-GAAP FINANCIAL INFORMATION. This Presentation includes information based on financial measures that are not recognized under generally accepted accounting principles (GAAP), such as Adjusted EBITDA. You should use Non-GAAP information in addition to, and not as an alternative to, financial information prepared in accordance with GAAP. See Reconciliation and Glossary in the Appendix to this Presentation for reconciliations to the most comparable GAAP measures and an explanation of each of our Non-GAAP measures. Our Non-GAAP measures may not be identical or comparable to measures with the same name presented by other companies. Reconciliations of forward-looking Non-GAAP financial measures to their most directly comparable GAAP financial measures are not included in this Presentation because the most directly comparable GAAP financial measures are not available on a forward-looking basis without unreasonable effort.

Capital Structure

- Run-Rate Net Debt / Adj. EBITDA multiple declined from 4.3x in prior quarter to **4.0x** in Q1 2023^(1,2)
- \$225 million of Corporate Revolver facility available as of March 31, 2023
- Q4 2023 Net Debt / Adj. EBITDA projected to decline to range of **3x – 4x**⁽³⁾

Capital Structure Overview

(\$s in millions)



1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

2) Adjusted EBITDA Run-Rate is defined as Q1'23 annualized

3) Forward looking statement. See "Disclaimers" at the beginning of the Presentation.

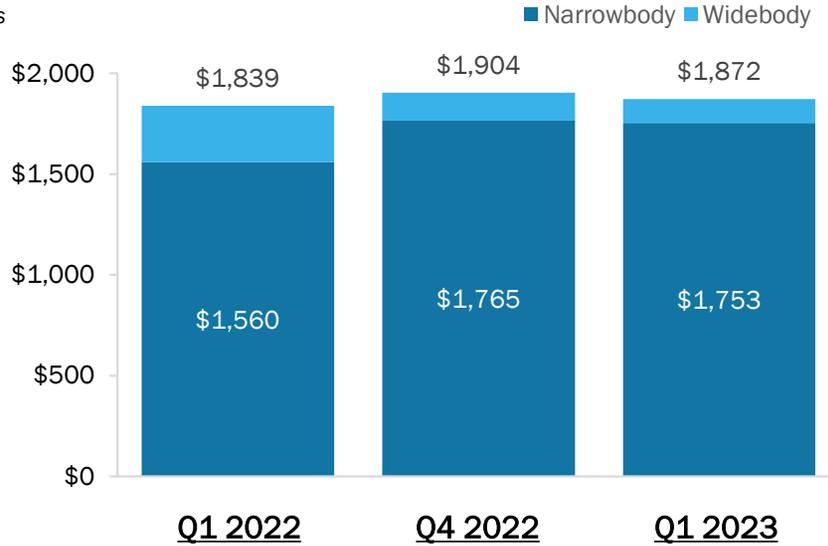
4) Debt Balance is net of approximately \$23.1mm of net deferred financing costs and bond issuance premium & discount; gross debt outstanding was \$2,125.0mm at March 31, 2023.

Portfolio Concentration on CFM56 Platform

- Portfolio of 93 aircraft and 241 standalone engines as of March 31, 2023
- 336 CFM56 engines in portfolio including standalone engines, engines on-wing and engines at The Module Factory™:
 - 152 standalone engines
 - 119x engines on Airbus A320 and 14x engines on Boeing 737 (133 CFM56 Engines)
 - 154 modules at The Module Factory™ (~51 Aerospace CFM56 Engine Equivalentents)⁽²⁾

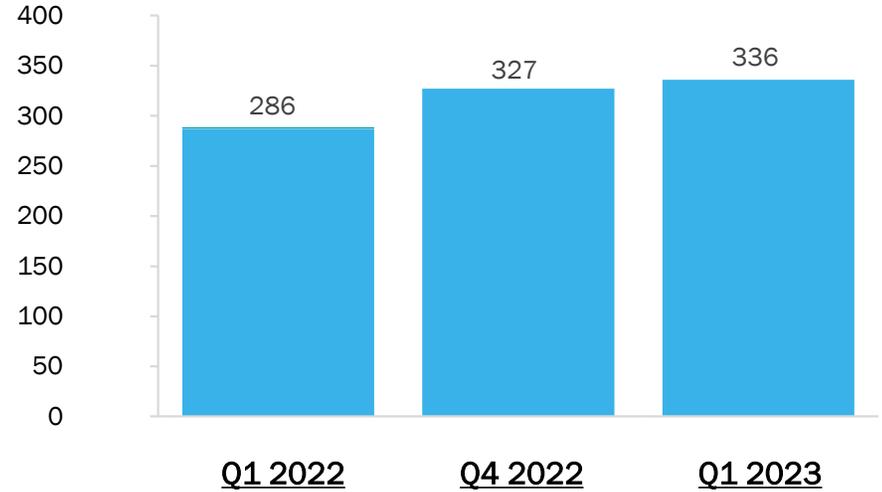
FTAI Aviation Portfolio

\$ in millions



Narrowbody	\$1,560	\$1,765	\$1,753
Widebody	\$279	\$139	\$119
Total BV⁽¹⁾	\$1,839	\$1,904	\$1,872

CFM56 Engine Count



Standalone	106	137	152
On-wing	159	152	133
Aerospace ⁽²⁾	21	38	51
Total Engines	286	327	336

Narrowbody assets comprise 94% of Aviation portfolio as of March 31, 2023

Consolidated Financial Results

1 Q1'23 Financial Results

- Net Income attributable to Shareholders of \$22.6 million
- Quarterly Net Income growth of 13.0% versus Q4'22
- Adjusted EBITDA of \$127.7 million⁽¹⁾

2 Q1'23 Balance Sheet

- Total Assets of \$2.4 billion
- Total Debt of \$2.1 billion⁽²⁾
- Issued \$65 million Series D Preferred Equity Mar'23⁽³⁾

Consolidated Key Financial Metrics

(\$s in millions)

Quarter Over Quarter Results	Q1'22	Q4'22	Q1'23
Aviation Leasing	\$35.6	\$110.3	\$107.6
Aerospace Products	\$13.0	\$21.7	\$27.4
Corporate & Other	\$(3.6)	\$(8.5)	\$(7.3)
Adjusted EBITDA⁽⁴⁾	\$45.0	\$123.5	\$127.7
Continuing Operations	\$(185.7)	\$20.0	\$22.6
Discontinued Operations	\$(43.3)	-	-
Net (Loss) Income Attributable to Shareholders	\$(229.0)	\$20.0	\$22.6

Balance Sheet & Liquidity	March 31, 2023
Cash	\$41.0
Net Leasing Equipment	\$1,849.7
Other Assets	\$550.7
Total Assets	\$2,441.4
Total Debt ⁽²⁾	\$2,101.9
Total Equity	\$74.2
Total Debt + Total Equity	\$2,176.1

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

2) Net of \$23.1mm deferred financing costs.

3) Gross Proceeds

FTAI Segments and Financial Results

1 Aviation Leasing

- Experienced in delivering fleet management solutions
- Provide affordable & flexible power to airline customers
- Extract highest value of highly tradable assets

2 Aerospace Products

- Innovative maintenance solutions of the CFM56 engine
- Maximize time on-wing and create the lowest cost-per-cycle
- Provide low-cost refurbished USM alternative

Q1'23 Key Segment Financial Metrics

(\$s in millions)

	Aviation Leasing ⁽²⁾	Aerospace Products	Corporate & Other	FTAI Consolidated	Q1'23 Run-Rate ⁽³⁾
Revenue	\$199.0	\$85.1	\$8.6	\$292.7	\$1,170.8
Net Income (loss) Attributable to Shareholders	\$57.8	\$25.0	\$(60.2)	\$22.6	\$90.4
Adjusted EBITDA ⁽¹⁾	\$107.6	\$27.4	\$(7.3)	\$127.7	\$510.8

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

2) Includes net Gains On Sales of \$16.5mm in Q1'23.

3) Run-Rate defined as each Q1'23 financial metric multiplied by four.

Aviation Leasing

Highlights & Key Metrics

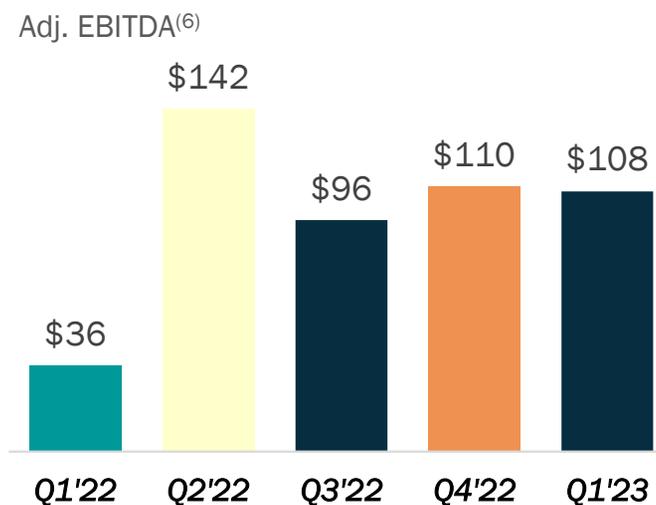
- Acquired \$127.8mm of equipment (22 Engines & 5 Aircraft)
- \$108.7mm Asset Sales for 15% NBV gain of \$16.5mm (3 Engines & 22 Aircraft / Airframes)
- W.A. Utilization of 75.0% versus 71.2% in Q4 2022
- Robust pipeline of in-place LOI opportunities⁽¹⁾

As of March 31, 2023	Engines	Aircraft	Total
# Assets ⁽²⁾	241	93	334
Net Leasing Equipment	\$743.7	\$935.3	\$1,679.0
Remaining Lease Term ⁽³⁾	10	44	(n/a)
W.A. Utilization ⁽⁴⁾	59.8%	87.1%	75.0%
Portfolio Composition	44.3%	55.7%	100.0%

Historical Leasing Performance

(\$s in millions)

Statement of Operations	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Total Revenue	\$70.7	\$82.4	\$164.8	\$209.9	\$199.0
Total Expenses	\$(216.7)	\$(45.4)	\$(112.9)	\$(149.2)	\$(140.1)
Other ⁽⁵⁾	\$6.3	\$54.4	\$(0.8)	\$(3.1)	\$(1.1)
Net Income (Loss) Attributable to Shareholders	\$(139.7)	\$91.4	\$51.1	\$57.6	\$57.8
Adjusted EBITDA⁽⁶⁾	\$35.6	\$142.2	\$96.0	\$110.3	\$107.6



1) In-place LOIs represent understandings and arrangements in place. There can be no assurance that we will be successful in acquiring any such assets or, if acquired, that they will generate returns meeting our expectations, or at all. Some of our committed investments and pipeline investments are subject to definitive documentation, agency consent and board approval. Committed investments and pipeline investments are also subject to varying degrees of diligence. There can be no assurance that we will complete any such investments or transactions.

2) Asset count includes 18 engines and 12 aircraft in Russia and Ukraine that have been written-off.

3) Remaining Lease Term is based on the average remaining months for our aircraft and engine portfolios, weighted by the net asset value of the respective assets, which is gross asset value including lease intangibles, as applicable, net of accumulated depreciation, accumulated amortization and maintenance deposits, as applicable.

4) W.A. Utilization is based on the percent of days on-lease in the quarter weighted by the monthly average equity value of our aviation leasing equipment, excluding airframes.

5) Includes Total other income and Provision for income taxes.

6) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

Aerospace Products

Highlights & Key Metrics

- \$85.1mm Revenue generating \$27.4mm Adj. EBITDA in Q1'23
- 39 modules sold in Q1'23 to 10 unique customers
- CFM56 engine parts inventory of \$192.8mm as of 03/31
- Strong backlog from airlines, lessors & MROs

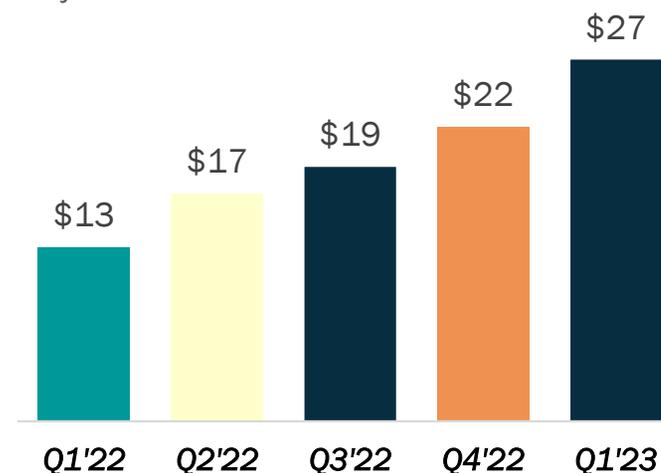
Aerospace Products Margin <i>(\$s in millions)</i>	Q3'22	Q4'22	Q1'23
Revenue	\$53.4	\$59.4	\$85.1
Adj. EBITDA ⁽¹⁾	\$18.6	\$21.7	\$27.4
Adj. EBITDA Margin % ⁽²⁾	35%	37%	32%

Historical Aerospace Products Performance

(\$s in millions)

Statement of Operations	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Total Revenue	\$14.3	\$26.5	\$53.4	\$59.3	\$85.1
Total Expenses	\$(10.7)	\$(18.2)	\$(34.7)	\$(37.8)	\$(57.9)
Other ⁽³⁾	\$9.3	\$6.8	\$(2.9)	\$1.9	\$(2.2)
Net Income (Loss) Attributable to Shareholders	\$12.9	\$15.1	\$15.8	\$23.4	\$25.0
Adjusted EBITDA ⁽¹⁾	\$13.0	\$17.1	\$18.6	\$21.7	\$27.4

Adj. EBITDA⁽¹⁾



1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

2) Calculated as Adjusted EBITDA divided by total revenue.

3) Includes Total other income and Provision for income taxes.

Corporate & Other

Highlights & Key Metrics

Corporate & Other is primarily comprised of:

- Debt, unallocated corporate G&A expenses, and management fees
- Offshore energy related vessels and equipment that support offshore oil & gas activities and production

Corporate Debt <i>(\$s in millions)</i>	Q4'22	Q1'23
Corporate Revolver	\$150.0	\$75.0
Corporate Bonds	\$2,050.0	\$2,050.0
Other ⁽¹⁾	\$(24.3)	\$(23.1)
Total Corporate Debt	\$2,175.7	\$2,101.9
Interest Expense	\$37.0	\$39.3

Historical Corporate & Other Performance

(\$s in millions)

Statement of Operations	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Total Revenue	\$6.7	\$3.1	\$12.1	\$5.0	\$8.6
Total Expenses	\$(58.5)	\$(65.8)	\$(61.5)	\$(59.6)	\$(61.9)
Other ⁽²⁾	\$(7.2)	\$(4.9)	\$(28.4)	\$(6.4)	\$(6.9)
Net Loss Attributable to Shareholders	\$(59.0)	\$(67.6)	\$(77.8)	\$(61.0)	\$(60.2)
Adjusted EBITDA⁽³⁾	\$(3.6)	\$(8.6)	\$(5.7)	\$(8.5)	\$(7.3)

Q1'23 Highlights

- Higher number of Offshore vessel on-hire days generated revenue of \$8.6mm in Q1'23
- Decreased corporate revolver drawdown balance by \$75 million during Q1 2023

1) Deferred financing costs and bond issuance premium & discount.

2) Includes Total other income, preferred dividends and Provision for income taxes.

3) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

Q1 2023 Free Cashflow

- Generated **\$195.1** million positive free cashflow position for asset acquisition & investment activity
- Acquired 22 CFM56 Engines & 5 narrowbody Aircraft during Q1 2023 for \$127.8 million
- Invested \$19.5 million for 50% equity stake in QuickTurn Engine Center LLC⁽¹⁾

Free Cashflow

(\$s in millions)	Q1 2023
Net Operating Cashflows	\$38.7
Sales Proceeds	\$153.7
Other ⁽²⁾	\$2.7
Total Available	\$195.1
Capex	\$(157.2)
Preferred Dividends	\$(6.8)
Common Dividends	\$(29.9)
Net Total	\$1.2

Capex Overview

(\$s in millions)	Q1 2023
Acquisition Capex	\$127.8
Maintenance Capex	\$8.4
Investment in QuickTurn JV	\$19.5
Other Capex ⁽³⁾	\$1.5
Total Capex	\$157.2

1) FTAI receives 45% pro-rata distribution of profit until breakeven return of Unical initial investment, expected by ~2026. FTAI will receive 50% pro-rata distribution of profit once contractual goal attained.

2) Includes net cashflows from deposits related to the purchase & sale of aviation assets, lease security deposits and maintenance deposits.

3) Related to maintenance of Offshore Vessels.

FTAI ESG Initiatives

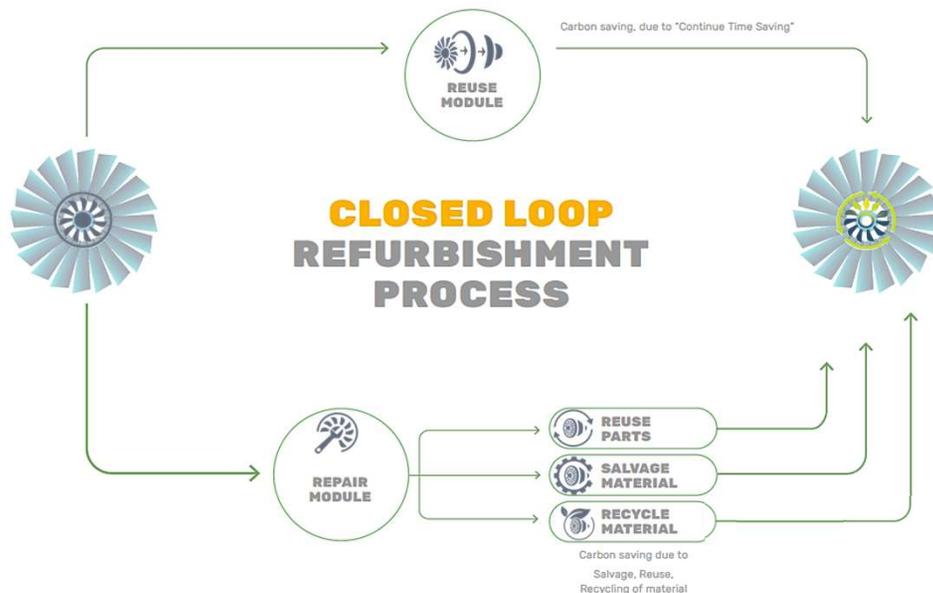
Environmental Dilemma: Jet Engine Maintenance

- On an annual basis CFM56 engine maintenance alone costs ~\$10 billion and burdens the environment by emitting 75,000 tons of CO2 and consuming 3,500 tons of material⁽¹⁾

Our Commitment and Program: FTAI ESG

- We are committed to minimizing our carbon footprint through sustainable jet engine maintenance. Below are our programs:
 - Closed Loop** engine refurbishment process at The Module Factory™
 - FTAI and AAR Corp. jointly contribute on avg. 1% of all USM sales from the partnership to purchase verified carbon offsets - meet standards set by CORSIA⁽²⁾

Our Efficient Approach to Maintenance



ESG Updates

- Signed carbon offset programs with airlines, MROs and lessors
- Active Program: USM & Modules program targets to contribute 1% of sales to purchase and granting of carbon offsets⁽³⁾
- Repaired over 100 modules resulting in the avoidance of scrapping and replacing material

Appendix:

- **Statement of Operations by Segment**
- **Comparative Statements of Operations**
- **Condensed Balance Sheets**
- **Reconciliation of Non-GAAP Measures**
- **Glossary**

Statement of Operations by Segment

Statement of Operations by Segment (unaudited)

For the Three Months Ended March 31, 2023

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues	\$ 199,040	\$ 85,113	\$ 8,565	\$ 292,718
Expenses				
Cost of sales	92,234	53,436	—	145,670
Operating expenses	7,088	3,655	11,791	22,534
General and administrative	—	—	4,067	4,067
Acquisition and transaction expenses	1,462	755	1,045	3,262
Management fees and incentive allocation to affiliate	—	—	2,997	2,997
Depreciation and amortization	38,140	86	2,700	40,926
Asset impairment	1,220	—	—	1,220
Interest expense	—	—	39,292	39,292
Total expenses	\$ 140,144	\$ 57,932	\$ 61,892	\$ 259,968
Other income (expense)				
Equity in losses of unconsolidated entities	(99)	(1,236)	—	(1,335)
Other income	8	—	—	8
Total other expense	\$ (91)	\$ (1,236)	\$ —	\$ (1,327)
Income (loss) from continuing operations before income taxes	58,805	25,945	(53,327)	31,423
Provision for income taxes	995	916	115	2,026
Net income (loss) from continuing operations	\$ 57,810	\$ 25,029	\$ (53,442)	\$ 29,397
Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—
Less: Dividends on preferred shares	—	—	6,791	6,791
Net income (loss) attributable to shareholders from continuing operations	\$ 57,810	\$ 25,029	\$ (60,233)	\$ 22,606
Adjusted EBITDA⁽¹⁾	\$ 107,556	\$ 27,377	\$ (7,277)	\$ 127,656

1. This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

Statement of Operations by Segment (unaudited)

For the Three Months Ended March 31, 2022

(\$ in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues	\$ 70,712	\$ 14,313	\$ 6,666	\$ 91,691
Expenses				
Cost of sales	—	9,050	—	9,050
Operating expenses	54,472	1,623	5,704	61,799
General and administrative	—	—	4,561	4,561
Acquisition and transaction expenses	209	—	2,064	2,273
Management fees and incentive allocation to affiliate	—	—	3	3
Depreciation and amortization	39,228	34	2,043	41,305
Asset impairment	122,790	—	—	122,790
Interest expense	—	—	44,139	44,139
Total expenses	\$ 216,699	\$ 10,707	\$ 58,514	\$ 285,920
Other income (expense)				
Equity in earnings (losses) of unconsolidated entities	552	(354)	—	198
Gain on sale of assets, net	6,587	9,701	—	16,288
Other income (expense)	165	—	(37)	128
Total other income (expense)	\$ 7,304	\$ 9,347	\$ (37)	\$ 16,614
(Loss) income from continuing operations before income taxes	(138,683)	12,953	(51,885)	(177,615)
Provision for income taxes	986	71	282	1,339
Net (loss) income from continuing operations	\$ (139,669)	\$ 12,882	\$ (52,167)	\$ (178,954)
Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—
Less: Dividends on preferred shares	—	—	6,791	6,791
Net (loss) income attributable to shareholders from continuing operations	\$ (139,669)	\$ 12,882	\$ (58,958)	\$ (185,745)
Adjusted EBITDA⁽¹⁾	\$ 35,556	\$ 13,043	\$ (3,639)	\$ 44,960

Comparative Statements of Operations

Consolidated - Comparative Statements of Operations (unaudited)

(\$s in thousands)	Three Months Ended				
	3/31/2022	6/30/2022	9/30/2022	12/31/2022	03/31/2023
Revenues					
Lease income	\$ 39,325	\$ 39,639	\$ 50,198	\$ 50,152	\$ 55,978
Maintenance revenue	36,732	39,932	35,507	36,675	35,141
Asset sales revenue	—	—	85,488	123,012	108,691
Aerospace products revenue	14,313	26,497	53,401	59,339	85,113
Other revenue	1,321	5,996	5,771	5,113	7,795
Total revenues	\$ 91,691	\$ 112,064	\$ 230,365	\$ 274,291	\$ 292,718
Expenses					
Cost of sales	9,050	15,141	95,948	128,246	145,670
Operating expenses	61,799	19,005	27,393	24,067	22,534
General and administrative	4,561	3,906	3,354	2,343	4,067
Acquisition and transaction expenses	2,273	3,219	2,848	4,867	3,262
Management fees and incentive allocation to affiliate	3	(3)	4	3,558	2,997
Depreciation and amortization	41,305	39,303	34,853	37,456	40,926
Asset impairment	122,790	886	4,495	9,048	1,220
Interest expense	44,139	47,887	40,171	36,997	39,292
Total expenses	\$ 285,920	\$ 129,344	\$ 209,066	246,582	259,968
Other income (expense)					
Equity in earnings (losses) of unconsolidated entities	198	35	(358)	(244)	(1,335)
Gain (loss) on sale of assets, net	16,288	63,645	—	(2,722)	—
Loss on extinguishment of debt	—	—	(19,861)	2	—
Other income (expense)	128	1,118	(1,038)	(1)	8
Total other income (expense)	\$ 16,614	\$ 64,798	\$ (21,257)	\$ (2,965)	\$ (1,327)
Net (loss) income from continuing operations before income taxes	(177,615)	47,518	42	24,744	31,423
Provision for (benefit from) income taxes	1,339	1,829	4,189	(2,057)	2,026
Net (loss) income from continuing operations	\$ (178,954)	\$ 45,689	\$ (4,147)	\$ 26,801	\$ 29,397
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—	—
Less: Dividends on preferred shares	6,791	6,791	6,791	6,791	6,791
Net (loss) income attributable to shareholders from continuing operations	\$ (185,745)	\$ 38,898	\$ (10,938)	\$ 20,010	\$ 22,606
Adjusted EBITDA⁽¹⁾	\$ 44,960	\$ 150,735	\$ 108,863	\$ 123,539	\$ 127,656

1. This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

Aviation Leasing - Comparative Statements of Operations (unaudited)

(\$s in thousands)	Three Months Ended				
	03/31/2022	6/30/2022	9/30/2022	12/31/2022	03/31/2023
Revenues					
Lease income	\$ 33,958	\$ 37,298	\$ 40,392	\$ 47,420	\$ 48,830
Maintenance revenue	36,732	39,932	35,507	36,675	35,141
Asset sales revenue	—	—	85,488	123,012	108,691
Other revenue	22	5,204	3,461	2,812	6,378
Total revenues	\$ 70,712	\$ 82,434	\$ 164,848	\$ 209,919	\$ 199,040
Expenses					
Cost of sales	—	—	64,855	94,635	92,234
Operating expenses	54,472	7,130	10,533	9,097	7,088
Acquisition and transaction expenses	209	168	247	1,299	1,462
Depreciation and amortization	39,228	37,191	32,728	35,111	38,140
Asset impairment	122,790	886	4,495	9,048	1,220
Total expenses	\$ 216,699	\$ 45,375	\$ 112,858	\$ 149,190	\$ 140,144
Other income (expense)					
Equity in earnings (losses) of unconsolidated entities	552	246	(45)	(13)	(99)
Gain (loss) on sale of assets, net	6,587	54,784	—	(2,722)	—
Other income	165	38	42	1	8
Total other income (expense)	\$ 7,304	\$ 55,068	\$ (3)	\$ (2,734)	\$ (91)
Loss (income) before income taxes	(138,683)	92,127	51,987	57,995	58,805
Provision for income taxes	986	715	926	386	995
Net (loss) income	\$ (139,669)	\$ 91,412	\$ 51,061	\$ 57,609	\$ 57,810
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—	—
Net (loss) income attributable to shareholders	\$ (139,669)	\$ 91,412	\$ 51,061	\$ 57,609	\$ 57,810
Adjusted EBITDA⁽¹⁾	\$ 35,556	\$ 142,238	\$ 95,994	\$ 110,337	\$ 107,556

1. This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

Aerospace Products - Comparative Statements of Operations (unaudited)

(\$s in thousands)	Three Months Ended				
	03/31/2022	6/30/2022	9/30/2022	12/31/2022	03/31/2023
Revenues					
Aerospace products revenue	\$ 14,313	\$ 26,497	\$ 53,401	\$ 59,339	\$ 85,113
Total revenues	\$ 14,313	\$ 26,497	\$ 53,401	\$ 59,339	\$ 85,113
Expenses					
Cost of sales	9,050	15,141	31,093	33,611	53,436
Operating expenses	1,623	2,980	3,491	3,873	3,655
Acquisition and transaction expenses	—	—	15	228	755
Depreciation and amortization	34	67	77	80	86
Total expenses	\$ 10,707	\$ 18,188	\$ 34,676	\$ 37,792	\$ 57,932
Other income (expense)					
Equity in losses of unconsolidated entities	(354)	(211)	(313)	(231)	(1,236)
Gain on sale of assets, net	9,701	8,861	—	—	—
Total other income (expense)	\$ 9,347	\$ 8,650	\$ (313)	\$ (231)	\$ (1,236)
Income before income taxes	12,953	16,959	18,412	21,316	25,945
Provision for (benefit from) income taxes	71	1,887	2,586	(2,094)	916
Net income	\$ 12,882	\$ 15,072	\$ 15,826	\$ 23,410	\$ 25,029
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—	—
Net income attributable to shareholders	\$ 12,882	\$ 15,072	\$ 15,826	\$ 23,410	\$ 25,029
Adjusted EBITDA⁽¹⁾	\$ 13,043	\$ 17,082	\$ 18,560	\$ 21,680	\$ 27,377

1. This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

Corporate and Other - Comparative Statements of Operations (unaudited)

(\$s in thousands)	Three Months Ended				
	03/31/2022	6/30/2022	9/30/2022	12/31/2022	03/31/2023
Revenues					
Equipment leasing revenues					
Lease income	\$ 5,367	\$ 2,341	\$ 9,806	\$ 2,732	\$ 7,148
Other revenue	1,299	792	2,310	2,301	1,417
Total revenues	\$ 6,666	\$ 3,133	\$ 12,116	\$ 5,033	\$ 8,565
Expenses					
Operating expenses	5,704	8,895	13,369	11,097	11,791
General and administrative	4,561	3,906	3,354	2,343	4,067
Acquisition and transaction expenses	2,064	3,051	2,586	3,340	1,045
Management fees and incentive allocation to affiliate	3	(3)	4	3,558	2,997
Depreciation and amortization	2,043	2,045	2,048	2,265	2,700
Interest expense	44,139	47,887	40,171	36,997	39,292
Total expenses	\$ 58,514	\$ 65,781	\$ 61,532	\$ 59,600	\$ 61,892
Other (expense) income					
Loss on extinguishment of debt	—	—	(19,861)	2	—
Other (expense) income	(37)	1,080	(1,080)	(2)	—
Total other (expense) income	\$ (37)	\$ 1,080	\$ (20,941)	\$ —	\$ —
Loss before income taxes	(51,885)	(61,568)	(70,357)	(54,567)	(53,327)
Provision for (benefit from) income taxes	282	(773)	677	(349)	115
Net loss	\$ (52,167)	\$ (60,795)	\$ (71,034)	\$ (54,218)	\$ (53,442)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—	—
Less: Dividends on preferred shares	6,791	6,791	6,791	6,791	6,791
Net loss attributable to shareholders	\$ (58,958)	\$ (67,586)	\$ (77,825)	\$ (61,009)	\$ (60,233)
Adjusted EBITDA⁽¹⁾	\$ (3,639)	\$ (8,585)	\$ (5,691)	\$ (8,478)	\$ (7,277)

1. This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

Condensed Balance Sheets

Condensed Balance Sheets

	(unaudited)	
	March 31, 2023	December 31, 2022
<i>(\$s in thousands)</i>		
Gross Property, Plant and Equipment (PP&E)	\$ 12,558	\$ 10,974
Accumulated Depreciation on PP&E	(1,120)	(960)
Net PP&E	\$ 11,438	\$ 10,014
Gross Leasing Equipment	2,346,078	2,413,230
Accumulated Depreciation on Leasing Equipment	(496,416)	(499,677)
Net Leasing Equipment	\$ 1,849,662	\$ 1,913,553
Intangible Assets, net	45,729	41,955
All Other Assets	534,615	464,055
Total Assets	\$ 2,441,444	\$ 2,429,577
Debt, net	2,101,907	2,175,727
All Other Liabilities	265,381	234,448
Total Liabilities	\$ 2,367,288	\$ 2,410,175
Shareholders' equity	73,632	18,878
Non-controlling interest in equity of consolidated subsidiaries	524	524
Total Equity	\$ 74,156	\$ 19,402
Total Liabilities and Equity	\$ 2,441,444	\$ 2,429,577

Reconciliation of Non-GAAP Measures

Adjusted EBITDA Reconciliation by Segment (unaudited)¹

For the Three Months Ended March 31, 2023

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Net income (loss) attributable to shareholders from continuing operations	\$ 57,810	\$ 25,029	\$ (60,233)	\$ 22,606
Add: Provision for income taxes	995	916	115	2,026
Add: Equity-based compensation expense	22	15	71	108
Add: Acquisition and transaction expenses	1,462	755	1,045	3,262
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—
Add: Asset impairment charges	1,220	—	—	1,220
Add: Incentive allocations	—	—	2,942	2,942
Add: Depreciation & amortization expense ⁽²⁾	45,984	86	2,700	48,770
Add: Interest expense and dividends on preferred shares	—	—	46,083	46,083
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽³⁾	(36)	(660)	—	(696)
Less: Equity in losses of unconsolidated entities	99	1,236	—	1,335
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—
Adjusted EBITDA	\$ 107,556	\$ 27,377	\$ (7,277)	\$ 127,656

For the Three Months Ended March 31, 2022

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Net (loss) income attributable to shareholders from continuing operations	\$ (139,669)	\$ 12,882	\$ (58,958)	\$ (185,745)
Add: Provision for income taxes	986	71	282	1,339
Add: Equity-based compensation expense	—	—	—	—
Add: Acquisition and transaction expenses	209	—	2,064	2,273
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—
Add: Asset impairment charges	122,790	—	—	122,790
Add: Incentive allocations	—	—	—	—
Add: Depreciation & amortization expense ⁽²⁾	51,240	34	2,043	53,317
Add: Interest expense and dividends on preferred shares	—	—	50,930	50,930
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽³⁾	552	(298)	—	254
Less: Equity in (earnings) losses of unconsolidated entities	(552)	354	—	(198)
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—
Adjusted EBITDA	\$ 35,556	\$ 13,043	\$ (3,639)	\$ 44,960

Notes to Non-GAAP Reconciliations - Adjusted EBITDA

(\$s in thousands)

⁽¹⁾ Refer to the FTAI Aviation Ltd. Q3'22 Earnings Supplement for Adjusted EBITDA Reconciliation by Segment for the three months ended June 30, 2022 and September 30, 2022 and the FTAI Aviation Ltd. Q4'22 Earnings Supplement for Adjusted EBITDA Reconciliation by Segment for the three months ended December 31, 2022.

⁽²⁾ Total

Includes the following items for the three months ended March 31, 2023 and 2022: (i) depreciation and amortization expense of \$40,926 and \$41,305, (ii) lease intangible amortization of \$3,983 and \$3,658 and (iii) amortization for lease incentives of \$3,861 and \$8,354, respectively.

Aviation Leasing

Includes the following items for the three months ended March 31, 2023 and 2022: (i) depreciation expense of \$38,140 and \$39,228, (ii) lease intangible amortization of \$3,983 and \$3,658 and (iii) amortization for lease incentives of \$3,861 and \$8,354, respectively.

⁽³⁾ Total

Includes the following items for the three months ended March 31, 2023 and 2022: (i) net (loss) income of \$(1,335) and \$198, (ii) depreciation and amortization expense of \$400 and \$56, and (iii) acquisition and transaction expenses of \$239 and \$0, respectively.

Aviation Leasing

Includes the following items for the three months ended March 31, 2023 and 2022: (i) net (loss) income of \$(99) and \$552 and (ii) depreciation and amortization of \$63 and \$0, respectively.

Aerospace Products

Includes the following items for the three months ended March 31, 2023 and 2022: (i) net loss of \$1,236 and \$354, (ii) depreciation and amortization expense of \$337 and \$56, and (iii) acquisition and transaction expenses of \$239 and \$0, respectively.

Glossary

Adjusted EBITDA

The Chief Operating Decision Maker (“CODM”) utilizes Adjusted EBITDA as the key performance measure. Adjusted EBITDA is not a financial measure in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). This performance measure provides the CODM with the information necessary to assess operational performance and make resource and allocation decisions. We believe Adjusted EBITDA is a useful metric for investors and analysts for similar purposes of assessing our operational performance.

Adjusted EBITDA is defined as net income (loss) attributable to shareholders from continuing operations, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, dividends on preferred shares and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.