

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2025**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number **001-37386**



FTAI AVIATION LTD.

(Exact name of registrant as specified in its charter)

Cayman Islands

98-1420784

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

405 West 13th Street, 3rd Floor

New York

NY

10014

(Address of principal executive offices)

(Zip Code)

(Registrant's telephone number, including area code) **(332) 239-7600**

(Former name, former address and former fiscal year, if changed since last report) **N/A**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol:	Name of exchange on which registered:
Ordinary shares, \$0.01 par value per share	FTAI	The Nasdaq Global Select Market
8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares	FTAIN	The Nasdaq Global Select Market
9.50% Fixed-Rate Reset Series D Cumulative Perpetual Redeemable Preferred Shares	FTAIM	The Nasdaq Global Select Market

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

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

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

There were 102,570,598 ordinary shares outstanding at July 29, 2025.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS SUMMARY

This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but instead are based on our present beliefs and assumptions and on information currently available to us. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “target,” “projects,” “contemplates” or the negative version of those words or other comparable words. Any forward-looking statements contained in this report are based upon our historical performance and on our current plans, estimates and expectations in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us, that the future plans, estimates or expectations contemplated by us will be achieved.

Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. The following is a summary of the principal risk factors that make investing in our securities risky and may materially adversely affect our business, financial condition, results of operations and cash flows. This summary should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth in Part II, Item 1A. “Risk Factors” of this report. We believe that these factors include, but are not limited to:

- changes in economic conditions generally and specifically in our industry sectors, and other risks relating to the global economy, including, but not limited to, the Russia-Ukraine conflict, and any related responses or actions by businesses and governments;
- reductions in cash flows received from our assets, as well as contractual limitations on the use of our aviation assets to secure debt for borrowed money;
- our ability to take advantage of acquisition opportunities at favorable prices;
- our ability to realize the anticipated benefits of our strategic initiatives;
- a lack of liquidity surrounding our assets, which could impede our ability to vary our portfolio in an appropriate manner;
- the relative spreads between the yield on the assets we acquire and the cost of financing;
- adverse changes in the financing markets we access affecting our ability to finance our acquisitions;
- customer or lessee defaults on their obligations;
- our ability to renew existing contracts and enter into new contracts with existing or potential lessees;
- the availability and cost of capital for future acquisitions;
- concentration of a particular type of asset or in a particular sector;
- competition within the aviation industry;
- the competitive market for acquisition opportunities;
- risks related to operating through joint ventures, partnerships, consortium arrangements or other collaborations with third parties;
- our ability to successfully integrate acquired businesses;
- obsolescence of our assets or our ability to sell, re-lease or re-charter our assets;
- exposure to uninsurable losses and force majeure events;
- the impact of trade disputes, including the imposition of new or increased tariffs, sanctions or other restrictions, and the legislative/regulatory environment and exposure to increased economic regulation;
- exposure to the oil and gas industry’s volatile oil and gas prices;
- difficulties in obtaining effective legal redress in jurisdictions in which we operate with less developed legal systems;
- our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”) and the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”) and the fact that maintaining such exemption imposes limits on our operations;
- our ability to successfully utilize leverage in connection with our investments;
- foreign currency risk and risk management activities;
- effectiveness of our internal control over financial reporting;
- exposure to environmental risks, including natural disasters, increasing environmental legislation and the broader impacts of climate change;
- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;
- actions taken by national, state, or provincial governments, including nationalization, or the imposition of new taxes, could materially impact the financial performance or value of our assets;
- our ability to attract and retain highly skilled management and other personnel;

- risks relating to the Company entering into an Internalization Agreement (the "Internalization Agreement") with FIG LLC (the "Former Manager") and the impact on the Company's management functions and business operations;
- volatility in the market price of our shares;
- the inability to pay dividends to our shareholders in the future;
- impacts from our past and future acquisitions, and our ability to successfully integrate acquired assets and assumed liabilities; and
- other risks described in the "Risk Factors" section of this report.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. We do not undertake any obligation to publicly update or review any forward-looking statement except as required by law, whether as a result of new information, future developments or otherwise.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

FTAI AVIATION LTD.
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Item 1. Financial Statements

FTAI AVIATION LTD.

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share and per share data)

	Notes	(Unaudited) June 30, 2025	December 31, 2024
Assets			
Current Assets			
Cash and cash equivalents	2	\$ 301,911	\$ 115,116
Accounts receivable, net ⁽¹⁾	2	239,535	150,823
Inventory, net	2	752,866	551,156
Assets held for sale		121,848	—
Other current assets ⁽²⁾		343,225	408,923
Total current assets		1,759,385	1,226,018
Leasing equipment, net	4	1,849,116	2,373,730
Property, plant, and equipment, net	2	110,484	107,451
Investments	5	125,713	19,048
Intangible assets, net	6	14,449	42,205
Goodwill	3	75,634	61,070
Other non-current assets	2	166,294	208,430
Total assets		\$ 4,101,075	\$ 4,037,952
Liabilities			
Current Liabilities			
Accounts payable		\$ 83,391	\$ 69,119
Accrued liabilities		131,166	96,910
Current maintenance deposits		44,647	62,552
Current security deposits		17,231	18,100
Liabilities held for sale		30,883	—
Other current liabilities		43,622	100,565
Total current liabilities		350,940	347,246
Long-term debt, net	7	3,444,612	3,440,478
Non-current maintenance deposits	2	27,772	44,179
Non-current security deposits	2	14,693	26,830
Other non-current liabilities		98,114	97,851
Total liabilities		\$ 3,936,131	\$ 3,956,584
Commitments and contingencies	14		
Equity			
Ordinary shares (\$0.01 par value per share; 2,000,000,000 shares authorized; 102,560,867 and 102,550,975 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively)		\$ 1,026	\$ 1,026
Preferred shares (\$0.01 par value per share; 200,000,000 shares authorized; 6,800,000 and 11,740,000 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively)		68	117
Additional paid in capital		(30,831)	153,328
Retained earnings (accumulated deficit)		194,681	(73,103)
Shareholders' equity		164,944	81,368
Total liabilities and equity		\$ 4,101,075	\$ 4,037,952

⁽¹⁾ Includes accounts receivable from the 2025 Partnership of \$93,576 and \$0 as of June 30, 2025 and December 31, 2024, respectively.

⁽²⁾ Includes receivables from the 2025 Partnership of \$18,141 and \$0 as of June 30, 2025 and December 31, 2024, respectively.

See accompanying notes to consolidated financial statements.

FTAI AVIATION LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(Dollars in thousands, except share and per share data)

	Notes	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Revenues					
Aerospace products revenue		\$ 420,686	\$ 245,200	\$ 685,111	\$ 434,257
MRE Contract revenue		69,585	—	170,223	—
Lease income		62,439	70,754	130,879	123,915
Maintenance revenue		73,104	51,187	122,711	96,977
Asset sales revenue		47,915	72,433	66,854	111,040
Other revenue ⁽¹⁾		2,508	4,020	2,539	4,099
Total revenues	12	676,237	443,594	1,178,317	770,288
Expenses					
Cost of sales		369,258	205,857	617,972	348,661
Operating expenses	2	34,328	29,099	66,766	54,416
General and administrative		2,442	2,969	5,558	6,652
Acquisition and transaction expenses		4,489	8,019	11,781	14,198
Management fees and incentive allocation to affiliate	11	—	3,554	—	8,449
Internalization fee to affiliate	15	—	300,000	—	300,000
Depreciation and amortization	4, 6	55,236	56,691	114,798	106,611
Asset impairment		—	—	—	962
Total expenses		465,753	606,189	816,875	839,949
Other (expense) income					
Interest expense		(63,965)	(55,196)	(126,005)	(102,903)
Loss on extinguishment of debt		—	(13,920)	—	(13,920)
Equity in losses of unconsolidated entities ⁽²⁾	5	(5,003)	(694)	(12,617)	(1,361)
Gain on sale to the 2025 Partnership		34,604	—	45,474	—
Other income (expense)		27,156	(498)	60,227	136
Total other expense		(7,208)	(70,308)	(32,921)	(118,048)
Income (loss) before income taxes		203,276	(232,903)	328,521	(187,709)
Provision for (benefit from) income taxes	10	37,878	(13,033)	60,737	(7,461)
Net income (loss)		165,398	(219,870)	267,784	(180,248)
Less: Dividends on preferred shares		3,709	8,335	9,824	16,670
Less: Loss on redemption of preferred shares		—	—	6,327	—
Net income (loss) attributable to shareholders		\$ 161,689	\$ (228,205)	\$ 251,633	\$ (196,918)
Earnings (loss) per share:					
Basic	13	\$ 1.58	\$ (2.26)	\$ 2.45	\$ (1.96)
Diluted		\$ 1.57	\$ (2.26)	\$ 2.44	\$ (1.96)
Weighted average shares outstanding:					
Basic		102,558,777	100,958,524	102,555,644	100,602,214
Diluted		103,147,860	100,958,524	103,144,727	100,602,214

⁽¹⁾ Includes servicing fees of \$2,052 and \$2,600 for the three and six months ended June 30, 2025, respectively, from the 2025 Partnership.

⁽²⁾ Includes the profit elimination of \$(4,935) and \$(11,885) for the three and six months ended June 30, 2025, respectively, and \$0 and \$0 for the three and six months ended June 30, 2024, respectively, for sales to the 2025 Partnership.

See accompanying notes to consolidated financial statements.

FTAI AVIATION LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)
(Dollars in thousands)

	Three and Six Months Ended June 30, 2025				
	Ordinary Shares	Preferred Shares	Additional Paid In Capital	(Accumulated Deficit) Retained Earnings	Total Equity
Equity - December 31, 2024	\$ 1,026	\$ 117	\$ 153,328	\$ (73,103)	\$ 1
Net income				102,386	1
Total comprehensive income				102,386	1
Redemption of preferred shares		(49)	(117,791)		(1)
Loss on redemption of preferred shares			(6,327)		(1)
Issuance of ordinary shares			739		
Dividends declared - ordinary shares			(30,767)		(1)
Dividends declared - preferred shares			(6,115)		(1)
Equity-based compensation			4,889		
Equity - March 31, 2025	\$ 1,026	\$ 68	\$ (2,044)	\$ 29,283	\$ 1
Net income				165,398	1
Total comprehensive loss				165,398	1
Issuance of ordinary shares			174		
Dividends declared - ordinary shares			(30,767)		(1)
Dividends declared - preferred shares			(3,709)		(1)
Equity-based compensation			5,515		
Equity - June 30, 2025	\$ 1,026	\$ 68	\$ (30,831)	\$ 194,681	\$ 1

See accompanying notes to consolidated financial statements.

FTAI AVIATION LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)
(Dollars in thousands)

	Three and Six Months Ended June 30, 2024					
	Ordinary Shares	Preferred Shares	Additional Paid In Capital	Accumulated Deficit	Non-Controlling Interest in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2023	\$ 1,002	\$ 159	\$ 255,973	\$ (81,785)	\$ 534	\$ 175,883
Net income				39,622		39,622
Total comprehensive income				39,622		39,622
Dividends declared - ordinary shares			(30,074)			(30,074)
Dividends declared - preferred shares			(8,335)			(8,335)
Equity-based compensation			510			510
Equity - March 31, 2024	\$ 1,002	\$ 159	\$ 218,074	\$ (42,163)	\$ 534	\$ 177,606
Net income				(219,870)		(219,870)
Total comprehensive income				(219,870)		(219,870)
Purchase of non-controlling interest					(534)	(534)
Issuance of ordinary shares	20		150,116			150,136
Dividends declared - ordinary shares			(30,074)			(30,074)
Dividends declared - preferred shares			(8,335)			(8,335)
Equity-based compensation			638			638
Equity - June 30, 2024	<u>\$ 1,022</u>	<u>\$ 159</u>	<u>\$ 330,419</u>	<u>\$ (262,033)</u>	<u>\$ —</u>	<u>\$ 69,567</u>

See accompanying notes to consolidated financial statements.

FTAI AVIATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(Dollars in thousands)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 267,784	\$ (180,248)
Adjustments to reconcile net income to net cash used in operating activities:		
Equity in losses of unconsolidated entities ⁽¹⁾	12,617	1,361
Gain on sale of assets	(226,116)	(146,084)
Gain on sale of assets to the 2025 Partnership	(45,474)	—
Gain on insurance recoveries	(54,325)	—
Security deposits and maintenance claims included in earnings	(31,167)	(5,298)
Loss on extinguishment of debt	—	13,920
Equity-based compensation	10,404	1,148
Non-cash termination fee to affiliate	—	150,000
Depreciation and amortization	114,798	106,611
Asset impairment	—	962
Deferred income taxes	47,799	(9,724)
Change in fair value of guarantees	2,071	(1,041)
Amortization of lease intangibles and incentives	19,266	18,320
Amortization of deferred financing costs	5,749	5,107
Other	275	(37)
Change in:		
Accounts receivable	(18,459)	(44,105)
Inventory	(268,771)	(58,997)
Other assets	13,922	(10,426)
Accounts payable and accrued liabilities	17,618	(19,659)
Management fees payable to affiliate	(760)	(6,217)
Other liabilities	(3,515)	(3,229)
Net cash used in operating activities	(136,284)	(187,636)
Cash flows from investing activities:		
Investment in unconsolidated entities	(118,727)	—
Principal collections on finance leases	950	866
Principal collections on notes receivable	2,010	2,862
Acquisition of leasing equipment	(412,136)	(436,180)
Investments in financing receivables	(2,764)	(19,750)
Acquisition of property, plant and equipment	(11,085)	(2,471)
Acquisition of lease intangibles	2,757	1,174
Deposits for acquisition of leasing equipment ⁽²⁾	(50,221)	(104,654)
Proceeds from sale of assets	589,337	333,660
Proceeds from sale of assets to the 2025 Partnership	397,148	—
Proceeds from settlement of insurance claims	54,325	—
Proceeds from deposits on sale of leasing equipment	251	4,580
Return of deposits for acquisition of leasing equipment ⁽²⁾	44,303	530
Net cash provided by (used in) investing activities	\$ 496,148	\$ (219,383)

See accompanying notes to consolidated financial statements.

FTAI AVIATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(Dollars in thousands)

	Six Months Ended June 30,	
	2025	2024
Cash flows from financing activities:		
Proceeds from debt	\$ 430,000	\$ 1,839,250
Repayment of debt	(430,000)	(1,287,373)
Payment of deferred financing costs	(517)	(10,245)
Receipt of security deposits under operating lease agreements	2,606	3,976
Return of security deposits under operating lease agreements	(2,434)	—
Receipt of maintenance deposits under operating lease agreements	28,162	21,429
Release of maintenance deposits under operating lease agreements	(5,361)	(3,938)
Capital contributions from non-controlling interests	—	(534)
Redemption of preferred shares	(124,167)	—
Cash dividends - ordinary shares	(61,534)	(60,148)
Cash dividends - preferred shares	(9,824)	(16,669)
Net cash (used in) provided by financing activities	\$ (173,069)	\$ 485,748
Net increase in cash and cash equivalents and restricted cash	186,795	78,729
Cash and cash equivalents and restricted cash, beginning of period	115,266	90,906
Cash and cash equivalents and restricted cash, end of period	\$ 302,061	\$ 169,635
Supplemental disclosure of non-cash investing and financing activities (see Note 2 for additional non-cash information):		
Receipt of notes receivable in connection with the sale of leasing equipment	\$ 12,102	\$ 37,367
Acquisition of leasing equipment in accrued liabilities	(18,587)	(17,975)
Receipt of leasing equipment in settlement of accounts receivable	(3,357)	(330)
Purchase deposits reclassified to leasing equipment from other assets upon acquisition	(47,017)	(12,108)
Decrease in leasing equipment for engines provided to aircraft lessees in lieu of cash reimbursements of maintenance deposits	3,846	6,794
Accounts receivable settled with security deposits	(1,715)	(4,077)
Accounts receivable settled with maintenance deposits	(9,248)	(24,536)

⁽¹⁾ Includes the profit elimination of \$(11,885) and \$0 for the six months ended June 30, 2025 and 2024, respectively, for sales to the 2025 Partnership within the Aerospace Products segment.

⁽²⁾ Includes deposits for acquisition of leasing equipment paid on behalf of the 2025 Partnership of \$23,473 and \$0 for the six months ended June 30, 2025 and 2024, respectively, and return of deposits for the acquisition of leasing equipment reimbursed from the 2025 Partnership of \$42,813 and \$0 for the six months ended June 30, 2025 and 2024, respectively.

See accompanying notes to consolidated financial statements.

(Dollars in tables in thousands, unless otherwise noted)

1. ORGANIZATION

FTAI Aviation Ltd. is a Cayman Islands exempted company, which through its subsidiaries, is a leading full-service provider for CFM56-5B, CFM56-7B and V2500 aircraft engines, which power the majority of the world's fleet of narrowbody aircraft. We own and lease aircraft and engines to airlines and asset owners globally. Additionally, we repair and sell refurbished engines and aftermarket components of engines as well as develop and manufacture Parts Manufacturer Approval ("PMA") parts through a joint venture.

We conduct engine maintenance at our 100% owned facilities in Montréal and Miami, as well as through our 50% equity ownership in QuickTurn Europe, located in Rome. Collectively, these facilities span over 900,000 square feet equipped with advanced tooling, engine test cells, and engineering capabilities to support a wide range of component repairs and service requirements. In addition, we also support global operations through exclusive arrangements and strategic partnerships at key locations worldwide. Our principal corporate location is in New York City, and we have a global presence through our offices in Cardiff, Dubai, Dublin and Singapore, in addition to Montréal, Miami and Rome.

The majority of our target customers are small and medium sized airlines which have narrowbody fleets powered by CFM56-5B, CFM56-7B and V2500 engines. There are hundreds of these operators worldwide, which creates a large addressable market in which FTAI focuses and can provide significant value versus competitors.

We have two reportable segments, (i) Aviation Leasing and (ii) Aerospace Products (see Note 12).

Except as otherwise specified, "we", "us", "our", "FTAI", "FTAI Aviation" or "the Company" refer to us and our consolidated subsidiaries.

Prior to May 28, 2024, FTAI Aviation Ltd. operated under a management agreement (the "Management Agreement") with FIG LLC (the "Former Manager"), and Fortress Worldwide Transportation and Infrastructure Master GP LLC (the "Master GP"), each an affiliate of Fortress Investment Group LLC ("Fortress"). For their services, the Former Manager was entitled to management fees and the Master GP was entitled to certain incentive allocations, both defined in, and in accordance with the terms of, the Management Agreement. On May 28, 2024, the Company entered into an Internalization Agreement with the Former Manager and the Master GP (the "Internalization Agreement"), pursuant to which the Management Agreement was terminated effective May 28, 2024 (the "Effective Date"), except that certain indemnification and other obligations survive, and the Company internalized its management functions (such transactions, the "Internalization"). As a result of the Internalization, the Company ceased to be externally managed and operates as an internally managed company. In connection with the termination of the Management Agreement, the Company (i) agreed to pay the Former Manager (for itself and on behalf of the Master GP, as applicable) \$150.0 million (the "Cash Consideration"), the compensation accrued and payable, but not yet paid, under the Management Agreement, and the expenses that were reimbursable, but not yet reimbursed, under the Management Agreement; (ii) issued to the Former Manager (for itself and on behalf of the Master GP, as applicable) 1,866,949 ordinary shares of the Company (the "Share Consideration"); and (iii) purchased from Master GP all of its partnership interests in FTAI Aviation Holdco Ltd., a subsidiary of the Company, in exchange for \$30 thousand. In addition, the Former Manager repaid to the Company certain annual bonus payments due to certain employees of the Former Manager or its affiliates who provide services to the Company with respect to the 2024 calendar year on a pro rata basis. The Company financed the cash payments through one or more debt financings, along with cash on hand.

On May 28, 2024, the Company also entered into a Transition Services Agreement (the "Transition Services Agreement") with the Former Manager. Under the Transition Services Agreement, the Former Manager was required to continue to provide the Company and its affiliates with all of the services provided by the Former Manager to the Company and its affiliates immediately prior to May 28, 2024 (the "Services") for a transition period until October 31, 2024, during which the Company procured replacements for the Services. In addition, the Former Manager was required to continue to provide the services that were reasonably required by the Company to prepare its quarterly and annual financial statements until May 31, 2025. The Services were provided to the Company for a fee equal to the Former Manager's cost of providing the Services, plus a mark-up of ten percent (10%).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and include the accounts of us and our subsidiaries. These financial statements and related notes should be read in conjunction with the Consolidated Financial Statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Principles of Consolidation—We consolidate all entities in which we have a controlling financial interest and control over significant operating decisions. All adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The ownership interest of other investors in the Company's consolidated subsidiaries is recorded as non-controlling interest.

We use the equity method of accounting for investments in entities in which we exercise significant influence but which do not meet the requirements for consolidation. Under the equity method, we record our proportionate share of the underlying net income (loss) of these entities.

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

Reclassifications—Certain amounts from prior periods in the Company's consolidated financial statements have been reclassified to align with the presentation in the current period.

Risks and Uncertainties—In the normal course of business, we encounter several significant types of economic risk including credit, market, and capital market risks. Credit risk is the risk of the inability or unwillingness of a lessee or customer to make contractually required payments or to fulfill its other contractual obligations. Market risk reflects the risk of a downturn or volatility in the underlying industry segments in which we operate, which could adversely impact the pricing of the services offered by us or a lessee's or customer's ability to make payments, increase the risk of unscheduled lease terminations and depress lease rates and the value of our leasing equipment or operating assets. Capital market risk is the risk that we are unable to obtain capital at reasonable rates to fund the growth of our business or to refinance existing debt facilities. We, through our subsidiaries, also conduct operations outside of the United States; such international operations are subject to the same risks as those associated with our United States operations as well as additional risks, including unexpected changes in regulatory requirements, heightened risk of political and economic instability, potentially adverse tax consequences and the burden of complying with foreign laws. We do not have significant exposure to foreign currency risk as all of our leasing arrangements are denominated in U.S. dollars.

Cash and Cash Equivalents—We consider all highly liquid short-term investments with a maturity of 90 days or less when purchased to be cash equivalents.

Inventory, net—We hold aircraft engines, engine modules, spare parts and used material inventory for sale. At times inventory is transferred to leasing equipment in connection with a rebuilt engine or engine repair. Inventory is carried at the lower of cost or net realizable value on our Consolidated Balance Sheets.

Revenues—Revenues are within the scope of ASC 842, *Leases*, and ASC 606, *Revenue from contracts with customers*. We have elected to exclude sales and other similar taxes from revenues.

Operating Leases—We lease equipment pursuant to operating leases. Operating leases with fixed rentals and step rentals are recognized on a straight-line basis over the term of the lease, assuming no renewals. Revenue is not recognized when collection is not reasonably assured. When collectability is not reasonably assured, the lessee is placed on non-accrual status and revenue is recognized when cash payments are received.

Generally, under our aircraft lease and engine agreements, the lessee is required to make periodic maintenance payments calculated based on the lessee's utilization of the leased asset or at the end of the lease. Typically, under our aircraft lease agreements, the lessee is responsible for maintenance, repairs and other operating expenses throughout the term of the lease. These periodic maintenance payments accumulate over the term of the lease to fund major maintenance events, and we are contractually obligated to return maintenance payments to the lessee up to the cost of maintenance events paid by the lessee. In the event the total cost of maintenance events over the term of a lease is less than the cumulative maintenance payments, we are not required to return any unused or excess maintenance payments to the lessee.

Maintenance payments received for which we expect to repay to the lessee are presented as current and non-current Maintenance deposits in our Consolidated Balance Sheets. All excess maintenance payments received that we do not expect to repay to the lessee are recorded as Maintenance revenue on our Consolidated Statements of Operations. Estimates in recognizing revenue include mean time between removal, projected costs for engine maintenance and forecasted utilization of aircraft which are affected by historical usage patterns and overall industry, market and economic conditions. Significant changes to these estimates could have a material effect on the amount of revenue recognized in the period.

Finance Leases—From time to time we enter into finance lease arrangements that include a lessee obligation to purchase the leased equipment at the end of the lease term, a bargain purchase option, or provides for minimum lease payments with a present value that equals or exceeds substantially all of the fair value of the leased equipment at the date of lease inception. Net investment in finance leases represents the minimum lease payments due from lessee, net of unearned income. The lease payments are segregated into principal and interest components similar to a loan. Unearned income is recognized on an effective interest method over the lease term and is recorded as lease income. The principal component of the lease payment is reflected as a reduction to the net investment in finance leases. Revenue is not recognized when collection is not reasonably assured. When collectability is not reasonably assured, the lessee is placed on non-accrual status and revenue is recognized when cash payments are received.

(Dollars in tables in thousands, unless otherwise noted)

Asset sales revenue—Asset sales revenue primarily consists of the transaction price related to the sale of aircraft and aircraft engines from our Aviation Leasing segment. From time to time, the Company may also assign the related lease agreements to the customer as part of the sale of these assets. We routinely sell leasing equipment to customers, and such transactions are considered recurring and ordinary in nature to our business. As such, these sales are accounted for within the scope of ASC 606. Revenue is recognized when a performance obligation is satisfied by transferring control of an asset to the customer, along with corresponding costs of sales.

Aerospace products revenue—Aerospace products revenue primarily consists of the transaction price related to the sale of CFM56-5B, CFM56-7B and V2500 engines, engine modules, spare parts and used material inventory, and are accounted for within the scope of ASC 606. Revenue is recognized gross when a performance obligation is satisfied by transferring control over the related asset to a customer along with corresponding costs of sales. Aerospace products revenue also consists of engine management service contracts, where the Company has a stand-ready obligation to provide replacement CFM56-5B and CFM56-7B engines to customers as they become unserviceable during the contract term. The Company recognizes revenue over time using a straight-line attribution method and the costs related to fulfilling the performance obligation are expensed as incurred.

Other Income—On December 30, 2024, we announced the launch of a Strategic Capital Initiative in partnership with third-party institutional investors. The first partnership under the initiative (the “2025 Partnership”) focuses on acquiring 737NG and A320ceo aircraft. As part of this transaction, the 2025 Partnership committed to acquire 45 on-lease narrowbody aircraft from us (the “Seed Assets”) and has signed an agreement through which our Maintenance, Repair and Exchange (“MRE”) business will provide replacement aircraft engines and modules for the life of the 2025 Partnership.

During the three and six months ended June 30, 2025, 33 and 37 of the aircraft were sold for a gain of \$34.6 million and \$45.5 million, respectively, which was recognized within gain on sale to the 2025 Partnership. The aircraft sales (and the remaining 8 aircraft to be sold) are accounted for under ASC 610-20, *Other Income — Gains and Losses from the Derecognition of Nonfinancial Assets*, as they are non-recurring in nature and not considered part of the Company’s ordinary activities.

During the three and six months ended June 30, 2025, the Company received \$24.2 million and \$54.3 million, respectively, in insurance recoveries in connection with the settlement of claims related to the aircraft and engines located in Russia and recorded the gain within other income.

Concentration of Credit Risk—We are subject to concentrations of credit risk with respect to amounts due from customers and lessees. We attempt to limit our credit risk by performing ongoing credit evaluations. We earned 11% and 14% of our revenue from one customer in the Aviation Leasing segment during the three and six months ended June 30, 2025. We earned 19% and 13% of our revenue from one customer in the Aerospace Products segment during the three and six months ended June 30, 2024, respectively.

As of June 30, 2025, there was one customer in the Aerospace Products segment that represented 39% of total accounts receivable, net. As of December 31, 2024, no single customer accounted for greater than 10% of total accounts receivable, net.

We maintain cash and restricted cash balances, which generally exceed federally insured limits, and subject us to credit risk, in high credit quality financial institutions. We monitor the financial condition of these institutions and have not experienced any losses associated with these accounts.

Allowance for Doubtful Accounts—We determine the allowance for doubtful accounts based on our assessment of the collectability of our leasing receivables on a lessee-by-lessee basis. The allowance for doubtful accounts was \$28.4 million and \$74.9 million as of June 30, 2025 and December 31, 2024, respectively. We determine the credit loss reserve for note receivables, receivables related to finance leases and inventory sales. There was a provision for credit losses of \$0.0 million and \$0.2 million for the three and six months ended June 30, 2025, respectively. There was a provision for credit losses of \$0.1 million for the three and six months ended June 30, 2024, included in operating expenses. Receivables are written off after all reasonable means to collect the full amount have been exhausted.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(Dollars in tables in thousands, unless otherwise noted)

Other Current Assets—Other current assets are summarized as follows:

	June 30, 2025 (unaudited)	December 31, 2024
Notes receivable	\$ 182,720	\$ 165,338
Financing receivable resulting from failed sale-leaseback transactions	39,606	32,486
Prepaid expenses including prepayments for maintenance that has not yet been incurred	30,605	87,323
Purchase deposits	22,120	83,229
Maintenance right assets	20,844	—
Tax assets	19,776	31,622
Contract asset from the 2025 Partnership	15,184	—
Other	12,370	8,925
Other current assets	\$ 343,225	\$ 408,923

Other Non-Current Assets—Other non-current assets are summarized as follows:

	June 30, 2025 (unaudited)	December 31, 2024
Lease incentives	\$ 47,695	\$ 56,812
Deferred tax assets	34,681	42,893
Operating lease assets	27,592	28,729
Financing receivable resulting from failed sale-leaseback transactions	21,215	28,412
Maintenance right assets	16,658	25,907
Engine management contract assets	9,550	7,162
Other	8,903	18,515
Other non-current assets	\$ 166,294	\$ 208,430

Other Current Liabilities—Other current liabilities are summarized as follows:

	June 30, 2025 (unaudited)	December 31, 2024
Deposits on sales of leasing equipment	34,216	\$ 87,296
Other	9,406	13,269
Other current liabilities	\$ 43,622	\$ 100,565

Assets Held for Sale—We classify assets as held for sale when the Company commits to a plan to sell and it is probable that the sale will be completed within one year. These assets are recorded at the lower of their carrying value or fair market value, less costs to sell, starting from the period in which they meet the criteria for this classification.

The Company expects to sell the remaining eight Seed Assets to the 2025 Partnership which had been classified as held for sale in the first quarter of 2025. Upon reclassification, depreciation of the long-lived assets within the disposal group ceased, and the related assets and liabilities were transferred to assets held for sale and liabilities held for sale, respectively. The sales are expected to be completed in 2025.

The assets and liabilities include the aircraft previously classified as leasing equipment, as well as related intangible assets and liabilities, and maintenance and security deposit liabilities. The sale of the 45 Seed Assets is treated as a single transaction and one disposal group under ASC 360, *Property, plant and equipment*, with the aggregate purchase price for Seed Assets, less costs to sell, exceeding the disposal group's net book value.

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(Dollars in tables in thousands, unless otherwise noted)

Assets and liabilities held for sale are summarized as follows (unaudited):

	June 30, 2025	
Leasing equipment, net	\$	120,773
Intangible assets, net		158
Other non-current assets		917
Assets held for sale	\$	121,848
Current maintenance deposits	\$	19,322
Current security deposits		—
Non-current maintenance deposits		3,456
Non-current security deposits		2,738
Other non-current liabilities		5,367
Liabilities held for sale	\$	30,883

Dividends—Dividends are recorded if and when declared by the Board of Directors. For the three and six months ended June 30, 2025 and 2024, the Board of Directors declared cash dividends of \$0.30 and \$0.60 per ordinary share, respectively.

Additionally, in the quarter ended June 30, 2025, the Board of Directors declared cash dividends on the Series C Preferred Shares and Series D Preferred Shares of \$0.52 and \$0.59 per share, respectively.

Cash Flow Presentation—Included in net cash (used in) provided by operating activities are inflows from the sale of engine modules and parts that were on engines originally purchased and reported as leasing equipment, net. The purchase of the original engine was reported as an outflow in net cash used in investing activities at the time of purchase through the acquisition of leasing equipment line item. As part of the aerospace products business, the Company breaks down generally unserviceable engines with the intent to manufacture modules and parts for creation and sale of new assets. To manufacture the modules and parts and bring them into a salable condition, the Company spends significant costs, often over multiple reporting periods, for new inventory and capitalizable labor (e.g., engineering) that are included in net cash (used in) provided by operating activities as components of the changes in the related working capital accounts.

Therefore, when the costs to manufacture the assets are greater than (predominant to) the estimated value transferred from leasing equipment into inventory, the related cash receipt has been reported as an inflow in net cash (used in) provided by operating activities.

Additionally, the Company buys inventory from third parties with the intent to use the parts in the manufacturing of the items discussed above, which is reported as an outflow in net cash (used in) provided by operating activities. When rebuilding whole engines for resale, for which the cash inflow upon sale is reported as a cash inflow from investing activities, the Company will transfer modules and parts needed (those purchased from third parties as well as parts from engines previously transferred to inventory from leasing equipment and rebuilt as discussed above) in the rebuild from inventory to leasing equipment.

With respect to purchases of aircraft and engines, when the expected predominant source of cash inflows from the acquired leasing equipment at the time of acquisition is from leasing activities, the related cash outflow is reported as an outflow in net cash used in investing activities. When the expected predominant source of cash inflows is from sales transactions, the related cash outflow is reported as an outflow in net cash (used in) provided by operating activities.

The cash and noncash related activities described above during the six months ended June 30, 2025 and 2024 are detailed below (unaudited):

(in thousands)	Six Months Ended June 30,	
	2025	2024
Cost of modules and parts sold sourced from engines originally within leasing equipment	\$ 3,369	\$ 21,861
Transfers of engines from leasing equipment to inventory for manufacturing and sale	128,752	70,897
Transfers of inventory to leasing equipment for rebuilding and sale of engines	(159,997)	(98,192)
Total outflows related to manufacturing modules and parts - included in net cash used in operating activities	(313,998)	(128,988)
Cash received for assets sold sourced from leasing equipment - inflow included in net cash provided by operating activities	43,011	38,649
Cash received for sales of leasing equipment that include components sourced from inventory - inflow included in net cash provided by investing activities	415,416	134,204
Cash paid for engine and aircraft inventory - outflow included in net cash used in operating activities	(25,715)	—

Recent Accounting Pronouncements—In August 2023, the FASB issued ASU 2023-05, *Business Combinations – Joint Venture Formations*, which requires that joint ventures, upon formation, apply a new basis of accounting by initially measuring assets and liabilities at fair value. The amendments in ASU 2023-05 are effective for joint ventures that are formed on or after January 1, 2025. In the second quarter of 2025, the Company entered into a joint venture and is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

There have been no other changes to the discussion of recently issued accounting standards included in our Annual Report on Form 10-K for the year ended December 31, 2024. Specifically, we continue to monitor the future adoption of ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, and ASU 2024-03, *Income Statement—Reporting Comprehensive Income (Topic 220): Improvements to Reportable Segment Expense Disclosures*, both of which have future effective dates. We are currently evaluating the impact these standards may have on our consolidated financial statements and related disclosures.

3. ACQUISITION OF LOCKHEED MARTIN COMMERCIAL ENGINE SOLUTIONS

On September 9, 2024, the Company, through its subsidiary FTAIC Aviation Inc. (“FTAIC”) created on April 25, 2024, acquired certain assets and assumed certain liabilities of Lockheed Martin Commercial Engine Solutions (“LMCES”) from Lockheed Martin Canada for total consideration of \$170.0 million. LMCES is a 526,000-square-foot aircraft engine maintenance repair facility located in Montréal, Quebec. We acquired LMCES to further enhance our MRE business and establish permanent engine and module manufacturing capabilities in Canada. The facility operates within our Aerospace Products segment, providing extensive engine and piece-part repair capabilities for the CFM56-5B and CFM56-7B engines. The results of operations of LMCES have been included in the Company’s results since the effective date of the acquisition.

The acquisition of LMCES was accounted for as a business combination and, as such, the following fair values were assigned to assets acquired and liabilities assumed based on the Company’s estimates and assumptions. The significant assumptions used to estimate the fair values of the property, plant, and equipment and inventory included replacement cost estimates and market data for similar assets where available.

Subsequent to the acquisition, in the quarter ended June 30, 2025, measurement period adjustments as of the acquisition date were made as a result of the finalization of the net working capital adjustments which increased total consideration by \$14.1 million. This adjustment resulted in an increase in goodwill of \$14.1 million.

The following table summarizes the allocation of the net assets acquired:

	September 9, 2024
Fair value of assets acquired:	
Current Assets	
Accounts receivable	\$ 10,758
Inventory	25,498
Other current assets	6,795
Total current assets	43,051
Property, plant, and equipment	72,151
Leasing equipment	5,675
Other non-current assets	10,633
Total assets	131,510
Fair value of liabilities assumed:	
Current Liabilities	
Accounts payable	7,669
Accrued liabilities	1,692
Other current liabilities	5,130
Total current liabilities	14,491
Other non-current liabilities	14,347
Total liabilities	28,838
Goodwill ⁽¹⁾	71,040
Net assets acquired ⁽²⁾	\$ 173,712

⁽¹⁾ Goodwill is primarily attributable to the assembled workforce of FTAIC and the synergies expected to be achieved. This goodwill is assigned to the Aerospace Products segment and is deductible for income tax purposes.

⁽²⁾ Total consideration is calculated as cash paid, adjusted for the settlement of pre-existing relationships.

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(Dollars in tables in thousands, unless otherwise noted)

The following table presents fair values of the components of property, plant and equipment acquired and their estimated useful lives:

	<u>Estimated useful life in years</u>	<u>Estimated Fair value</u>
Buildings and improvements	25	\$ 40,953
Machinery and equipment	2 - 21	30,397
Other	N/A	801
Total		\$ 72,151

The unaudited financial information in the table below summarizes the combined results of operations of FTAI and LMCES on a pro forma basis. These pro forma results were based on estimates and assumptions which we believe are reasonable. The pro forma adjustments are primarily comprised of the following:

- The allocation of the purchase price and related adjustments, including adjustments to depreciation and amortization expense related to the fair value of property, plant and equipment;
- Associated tax-related impacts of adjustments.

The following unaudited pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place as of January 1, 2024.

	<u>Three Months Ended June 30, 2024</u>	<u>Six Months Ended June 30, 2024</u>
Total revenue	\$ 466,007	\$ 804,283
Net income attributable to shareholders	\$ (225,945)	\$ (193,843)

4. LEASING EQUIPMENT, NET

Leasing equipment, net is summarized as follows:

	<u>June 30, 2025 (unaudited)</u>	<u>December 31, 2024</u>
Leasing equipment	\$ 2,342,123	\$ 2,963,452
Less: Accumulated depreciation	(493,007)	(589,722)
Leasing equipment, net	\$ 1,849,116	\$ 2,373,730

We identified certain assets in our leasing equipment portfolio with indicators of impairment. During the three and six months ended June 30, 2025, the Company did not record any transactional impairment charges. In comparison, for the three and six months ended June 30, 2024 the Company recognized transactional impairment charges of \$0.0 million and \$1.0 million, respectively, net of redelivery compensation.

Depreciation expense for leasing equipment is summarized as follows (unaudited):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Depreciation expense for leasing equipment	\$ 51,249	\$ 55,658	107,135	104,560

(Dollars in tables in thousands, unless otherwise noted)

5. INVESTMENTS

The following table presents the ownership interests and carrying values of our investments:

	Investment	Ownership Percentage	Carrying Value	
			June 30, 2025 (unaudited)	December 31, 2024
Advanced Engine Repair JV	Equity method	25%	\$ 19,956	\$ 19,048
2025 Partnership	Equity method	20%	95,306	—
QuickTurn Europe	Equity method	50%	10,451	—
			<u>\$ 125,713</u>	<u>\$ 19,048</u>

We did not recognize any other-than-temporary impairments for the three and six months ended June 30, 2025 and 2024.

The following table presents our proportionate share of equity in (losses) earnings (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Advanced Engine Repair JV	\$ 795	\$ (633)	\$ 908	\$ (1,154)
Falcon MSN 177 LLC	—	(61)	—	(207)
2025 Partnership ⁽¹⁾	(5,717)	—	(13,444)	—
QuickTurn Europe	(81)	—	(81)	—
Total	<u>\$ (5,003)</u>	<u>\$ (694)</u>	<u>\$ (12,617)</u>	<u>\$ (1,361)</u>

⁽¹⁾ Includes the profit elimination of \$(4,935) and \$(11,885) for the three and six months ended June 30, 2025, respectively, and \$0 and \$0 for the three and six months ended June 30, 2024, respectively, for sales to the 2025 Partnership.

Equity Method Investments

Advanced Engine Repair JV

In December 2016, we invested \$15.0 million for a 25% interest in an advanced engine repair joint venture. This joint venture is focused on developing new cost savings programs for engine repairs.

In August 2019, we expanded the scope of our joint venture and invested an additional \$13.5 million and maintained a 25% interest. We exercise significant influence over this investment and account for this investment as an equity method investment.

Falcon MSN 177 LLC

Since November 2021, we owned a 50% interest in Falcon MSN 177 LLC ("Falcon"), an entity that consists of one Dassault Falcon 2000 aircraft. Falcon leases the aircraft to charter operators on aircraft, crew maintenance, and insurance contracts. We accounted for our investment in Falcon as an equity method investment as we have significant influence through our interest.

On May 3, 2024, we purchased the remaining interest from S7 Aerospace for total cash consideration of \$0.8 million and it is now a consolidated subsidiary.

2025 Partnership

In 2025, we invested \$108.8 million in the 2025 Partnership, an investment focused on acquiring 737NG and A320ceo on-lease narrowbody aircraft, for which we are the Servicer and hold a 20% limited partner ownership. We exercise significant influence over this investment and account for it using the equity method. As the Servicer, we are responsible for lessee invoicing and collections, airline relationship management, contracts management including lease extension and aircraft deliveries and redeliveries. The Company's proportionate share of equity in earnings related to this investment is based on the contractual profit-sharing arrangement, the elimination of profit on sales of engine and modules to the 2025 Partnership under ASC 606, and the servicing fees charged by us in our capacity as the Servicer to the 2025 Partnership. The profit from the MRE Contract revenue is eliminated through equity method earnings and will be recognized over time as the 2025 Partnership generates income from leasing and sales activities.

QuickTurn Europe

On June 5, 2025, we invested \$10.5 million for a 50% interest in Quick Turn Engine Center Europe S.r.l. (previously IAG Engine Center Europe S.r.l.) or "QuickTurn Europe", a 200,000 square-foot CFM56 engine maintenance repair and overhaul facility located at the Rome Fiumicino Airport. The joint venture was established to expand our global engine maintenance capabilities and meet increasing demand for MRE services. We account for our investment in QuickTurn Europe as an equity method investment as we have significant influence through our interest.

(Dollars in tables in thousands, unless otherwise noted)

6. INTANGIBLE ASSETS AND LIABILITIES, NET

Intangible assets and liabilities, net are summarized as follows:

	June 30, 2025 (unaudited)	December 31, 2024
Intangible assets		
Acquired favorable lease intangibles	\$ 22,943	\$ 70,375
Less: Accumulated amortization	(9,769)	(29,664)
Acquired favorable lease intangibles, net	13,174	40,711
Acquired customer relationships	1,907	1,907
Less: Accumulated amortization	(632)	(413)
Acquired customer relationships, net	1,275	1,494
Total intangible assets, net	\$ 14,449	\$ 42,205
Intangible liabilities		
Acquired unfavorable lease intangibles	\$ 9,911	\$ 13,767
Less: Accumulated amortization	(1,473)	(1,259)
Acquired unfavorable lease intangibles, net	\$ 8,438	\$ 12,508

Intangible liabilities relate to unfavorable lease intangibles and are included as a component of other non-current liabilities.

Amortization of intangible assets and liabilities is recorded as follows (unaudited):

	Classification in Consolidated Statements of Operations	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Lease intangibles	Lease income	\$ 2,153	\$ 3,786	\$ 5,359	\$ 7,762
Customer relationships	Depreciation and amortization	124	95	219	212
Total		\$ 2,277	3,881	\$ 5,578	7,974

As of June 30, 2025, estimated net annual amortization of intangibles is as follows (unaudited):

Remainder of 2025	\$ 1,807
2026	1,435
2027	949
2028	1,512
2029	547
Thereafter	(239)
Total	\$ 6,011

(Dollars in tables in thousands, unless otherwise noted)

7. DEBT, NET

Our debt, net is summarized as follows:

	June 30, 2025 (unaudited)			December 31, 2024
	Outstanding Borrowings	Stated Interest Rate	Maturity Date	Outstanding Borrowings
Loans payable				
Revolving Credit Facility ⁽¹⁾	\$ —	(i) Base Rate + 1.75%; or (ii) Adjusted Term SOFR Rate + 2.75%	5/22/27	\$ —
Total loans payable	—			—
Bonds payable				
Senior Notes due 2028 ⁽²⁾	1,001,191	5.50%	5/1/28	1,001,382
Senior Notes due 2030 ⁽³⁾	497,266	7.88%	12/1/30	497,071
Senior Notes due 2031	700,000	7.00%	5/1/31	700,000
Senior Notes due 2032	800,000	7.00%	6/15/32	800,000
Senior Notes due 2033 ⁽⁴⁾	497,665	5.88%	4/15/33	497,551
Total bonds payable	3,496,122			3,496,004
Debt	3,496,122			3,496,004
Less: Debt issuance costs	(51,510)			(55,526)
Total debt, net	\$ 3,444,612			\$ 3,440,478
Total debt due within one year	\$ —			\$ —

⁽¹⁾ Requires a quarterly commitment fee at a rate of 0.50% on the average daily unused portion, as well as customary letter of credit fees and agency fees.

⁽²⁾ Includes an unamortized premium of \$1,191 and \$1,382 at June 30, 2025 and December 31, 2024, respectively.

⁽³⁾ Includes an unamortized discount of \$2,734 and \$2,929 at June 30, 2025 and December 31, 2024, respectively.

⁽⁴⁾ Includes an unamortized discount of \$2,335 and \$2,449 at June 30, 2025 and December 31, 2024, respectively.

We were in compliance with all debt covenants as of June 30, 2025.

8. FAIR VALUE MEASUREMENTS

Fair value measurements and disclosures require the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs.
- Level 3: Unobservable inputs for which there is little or no market data and which require us to develop our own assumptions about how market participants price the asset or liability.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts.
- Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Our cash and cash equivalents and restricted cash consist largely of demand deposit accounts with maturities of 90 days or less when purchased that are considered to be highly liquid. These instruments are valued using inputs observable in active markets for identical instruments and are therefore classified as Level 1 within the fair value hierarchy.

FTAI AVIATION LTD.
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(Dollars in tables in thousands, unless otherwise noted)

Except as discussed below, our financial instruments other than cash and cash equivalents and restricted cash consist principally of accounts receivable, notes receivable, accounts payable and accrued liabilities, security deposits, maintenance deposits and management fees payable, whose fair values approximate their carrying values based on an evaluation of pricing data, vendor quotes, and historical trading activity or due to their short maturity profiles.

The fair values of our bonds payable are presented in the table below and classified as Level 2 within the fair value hierarchy:

	June 30, 2025 (unaudited)	December 31, 2024
Senior Notes due 2028	\$ 995,240	\$ 980,140
Senior Notes due 2030	530,645	526,380
Senior Notes due 2031	725,613	713,923
Senior Notes due 2032	826,984	816,904
Senior Notes due 2033	493,790	483,100

The Company has contingent obligations under ASC 460, *Guarantees*, in connection with certain sales of aircraft on lease, which are measured at fair value. The guarantees are valued at \$11.0 million and \$8.9 million as of June 30, 2025 and December 31, 2024, respectively, and are reflected as a component of other non-current liabilities. The fair values of the guarantees are determined based on the estimated condition of the engines at the end of each lease term and the estimated cost of replacement and applicable discount rates and are classified as Level 3. During the three and six months ended June 30, 2025, the Company recorded increases related to the change in fair value of \$1.8 million and \$2.1 million, respectively, which are recorded in Asset sales revenue. During the three and six months ended June 30, 2024, the Company recorded increases related to the change in fair value of \$0.8 million and \$1.0 million, respectively, which are recorded in Asset sales revenue.

Given variability in the condition of the engines at the end of the lease terms, which range from 3 to 8 years, the maximum potential amount of undiscounted future payments that could be required under the guarantees at June 30, 2025 was \$43.0 million, which is not reasonably expected.

We measure the fair value of certain assets on a non-recurring basis when U.S. GAAP requires the application of fair value, including events or changes in circumstances that indicate that the carrying amounts of assets may not be recoverable. Assets subject to these measurements include intangible assets, property, plant and equipment and leasing equipment. We record such assets at fair value when it is determined the carrying value may not be recoverable. Fair value measurements for assets subject to impairment tests are based on an income approach which uses Level 3 inputs, which include our assumptions as to future cash flows from operation of the leasing and sale of assets.

9. EQUITY-BASED COMPENSATION

We have a FTAI Aviation Ltd. 2025 Omnibus Incentive Plan (the "Incentive Plan") which provides for the ability to award equity compensation awards in the form of stock options to eligible employees, consultants, directors, and other individuals who provide services to us, each as determined by the Compensation Committee of the Board of Directors.

As of June 30, 2025, the Incentive Plan provides for the issuance of up to 5.7 million shares. Equity-based compensation expense is reported within cost of sales and operating expenses.

Unvested equity-based awards are subject to forfeiture. The Company's accounting policy is to record the impact of forfeitures when they occur.

Equity-based compensation for each type of award was as follows (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,		Remaining Expense To Be Recognized, if All Vesting Conditions Are Met	Weighted Average Remaining Contractual Term (in years)
	2025	2024	2025	2024		
Stock Options	\$ 127	\$ 42	\$ 254	\$ 42	\$ 1,524	8.2 years
Performance shares	3,501	—	6,763	—	43,762	3.3 years
Restricted Shares	1,887	596	3,387	1,106	17,773	2.2 years
Total	\$ 5,515	\$ 638	\$ 10,404	\$ 1,148	\$ 63,059	

Options

In 2025, the Company did not issue any options to employees.

During the six months ended June 30, 2024, the Former Manager transferred 37,343 of its options to certain of the Former Manager's employees. Additionally, the Company granted options to select employees related to 60,000 ordinary shares at an exercise price of \$79.13, which had a grant date fair value of \$2.1 million. The assumptions used in valuing the options were: a 4.52% risk-free rate, a 1.50% dividend yield, a 43.00% volatility and a 6.8 year term.

Performance Shares

During the six months ended June 30, 2025, we issued performance shares to select officers and employees of the Company with a grant date fair value of \$4.4 million, vesting over a 3 year performance period based on the achievement of relative total shareholder return (50%) and cumulative diluted EPS (50%).

Restricted Shares

During the six months ended June 30, 2025, we issued restricted shares to select officers and employees of the Company with a grant date fair value of \$5.5 million, vesting over 3 years.

Additionally, we issued restricted shares to the directors of the Company with a grant date fair value of \$0.8 million. These awards vest on the earlier of (i) the one-year anniversary of the grant date (May 29, 2026) or (ii) the date of the Company's next annual general meeting of shareholders occurring after the grant date.

During the six months ended June 30, 2024, we issued restricted shares of the Company to select employees that had a grant date fair value of \$5.7 million and vest over 4.0 years. These awards are subject to continued employment, and the compensation expense is recognized ratably over the vesting periods, with 50% of the units vesting on June 30, 2027 and the remaining units vesting on June 30, 2028.

Additionally, we issued restricted shares of the Company to select officers of the Company that had a grant date fair value of \$5.5 million and vest over 3.0 years. These awards are subject to continued employment, and the compensation expense is recognized ratably over the three-year vesting period.

All awards are subject to continued employment, with compensation expense recognized ratably over the vesting periods. The fair values of the cumulative diluted EPS performance shares and restricted shares were based on the closing price of the Company's ordinary shares on the respective grant dates, and the fair value of the total shareholder return performance shares was determined using the Monte Carlo simulation.

(Dollars in tables in thousands, unless otherwise noted)

10. INCOME TAXES

The current and deferred components of the provision for income taxes are as follows (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Current:				
Cayman Islands	\$ —	\$ —	\$ —	\$ —
Bermuda	—	—	—	—
United States:				
Federal	7,615	884	7,859	1,184
State and local	1,155	(289)	1,545	289
Other Non-U.S. including Pillar Two top-up tax	1,992	643	3,534	789
Total current provision	10,762	1,238	12,938	2,262
Deferred:				
Cayman Islands	—	—	—	—
Bermuda	6,195	(11,265)	10,636	(7,826)
United States:				
Federal	4,206	543	5,432	1,311
State and local	2,068	625	2,446	267
Other Non-U.S.	14,647	(4,174)	29,285	(3,475)
Total deferred provision (benefit)	27,116	(14,271)	47,799	(9,723)
Total provision for (benefit from) income taxes	\$ 37,878	\$ (13,033)	\$ 60,737	\$ (7,461)

The Company is an exempted entity domiciled in the Cayman Islands where income taxes are not imposed. The Company has previously been classified as a "passive foreign investment company" for U.S. income tax purposes, resulting in income tax obligations for certain of our shareholders. Taxable income or loss generated by our corporate subsidiaries is subject to U.S. federal, state and foreign corporate income tax in locations where they conduct business.

Our effective tax rate differs from the Cayman Islands statutory rate of 0% primarily due to a significant portion of our income being subject to tax in jurisdictions where we operate.

As of and for the six months ended June 30, 2025, we had not established a liability for uncertain tax positions as no such positions existed. In general, our tax returns and the tax returns of our corporate subsidiaries are subject to U.S. federal, state, local and foreign income tax examinations by tax authorities. Generally, we are not subject to examination by taxing authorities for tax years prior to 2021. We do not believe that it is reasonably possible that the total amount of unrecognized tax benefits will significantly change within 12 months of the reporting date.

11. AFFILIATE TRANSACTIONS AND FORMER MANAGEMENT AGREEMENT

Strategic Capital Initiative – 2025 Partnership

On December 30, 2024, the Company announced the launch of its Strategic Capital Initiative in collaboration with third-party institutional investors. As part of the first partnership under the initiative, certain subsidiaries of the Company entered into an Aircraft Sale and Purchase Agreement, dated December 30, 2024, and a Beneficial Interest Sale and Purchase Agreement, dated December 30, 2024 (together, and as each may be amended from time to time, the "Aircraft Sale and Purchase Agreements"), pursuant to which special purpose entities (the "SPVs") of the 2025 Partnership will acquire 45 on-lease 737NG and A320ceo aircraft for an aggregate net purchase price of approximately \$500.0 million, subject to certain customary closing conditions. The SPVs have entered into agreements with third-party institutional investors for capital commitments to the SPVs. The Company also made a minority capital commitment and will make additional commitments to the 2025 Partnership in the same proportion relative to additional third-party institutional investors.

During 2024 and the six month period ended June 30, 2025, on behalf of the 2025 Partnership, the Company paid refundable deposits of \$19.3 million and \$23.5 million to unrelated, third-parties on future purchases of aircraft, respectively. As of June 30, 2025, the 2025 Partnership fully reimbursed the Company \$42.8 million in refundable deposits.

The Company, along with certain subsidiaries of the SPVs, has entered into an MRE agreement that requires the Company to sell serviceable engines and modules and purchase unserviceable engines and modules from the SPVs when aircraft controlled by the SPVs need such serviceable engines and modules to fulfill their obligations under an aircraft lease. Under this agreement, the Company will sell CFM56-5B, CFM56-7B and V2500 commercial aircraft engines and related modules to the SPVs and

(Dollars in tables in thousands, unless otherwise noted)

purchase unserviceable engines and modules for a net cash purchase price. The net cash purchase price received by the Company is contractual and customary market-based compensation for fulfilling such performance obligations. Revenue from these transactions, classified as MRE Contract revenue, is recognized under ASC 606 when control of the serviceable engine or module transfers to the 2025 Partnership. During the three and six month period June 30, 2025, the Company recorded \$69.6 million and \$170.2 million of MRE Contract revenue, respectively, for the sale and purchase of such engines to and from the 2025 Partnership.

Former Management Agreement

On May 28, 2024, the Company entered into definitive agreements with the Former Manager and Master GP to internalize the Company's management function. As part of the termination of the Management Agreement, the Company (i) paid the Former Manager (for itself and on behalf of the Master GP, as applicable) the Cash Consideration, the compensation accrued and payable, but not yet paid, under the Management Agreement and the expenses that were reimbursable, but not yet reimbursed, under the Management Agreement; (ii) issued to the Former Manager (for itself and on behalf of the Master GP, as applicable) the Share Consideration; and (iii) purchased from Master GP all of its partnership interests in FTAI Aviation Holdco Ltd., a subsidiary of the Company, in exchange for \$30 thousand. Following the Internalization, the Company no longer pays management fees or incentive distributions to the Former Manager and Master GP.

In connection with the termination of the Management Agreement, the Company also entered into a Transition Services Agreement with the Former Manager. Under the Transition Services Agreement, the Former Manager was required to continue to provide the Company and its affiliates with all of the Services for a transition period through October 31, 2024, during which the Company procured replacements for the Services. In addition, the Former Manager was required to continue to provide the services that were reasonably required by the Company to prepare its quarterly and annual financial statements until May 31, 2025. The Services were provided to the Company for a fee equal to the Former Manager's cost of providing the Services, plus a mark-up of ten percent (10%).

Prior to the Internalization, the Former Manager was paid annual fees in exchange for advising us on various aspects of our business, formulating our investment strategies, arranging for the acquisition and disposition of assets, arranging for financing, monitoring performance, and managing our day-to-day operations, inclusive of all costs incidental thereto. In addition, the Former Manager was reimbursed for various expenses incurred by the Former Manager on our behalf, including the costs of legal, accounting and other administrative activities. Additionally, we entered into certain incentive allocation arrangements with Master GP, which owned approximately 0.01% of FTAI Aviation Holdco Ltd. (a wholly owned subsidiary of the Company).

The Former Manager was entitled to a management fee and reimbursement of certain expenses. The management fee was determined by taking the average value of total equity (excluding non-controlling interests) determined on a consolidated basis in accordance with U.S. GAAP at the end of the two most recently completed months multiplied by an annual rate of 1.50%, which was payable monthly in arrears in cash.

Prior to the Internalization and the termination of the Management Agreement on May 28, 2024, Master GP, was entitled to incentive allocations (comprised of income incentive allocation and capital gains incentive allocation, defined below). The income incentive allocation was calculated and distributable quarterly in arrears based on the pre-incentive allocation net income for the immediately preceding calendar quarter (the "Income Incentive Allocation"). For this purpose, pre-incentive allocation net income means, with respect to a calendar quarter, net income attributable to shareholders during such quarter calculated in accordance with U.S. GAAP excluding our pro rata share of (1) realized or unrealized gains and losses, and (2) certain non-cash or one-time items, and (3) any other adjustments as may be approved by our independent directors. Pre-incentive allocation net income did not include any Income Incentive Allocation or Capital Gains Incentive Allocation (described below) paid to Master GP during the relevant quarter.

Prior to the Internalization, one of our subsidiaries allocated and distributed to Master GP an Income Incentive Allocation with respect to its pre-incentive allocation net income in each calendar quarter as follows: (1) no Income Incentive Allocation in any calendar quarter in which pre-incentive allocation net income, expressed as a rate of return on the average value of our net equity capital (excluding non-controlling interests) at the end of the two most recently completed calendar quarters, does not exceed 2% for such quarter (8% annualized); (2) 100% of pre-incentive allocation net income with respect to that portion of such pre-incentive allocation net income, if any, that is equal to or exceeds 2% but does not exceed 2.2223% for such quarter; and (3) 10% of the amount of pre-incentive allocation net income, if any, that exceeds 2.2223% for such quarter. These calculations were prorated for any period of less than three months.

Prior to the Internalization, Capital Gains Incentive Allocation was calculated and distributable in arrears as of the end of each calendar year and was equal to 10% of our pro rata share of cumulative realized gains from the date of the IPO through the end of the applicable calendar year, net of our pro rata share of cumulative realized or unrealized losses, the cumulative non-cash portion of equity-based compensation expenses and all realized gains upon which prior performance-based Capital Gains Incentive Allocation payments were made to Master GP.

(Dollars in tables in thousands, unless otherwise noted)

The following table summarizes the management fees and income incentive allocation prior to the Internalization (unaudited):

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Management fees	\$ 405	\$ 992
Income incentive allocation	3,148	7,456
Total	\$ 3,553	\$ 8,448

We paid all of our operating expenses, except those specifically required to be borne by the Former Manager under the Management Agreement. The expenses required to be paid by us included, but were not limited to, issuance and transaction costs incident to the acquisition, disposition and financing of our assets, legal and auditing fees and expenses, the compensation and expenses of our independent directors, the costs associated with the establishment and maintenance of any credit facilities and other indebtedness of ours (including commitment fees, legal fees, closing costs, etc.), expenses associated with other securities offerings of ours, costs and expenses incurred in contracting with third parties (including affiliates of the Former Manager), the costs of printing and mailing proxies and reports to our shareholders, costs incurred by the Former Manager or its affiliates for travel on our behalf, costs associated with any computer software or hardware that was used by us, costs to obtain liability insurance to indemnify our directors and officers and the compensation and expenses of our transfer agent.

We paid or reimbursed the Former Manager and its affiliates for performing certain legal, accounting, due diligence tasks and other services that outside professionals or outside consultants otherwise would perform, provided that such costs and reimbursements were no greater than those which would be paid to outside professionals or consultants. The Former Manager was responsible for all of its other costs incident to the performance of its duties under the Management Agreement, including compensation of the Former Manager's employees, rent for facilities and other "overhead" expenses; we did not reimburse the Former Manager for these expenses.

The following table summarizes our reimbursements to the Former Manager (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Classification in the Consolidated Statements of Operations:				
General and administrative	\$ 133	\$ 1,608	\$ 329	\$ 3,558
Acquisition and transaction expenses	71	370	175	687
Total	\$ 204	\$ 1,978	\$ 504	\$ 4,245

Upon the successful completion of an offering of our ordinary shares or other equity securities (including securities issued as consideration in an acquisition), we granted the Former Manager options to purchase ordinary shares in an amount equal to 10% of the number of ordinary shares being sold in the offering (or if the issuance relates to equity securities other than our ordinary shares, options to purchase a number of ordinary shares equal to 10% of the gross capital raised in the equity issuance divided by the fair market value of a ordinary share as of the date of issuance), with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser or attributed to such securities in connection with an acquisition (or the fair market value of a ordinary share as of the date of the equity issuance if it relates to equity securities other than our ordinary shares). Any ultimate purchaser of ordinary shares for which such options are granted may have been an affiliate of the Former Manager.

12. SEGMENT INFORMATION

The key factors used to identify the reportable segments are the organization and alignment of our internal operations and the nature of our products and services. Our two reportable segments are (i) Aviation Leasing and (ii) Aerospace Products. The Aviation Leasing segment owns and manages aviation assets, including aircraft and aircraft engines, which it leases and sells to lessees, directly and also through its equity method investment. The Aerospace Products segment, through our maintenance facilities, equity method investment and exclusivity arrangements, develops and manufactures, repairs/refurbishes and sells aircraft engines and aftermarket components for the CFM56-5B, CFM56-7B and V2500 commercial aircraft engines. During the fourth quarter of 2023, the Company changed the composition of its operating segments to include V2500 engines within the Aerospace Products segment. Prior periods have been restated to reflect the change in accordance with the requirements of ASC 280, Segment Reporting. See Note 2 for additional information.

Corporate and Other primarily consists of debt, unallocated corporate general and administrative expenses, internalization fee and management fees and incentive compensation pursuant to the Management Agreement prior to the Internalization effective May 28, 2024. Additionally, Corporate and Other also includes results from an offshore energy business, which consists of equipment that support offshore oil and gas activities and production. We previously owned two offshore vessels that were sold in the fourth quarter of 2024.

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(Dollars in tables in thousands, unless otherwise noted)

The accounting policies of the segments are the same as those described in the summary of significant accounting policies; however, financial information presented by segment includes the impact of intercompany eliminations. Our Chief Executive Officer is our Chief Operating Decision Maker ("CODM"). Segment information is presented in the same manner that our CODM reviews the operating results in assessing performance and allocating resources. The CODM evaluates performance for each reportable segment based on net income (loss) attributable to shareholders and is used to monitor budget vs. actual results.

The CODM determined that segment asset information is not a key factor in measuring performance or allocating resources. Therefore, segment asset information is not included in the tables below as it is not provided to or reviewed by our CODM.

The following tables set forth certain information, which include all significant expenses reviewed by the CODM, for each reportable segment (unaudited):

I. For the Three Months Ended June 30, 2025

	Three Months Ended June 30, 2025				
	Aviation Leasing	Aerospace Products	Corporate and Other	Eliminations	Total
Revenues					
Aerospace products revenue	\$ —	\$ 420,686	\$ —	\$ —	420,686
MRE Contract revenue	—	69,585	—	—	69,585
Lease income	62,439	—	—	—	62,439
Maintenance revenue	73,104	—	—	—	73,104
Asset sales revenue	47,915	—	—	—	47,915
Other revenue ⁽¹⁾	2,508	—	—	—	2,508
Total revenues	\$ 185,966	\$ 490,271	\$ —	\$ —	\$ 676,237
Expenses					
Cost of sales	51,789	317,469	—	—	369,258
Operating expenses	11,089	8,989	14,250	—	34,328
General and administrative	—	—	2,442	—	2,442
Acquisition and transaction expenses	577	1,414	2,498	—	4,489
Depreciation and amortization	50,423	3,704	1,109	—	55,236
Total expenses	113,878	331,576	20,299	—	465,753
Other income (expense)					
Interest expense	—	—	(63,965)	—	(63,965)
Equity in (losses) earnings of unconsolidated entities ⁽²⁾	(782)	714	—	(4,935)	(5,003)
Gain on sale to the 2025 Partnership	34,604	—	—	—	34,604
Other income	26,974	—	182	—	27,156
Total other income (expense)	60,796	714	(63,783)	(4,935)	(7,208)
Income (loss) before income taxes	132,884	159,409	(84,082)	(4,935)	203,276
Provision for (benefit from) income taxes	26,453	25,827	(14,402)	—	37,878
Net income (loss)	106,431	133,582	(69,680)	(4,935)	165,398
Less: Dividends on preferred shares	—	—	3,709	—	3,709
Net income (loss) attributable to shareholders	\$ 106,431	\$ 133,582	\$ (73,389)	\$ (4,935)	\$ 161,689

⁽¹⁾ Includes servicing fees of \$2,052 for the three months ended June 30, 2025 from the 2025 Partnership.

⁽²⁾ Includes the profit elimination of \$(4,935) for the three months ended June 30, 2025 for sales to the 2025 Partnership within the Aerospace Products segment.

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Summary information with respect to our geographic sources of revenue, based on location of customer and lessee, is as follows:

	Three Months Ended June 30, 2025			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Africa	\$ 8,595	\$ 17,000	\$ —	\$ 25,595
Asia	54,211	39,327	—	93,538
Europe	83,257	126,444	—	209,701
North America	31,602	298,039	—	329,641
South America	8,301	9,461	—	17,762
Total revenues ⁽¹⁾	\$ 185,966	\$ 490,271	\$ —	\$ 676,237

⁽¹⁾ The United States, included in North America, and Ireland, included in Europe, represent 38% and 14% of total revenues, respectively, based on the location of our lessees. No other country represents more than 10% of total revenues.

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II. For the Six Months Ended June 30, 2025

	Six Months Ended June 30, 2025				
	Aviation Leasing	Aerospace Products	Corporate and Other	Eliminations	Total
Revenues					
Aerospace products revenue	\$ —	\$ 685,111	\$ —	\$ —	\$ 685,111
MRE Contract revenue	—	170,223	—	—	170,223
Lease income	130,879	—	—	—	130,879
Maintenance revenue	122,711	—	—	—	122,711
Asset sales revenue	66,854	—	—	—	66,854
Other revenue ⁽¹⁾	2,535	—	4	—	2,539
Total revenues	\$ 322,979	\$ 855,334	\$ 4	\$ —	\$ 1,178,317
Expenses					
Cost of sales	71,748	546,224	—	—	617,972
Operating expenses	18,515	14,676	33,575	—	66,766
General and administrative	—	—	5,558	—	5,558
Acquisition and transaction expenses	3,482	2,546	5,753	—	11,781
Depreciation and amortization	105,484	7,288	2,026	—	114,798
Total expenses	199,229	570,734	46,912	—	816,875
Other income (expense)					
Interest expense	—	—	(126,005)	—	(126,005)
Equity in (losses) earnings of unconsolidated entities ⁽²⁾	(1,559)	827	—	(11,885)	(12,617)
Gain on sale to the 2025 Partnership	45,474	—	—	—	45,474
Other income	59,593	—	634	—	60,227
Total other income (expense)	103,508	827	(125,371)	(11,885)	(32,921)
Income (loss) before income taxes	227,258	285,427	(172,279)	(11,885)	328,521
Provision for (benefit from) income taxes	43,801	45,202	(28,266)	—	60,737
Net income (loss)	183,457	240,225	(144,013)	(11,885)	267,784
Less: Dividends on preferred shares	—	—	9,824	—	9,824
Less: Loss on redemption of preferred shares	—	—	6,327	—	6,327
Net income (loss) attributable to shareholders	\$ 183,457	\$ 240,225	\$ (160,164)	\$ (11,885)	\$ 251,633

⁽¹⁾ Includes servicing fees of \$2,600 for the six months ended June 30, 2025 from the 2025 Partnership.

⁽²⁾ Includes the profit elimination of \$(11,885) for the six months ended June 30, 2025 for sales to the 2025 Partnership within the Aerospace Products segment.

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(Dollars in tables in thousands, unless otherwise noted)

Summary information with respect to our geographic sources of revenue, based on location of customer and lessee, is as follows:

	Six Months Ended June 30, 2025			Total
	Aviation Leasing	Aerospace Products	Corporate and Other	
Revenues				
Africa	\$ 10,794	\$ 26,482	\$ —	\$ 37,276
Asia	86,352	82,286	4	168,642
Europe	157,301	223,316	—	380,617
North America	49,865	505,471	—	555,336
South America	18,667	17,779	—	36,446
Total revenues ⁽¹⁾	\$ 322,979	\$ 855,334	\$ 4	\$ 1,178,317

⁽¹⁾ The United States, included in North America, and Ireland, included in Europe, represent 33% and 16% of total revenues, respectively, based on the location of our lessees. No other country represents more than 10% of total revenues.

Presented below are the contracted minimum future annual revenues to be received under existing operating leases as of June 30, 2025:

	Operating Leases
Remainder of 2025	\$ 91,960
2026	135,206
2027	114,153
2028	95,939
2029	66,769
Thereafter	91,318
Total	\$ 595,345

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III. For the Three Months Ended June 30, 2024

	Three Months Ended June 30, 2024			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Aerospace products revenue	—	245,200	—	245,200
Lease income	\$ 60,759	\$ —	\$ 9,995	\$ 70,754
Maintenance revenue	51,187	—	—	51,187
Asset sales revenue	72,433	—	—	72,433
Other revenue	58	—	3,962	4,020
Total revenues	\$ 184,437	\$ 245,200	\$ 13,957	\$ 443,594
Expenses				
Cost of sales	58,969	146,888	—	205,857
Operating expenses	8,782	6,423	13,894	29,099
General and administrative	—	—	2,969	2,969
Acquisition and transaction expenses	1,969	525	5,525	8,019
Management fees and incentive allocation to affiliate	—	—	3,554	3,554
Internalization fee to affiliate	—	—	300,000	300,000
Depreciation and amortization	52,672	938	3,081	56,691
Total expenses	122,392	154,774	329,023	606,189
Other expense				
Interest expense	—	—	(55,196)	(55,196)
Loss on extinguishment of debt	—	—	(13,920)	(13,920)
Equity in losses of unconsolidated entities	(61)	(633)	—	(694)
Other (expense) income	(911)	—	413	(498)
Total other expense	(972)	(633)	(68,703)	(70,308)
Income (loss) before income taxes	61,073	89,793	(383,769)	(232,903)
Provision for (benefit from) income taxes	8,293	4,918	(26,244)	(13,033)
Net income (loss)	52,780	84,875	(357,525)	(219,870)
Less: Dividends on preferred shares	—	—	8,335	8,335
Net income (loss) attributable to shareholders	\$ 52,780	\$ 84,875	\$ (365,860)	\$ (228,205)

Summary information with respect to our geographic sources of revenue, based on location of customer and lessee, is as follows:

	Three Months Ended June 30, 2024			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Africa	\$ 1,255	\$ 2,585	\$ —	\$ 3,840
Asia	33,642	28,530	13,957	76,129
Europe	107,573	104,900	—	212,473
North America	26,162	105,770	—	131,932
South America	15,805	3,415	—	19,220
Total revenues ⁽¹⁾	\$ 184,437	\$ 245,200	\$ 13,957	\$ 443,594

⁽¹⁾ The United States, included in North America, and Ireland, included in Europe, represent 29% and 25% of total revenues, respectively, based on the location of our lessees. No other country represents more than 10% of total revenues.

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IV. For the Six Months Ended June 30, 2024

	Six Months Ended June 30, 2024			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Aerospace products revenue	\$ —	\$ 434,257	\$ —	\$ 434,257
Lease income	111,605	—	12,310	123,915
Maintenance revenue	96,977	—	—	96,977
Asset sales revenue	111,040	—	—	111,040
Other revenue	125	—	3,974	4,099
Total revenues	\$ 319,747	\$ 434,257	\$ 16,284	\$ 770,288
Expenses				
Cost of sales	90,858	257,803	—	348,661
Operating expenses	16,989	13,893	23,534	54,416
General and administrative	—	—	6,652	6,652
Acquisition and transaction expenses	4,730	771	8,697	14,198
Management fees and incentive allocation to affiliate	—	—	8,449	8,449
Internalization fee to affiliate	—	—	300,000	300,000
Depreciation and amortization	98,756	1,871	5,984	106,611
Asset impairment	962	—	—	962
Total expenses	212,295	274,338	353,316	839,949
Other expense				
Interest expense	—	—	(102,903)	(102,903)
Loss on extinguishment of debt	—	—	(13,920)	(13,920)
Equity in losses of unconsolidated entities	(207)	(1,154)	—	(1,361)
Other (expense) income	(542)	—	678	136
Total other expense	(749)	(1,154)	(116,145)	(118,048)
Income (loss) before income taxes	106,703	158,765	(453,177)	(187,709)
Provision for (benefit from) income taxes	11,326	7,457	(26,244)	(7,461)
Net income (loss)	95,377	151,308	(426,933)	(180,248)
Less: Dividends on preferred shares	—	—	16,670	16,670
Net income (loss) attributable to shareholders	\$ 95,377	\$ 151,308	\$ (443,603)	\$ (196,918)

Summary information with respect to our geographic sources of revenue, based on location of customer and lessee, is as follows:

	Six Months Ended June 30, 2024			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Africa	\$ 2,123	\$ 8,271	\$ —	\$ 10,394
Asia	58,761	57,030	16,284	132,075
Europe	178,617	172,616	—	351,233
North America	47,009	187,142	—	234,151
South America	33,237	9,198	—	42,435
Total revenues ⁽¹⁾	\$ 319,747	\$ 434,257	\$ 16,284	\$ 770,288

⁽¹⁾ The United States, included in North America, and Ireland, included in Europe, represent 29% and 20% of total revenues, respectively, based on the location of our lessees. No other country represents more than 10% of total revenues.

(Dollars in tables in thousands, unless otherwise noted)

V. Location of Long-Lived Assets

The following tables sets forth the geographic location of property, plant and equipment and leasing equipment, net:

	June 30, 2025 (unaudited)	December 31, 2024
Property, plant and equipment and leasing equipment, net		
Africa	\$ 22,881	\$ 37,369
Asia	419,001	596,547
Europe	756,237	1,038,176
North America	540,084	592,675
South America	221,397	216,414
Total property, plant and equipment and leasing equipment, net ⁽¹⁾	\$ 1,959,600	\$ 2,481,181

⁽¹⁾ The United States, included in North America, represents 21% of property, plant and equipment and leasing equipment, net as of June 30, 2025. The United States, included in North America, and Italy, included in Europe, represent 17% and 12% of property, plant and equipment and leasing equipment, net as of December 31, 2024, respectively. No other country represents more than 10% of property, plant and equipment and leasing equipment, net.

13. EARNINGS PER SHARE AND EQUITY

Basic earnings per ordinary share ("EPS") is calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares outstanding, plus any participating securities. Diluted EPS is calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares outstanding, plus any participating securities and potentially dilutive securities. Potentially dilutive securities are calculated using the treasury stock method.

The calculation of basic and diluted EPS is presented below (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(in thousands, except share and per share data)</i>				
Net income (loss)	\$ 165,398	\$ (219,870)	\$ 267,784	\$ (180,248)
Less: Dividends on preferred shares	3,709	8,335	9,824	16,670
Less: Loss on redemption of preferred shares	—	—	6,327	—
Net income (loss) attributable to shareholders	\$ 161,689	\$ (228,205)	\$ 251,633	\$ (196,918)
Weighted Average Ordinary Shares Outstanding - Basic	102,558,777	100,958,524	102,555,644	100,602,214
Weighted Average Ordinary Shares Outstanding - Diluted	103,147,860	100,958,524	103,144,727	100,602,214
Earnings (loss) per share:				
Basic	\$ 1.58	\$ (2.26)	\$ 2.45	\$ (1.96)
Diluted	\$ 1.57	\$ (2.26)	\$ 2.44	\$ (1.96)

For the three and six months ended June 30, 2025 and 2024 no shares have been excluded from the calculation of Diluted EPS, because the impact would be anti-dilutive.

During the six months ended June 30, 2025 and 2024, we issued 676 and 4,370 ordinary shares to certain directors as compensation.

14. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company and its subsidiaries may be involved in various claims, legal proceedings, or may enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. Within our offshore energy business, a lessee did not fulfill its obligation under its charter arrangement, therefore we are pursuing rights afforded to us under the charter and the range of potential losses against the obligation is \$0.0 million to \$3.3 million. We believe the risk of loss in connection with such arrangements is remote.

15. RESTRUCTURING CHARGES

In connection with the Internalization and termination of the Management Agreement, the Company agreed to pay a total of \$300.0 million to its Former Manager (for itself and on behalf of the Master GP, as applicable). At closing, the Company issued 1,866,949 ordinary shares valued at \$150.0 million. The remaining balance was paid in cash on June 17, 2024. The restructuring charge paid in connection with the Internalization and termination of the Management Agreement is reflected in Internalization Fee to Affiliate expense in the Consolidated Statements of Operations for the three and six months ended June 30, 2024. There were no restructuring charges recorded for the three and six months ended June 30, 2025.

16. SUBSEQUENT EVENTS

Dividends

On July 29, 2025, our Board of Directors declared a cash dividend on our ordinary shares and eligible participating securities of \$0.30 per share for the quarter ended June 30, 2025, payable on August 19, 2025 to the holders of record on August 12, 2025.

Additionally, on July 29, 2025, our Board of Directors also declared cash dividends on the Series C Preferred Shares and Series D Preferred Shares of \$0.52 and \$0.59 per share, respectively, payable on August 15, 2025 to the holders of record on August 8, 2025.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help you understand FTAI Aviation Ltd. (the "Company," "we," "our" or "us"). Our MD&A should be read in conjunction with our unaudited consolidated financial statements and the accompanying notes, and with Part II, Item 1A, "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q.

Overview

We specialize in the acquisition, lease, repair and sale of aviation equipment, primarily CFM56-5B, CFM56-7B and V2500 aircraft engines. We repair and sell or lease, through our maintenance facilities, commercial expertise and exclusivity arrangements, refurbished aircraft engines and aftermarket components of aircraft engines, including PMA parts developed and manufactured through a joint venture.

We target assets which require maintenance repairs that can be performed through our proprietary Module Factory process of engineering. Refurbishing our own engines, modules and parts at significant scale incentivizes us to conduct repairs as efficiently as possible, which we believe creates a large opportunity to provide a low-cost, flexible, customer-driven alternative to engine maintenance for airlines and lessors worldwide.

As of June 30, 2025, we had total consolidated assets of \$4.1 billion and total equity of \$164.9 million.

Internalization of Management

On May 28, 2024, the Company entered into definitive agreements with the Former Manager and Master GP to internalize the Company's management function. As part of the termination of the Management Agreement, the Company (i) paid the Former Manager (for itself and on behalf of the Master GP, as applicable) the Cash Consideration, the compensation accrued and payable, but not yet paid, under the Management Agreement and the expenses that were reimbursable, but not yet reimbursed, under the Management Agreement; (ii) issued to the Former Manager (for itself and on behalf of the Master GP, as applicable) the Share Consideration; (iii) purchased from Master GP all of its partnership interests in FTAI Aviation Holdco Ltd., a subsidiary of the Company, in exchange for \$30 thousand. Following the Internalization, the Company no longer pays management fees or incentive distributions to the Former Manager and Master GP.

In connection with the termination of the Management Agreement, the Company also entered into a Transition Services Agreement with the Former Manager. Under the Transition Services Agreement, the Former Manager was required to continue to provide the Company and its affiliates with all of the Services for a transition period until October 31, 2024, during which the Company procured replacements for the Services. In addition, the Former Manager was required to continue to provide the services that were reasonably required by the Company to prepare its quarterly and annual financial statements until May 31, 2025. The Services were provided to the Company for a fee equal to the Former Manager's cost of providing the Services, including the allocated cost of, among other things, overhead, employee wages and compensation, rent and related real estate expenses and actually incurred out-of-pocket expenses, plus a mark-up of ten percent (10%).

Impact of Russia's Invasion of Ukraine

Economic sanctions and export controls against Russia and Russia's aviation industry were imposed due to its invasion of Ukraine during the three months ended March 31, 2022. As a result of the sanctions imposed on Russian airlines, we terminated all lease agreements with Russian airlines. We determined that it is unlikely that we will regain possession of the aircraft and engines that had not yet been recovered from Ukraine and Russia. As a result, we recognized an impairment charge totaling \$120.0 million, net of maintenance deposits for the year ended December 31, 2022, to write-off the entire carrying value of leasing equipment assets that we did not expect to recover from Ukraine and Russia. As of June 30, 2025, eight aircraft and seventeen engines were still located in Russia.

Our lessees are required to provide insurance coverage with respect to leased aircraft and engines, and we are named as insureds under those policies in the event of a total loss of an aircraft or engine. We also purchase insurance which provides us with coverage when our aircraft or engines are not subject to a lease or where a lessee's policy fails to indemnify us. The insured value of the aircraft and engines that remain in Russia is \$210.7 million. We intend to pursue all of our claims under these policies. However, the timing and amount of any recoveries under these policies are uncertain.

The extent of the impact of Russia's invasion of Ukraine and the related sanctions on our results, including the ability for us to recover our leasing equipment in the region, will depend on future developments, including the duration of the conflict, sanctions and restrictions imposed by Russian and international governments, all of which remain uncertain.

Strategic Capital Initiative

On December 30, 2024, the Company announced the launch of a Strategic Capital Initiative in collaboration with third-party institutional investors. The first partnership under the initiative, the 2025 Partnership, will focus on acquiring 737NG and A320ceo aircraft. The Strategic Capital Initiative, and its related partnerships, will allow the Company to maintain an asset-light business model while the partnerships actively acquire on-lease narrowbody aircraft at scale. The Company has agreed that the 2025 Partnership, and follow-on partnerships, will be the primary buyer of on-lease 737NG and A320ceo aircraft. The Company, as the Servicer, will manage the aircraft in the 2025 Partnership, and the Company will receive customary, market-based compensation.

The Company has also made a minority investment and will make future investments in the 2025 Partnership. The Company expects to manage the aircraft for and make minority investments in, future partnerships.

Operating Segments

The key factors used to identify the reportable segments are the organization and alignment of our internal operations and the nature of our products and services. Our two reportable segments are (i) Aviation Leasing and (ii) Aerospace Products. The Aviation Leasing segment owns and manages aviation assets, including aircraft and aircraft engines, which it leases and sells to lessees, directly and also through its equity method investment. The Aerospace Products segment, through our maintenance facilities, equity method investment and exclusivity arrangements, develops and manufactures, repairs/refurbishes and sells aircraft engines and aftermarket components for the CFM56-5B, CFM56-7B and V2500 commercial aircraft engines.

Corporate and Other primarily consists of debt, unallocated corporate general and administrative expenses, internalization fee and management fees and incentive compensation pursuant to the Management Agreement prior to the Internalization effective May 28, 2024. Additionally, Corporate and Other also includes offshore energy related assets, which consist of equipment that support offshore oil and gas activities and production.

Results of Operations

Adjusted EBITDA (Non-GAAP)

Besides net income (loss), the chief operating decision maker ("CODM") utilizes Adjusted EBITDA as a 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 preferred shares 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, internalization fee to affiliate, (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, if any.

Comparison of the three and six months ended June 30, 2025 and 2024

The following table presents our consolidated results of operations:

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Revenues						
Aerospace products revenue	\$ 420,686	\$ 245,200	\$ 175,486	\$ 685,111	\$ 434,257	\$ 250,854
MRE Contract revenue	69,585	—	69,585	170,223	—	170,223
Lease income	62,439	70,754	(8,315)	130,879	123,915	6,964
Maintenance revenue	73,104	51,187	21,917	122,711	96,977	25,734
Asset sales revenue	47,915	72,433	(24,518)	66,854	111,040	(44,186)
Other revenue ⁽¹⁾	2,508	4,020	(1,512)	2,539	4,099	(1,560)
Total revenues	676,237	443,594	232,643	1,178,317	770,288	408,029
Expenses						
Cost of sales	369,258	205,857	163,401	617,972	348,661	269,311
Operating expenses	34,328	29,099	5,229	66,766	54,416	12,350
General and administrative	2,442	2,969	(527)	5,558	6,652	(1,094)
Acquisition and transaction expenses	4,489	8,019	(3,530)	11,781	14,198	(2,417)
Management fees and incentive allocation to affiliate	—	3,554	(3,554)	—	8,449	(8,449)
Internalization fee to affiliate	—	300,000	(300,000)	—	300,000	(300,000)
Depreciation and amortization	55,236	56,691	(1,455)	114,798	106,611	8,187
Asset impairment	—	—	—	—	962	(962)
Total expenses	465,753	606,189	(140,436)	816,875	839,949	(23,074)
Other (expense) income						
Interest expense	(63,965)	(55,196)	(8,769)	(126,005)	(102,903)	(23,102)
Equity in losses of unconsolidated entities ⁽²⁾	(5,003)	(694)	(4,309)	(12,617)	(1,361)	(11,256)
Loss on extinguishment of debt	—	(13,920)	13,920	—	(13,920)	13,920
Gain on sale to the 2025 Partnership	34,604	—	34,604	45,474	—	45,474
Other income (expense)	27,156	(498)	27,654	60,227	136	60,091
Total other expense	(7,208)	(70,308)	63,100	(32,921)	(118,048)	85,127
Income (loss) from before income taxes	203,276	(232,903)	436,179	328,521	(187,709)	516,230
Provision for (benefit from) income taxes	37,878	(13,033)	50,911	60,737	(7,461)	68,198
Net income (loss)	165,398	(219,870)	385,268	267,784	(180,248)	448,032
Less: Dividends on preferred shares	3,709	8,335	(4,626)	9,824	16,670	(6,846)
Less: Loss on redemption of preferred shares	—	—	—	6,327	—	6,327
Net income (loss) attributable to shareholders	\$ 161,689	\$ (228,205)	\$ 389,894	\$ 251,633	\$ (196,918)	\$ 448,551

⁽¹⁾ Includes servicing fees of \$2,052 and \$2,600 for the three and six months ended June 30, 2025, respectively, from the 2025 Partnership

⁽²⁾ Includes the profit elimination of \$(4,935) and \$(11,885) for the three and six months ended June 30, 2025, respectively, and \$0 and \$0 for the three and six months ended June 30, 2024, respectively, for sales to the 2025 Partnership.

The following table sets forth a reconciliation of net income (loss) attributable to shareholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Net income (loss) attributable to shareholders	\$ 161,689	\$ (228,205)	\$ 389,894	\$ 251,633	\$ (196,918)	\$ 448,551
Add: Provision for (benefit from) income taxes	37,878	(13,033)	50,911	60,737	(7,461)	68,198
Add: Equity-based compensation expense	5,515	638	4,877	10,404	1,148	9,256
Add: Acquisition and transaction expenses	4,489	8,019	(3,530)	11,781	14,198	(2,417)
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	—	13,920	(13,920)	6,327	13,920	(7,593)
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—	—	—
Add: Asset impairment charges	—	—	—	—	962	(962)
Add: Incentive allocations	—	3,148	(3,148)	—	7,456	(7,456)
Add: Depreciation and amortization expense ⁽¹⁾	65,677	65,809	(132)	134,064	124,931	9,133
Add: Interest expense and dividends on preferred shares	67,674	63,531	4,143	135,829	119,573	16,256
Add: Internalization fee to affiliate	—	300,000	(300,000)	—	300,000	(300,000)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽²⁾	4,815	(617)	5,432	4,856	(1,165)	6,021
Less: Equity in losses of unconsolidated entities ⁽³⁾	68	694	(626)	732	1,361	(629)
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—	—	—
Adjusted EBITDA (non-GAAP)	\$ 347,805	\$ 213,904	\$ 133,901	\$ 616,363	\$ 378,005	\$ 238,358

⁽¹⁾ Includes the following items for the three months ended June 30, 2025 and 2024: (i) depreciation and amortization expense of \$55,236 and \$56,691, (ii) lease intangible amortization of \$2,153 and \$3,786 and (iii) amortization for lease incentives of \$8,288 and \$5,332, respectively. Includes the following items for the six months ended June 30, 2025 and 2024: (i) depreciation and amortization expense of \$114,798 and \$106,611, (ii) lease intangible amortization of \$5,359 and \$7,762 and (iii) amortization for lease incentives of \$13,907 and \$10,558, respectively.

⁽²⁾ Includes the following items for the three months ended June 30, 2025 and 2024: (i) net loss of \$68 and \$694, (ii) interest expense of \$1,490 and \$0, (iii) depreciation and amortization expense of \$3,470 and \$77, and (iv) acquisition and transaction expenses of \$(77) and \$0, respectively. Includes the following items for the six months ended June 30, 2025 and 2024: (i) net loss of \$732 and \$1,361, (ii) interest expense of \$1,490 and \$0, (iii) depreciation and amortization expense of \$3,628 and \$196, and (iv) acquisition and transaction expenses of \$470 and \$0, respectively.

⁽³⁾ Excludes the profit elimination of \$4,935 and \$11,885 for the three and six months ended June 30, 2025, respectively, and \$0 and \$0 for the three and six months ended June 30, 2024, respectively, for sales to the 2025 Partnership.

Revenues

Comparison of the three months ended June 30, 2025 and 2024

Total revenues increased by \$232.6 million, driven by the following:

- Aerospace products revenue increased by \$175.5 million, primarily due to a \$172.1 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a \$3.2 million increase in other maintenance service revenues.
- MRE Contract revenue increased by \$69.6 million, primarily due to an increase in CFM56-5B and CFM56-7B engine and module sales made to the 2025 Partnership.
- Maintenance revenue increased by \$21.9 million, primarily due to an increase in aircraft maintenance revenue of \$23.1 million driven by an increase in utilization and higher maintenance reserves taken into revenue, partially offset by the sale of Seed Assets to the 2025 Partnership.
- Asset sales revenue decreased by \$24.5 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines. Specifically, one engine sold in Q2 2025 as compared to six engines sold in Q2 2024.
- Lease income decreased by \$8.3 million, primarily due to a decrease of \$10.0 million in the Offshore Energy business driven by the sale of the two vessels during Q4 2024 and a decrease in aircraft lease revenue of \$2.4 million driven by the sale of Seed Assets to the 2025 Partnership. This was partially offset by an increase in engine lease revenue of \$4.1 million.

- Other revenue decreased by \$1.5 million, primarily due to the sale of the two vessels during Q4 2024 in the Offshore Energy business.

Comparison of the six months ended June 30, 2025 and 2024

Total revenues increased by \$408.0 million, driven by the following:

- Aerospace products revenue increased \$250.9 million, primarily due to a \$237.0 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a \$11.9 million increase in other maintenance service revenues.
- MRE Contract revenue increased by \$170.2 million, primarily due to an increase in CFM56-5B and CFM56-7B engine and module sales made to the 2025 Partnership.
- Maintenance revenue increased by \$25.7 million, primarily due to an increase in aircraft maintenance revenue of \$24.7 million driven by an increase in utilization and higher maintenance reserves taken into revenue, partially offset by the sale of Seed Assets to the 2025 Partnership.
- Lease income increased by \$7.0 million, primarily due to an increase in aircraft lease revenue of \$9.2 million and an increase in engine lease revenue of \$10.1 million, driven by an increased number of aircraft and engines on lease in addition to higher rental rates. This was partially offset by a decrease of \$12.3 million in the Offshore Energy business driven by the sale of the two vessels during Q4 2024.
- Asset sales revenue decreased by \$44.2 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines. Specifically, one engine sold in 2025 as compared to 10 engines sold in the prior-year period.
- Other revenue decreased by \$1.6 million, primarily due to the sale of the two vessels during Q4 2024 in the Offshore Energy business.

Expenses

Comparison of the three months ended June 30, 2025 and 2024

Total expenses decreased by \$140.4 million, driven by the following:

- Internalization fee to affiliate decreased by \$300.0 million relating to the Internalization effective May 28, 2024.
- Depreciation and amortization decreased by \$1.5 million, primarily driven by the increase of assets held-for-sale and the sale of Seed Assets to the 2025 Partnership.
- Acquisition and transaction expenses decreased by \$3.5 million primarily due to lower professional fees associated with the Internalization and the sale of the Offshore Energy vessels.
- Management fees and incentive allocation to affiliate decreased by \$3.6 million, due to no management and incentive fees paid to the Former Manager during 2025, with the Internalization effective May 28, 2024.
- Cost of sales increased by \$163.4 million, primarily due to increases in CFM56-5B, CFM56-7B and V2500 engine and module sales, and parts inventory sales, which directly corresponds to components of increases in Aerospace products revenue over the same period. This was partially offset by a decrease of \$7.2 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines, which is in line with an overall decrease in the corresponding asset sales revenue.
- Operating expenses increased by \$5.2 million, primarily due to higher compensation and benefits expense due to an increase in employee headcount and increased overall compensation.

Comparison of the six months ended June 30, 2025 and 2024

Total expenses decreased by \$23.1 million, driven by the following:

- Internalization fee to affiliate decreased by \$300.0 million relating to the Internalization effective May 28, 2024.
- Management fees and incentive allocation to affiliate decreased by \$8.4 million, due to no management and incentive fees paid to the Former Manager during 2025, with the Internalization effective May 28, 2024.
- Acquisition and transaction expenses decreased by \$2.4 million, primarily due to lower professional fees associated with the Internalization and the sale of the Offshore Energy vessels.
- Cost of sales increased by \$269.3 million, primarily due to increases in CFM56-5B, CFM56-7B and V2500 engine and module sales, and parts inventory sales, which directly corresponds to components of increases in Aerospace products revenue over the same period. This was partially offset by a decrease of \$19.1 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines, which is in line with an overall decrease in the corresponding asset sales revenue.

- Operating expenses increased by \$12.4 million, primarily due to higher compensation and benefits expense due to an increase in employee headcount and increased overall compensation.
- Depreciation and amortization increased by \$8.2 million, primarily driven by an increase in the number of assets owned and on lease during the period, partially offset by an increase of assets held-for-sale and the sale of Seed Assets to the 2025 Partnership.

Other (expense) income

Total other expense decreased by \$63.1 million during the three months ended June 30, 2025 due to the following:

- Gain on sale to the 2025 Partnership increased by \$34.6 million, primarily driven by the sale of 33 aircraft to the 2025 Partnership within the Aviation Leasing Segment.
- Other income increased by \$27.7 million, primarily due to a \$24.2 million insurance settlement and a \$2.2 million increase in interest income earned on financing receivables within the Aviation Leasing Segment.
- Loss on debt extinguishment decreased by \$13.9 million driven by the 2024 redemption of Senior Notes due 2025 and partial redemption of Senior Notes due 2027.
- Interest expense increased by \$8.8 million, reflecting an increase in the average debt outstanding of approximately \$657.4 million, primarily due to increases in (i) the Senior Notes due 2032 of \$533.3 million, which were issued in June 2024, (ii) the Senior Notes due 2033 of \$497.7 million, which were issued in October 2024, partially offset by decreases in (iii) the Senior Notes due 2027 of \$310.3 million, which were redeemed in October 2024, and (iv) the Revolving Credit Facility of \$63.3 million.
- Equity in losses of unconsolidated entities increased by \$4.3 million, primarily driven by the profit elimination of \$4.9 million for sales to the 2025 Partnership.

Total other expense decreased by \$85.1 million during the six months ended June 30, 2025 due to the following:

- Other income increased by \$60.1 million, primarily due to a \$54.3 million insurance settlement and a \$4.5 million increase in interest income earned on financing receivables within our Aviation Leasing Segment.
- Gain on sale to the 2025 Partnership increased by \$45.5 million, primarily driven by the sale of 37 aircraft to the 2025 Partnership within the Aviation Leasing Segment.
- Loss on debt extinguishment decreased by \$13.9 million driven by the 2024 redemption of Senior Notes due 2025 and partial redemption of Senior Notes due 2027.
- Interest expense increased \$23.1 million, reflecting an increase in the average debt outstanding of approximately \$806.5 million, primarily due to increases in (i) the Senior Notes due 2032 of \$666.7 million, which were issued in June 2024, (ii) the Senior Notes due 2033 of \$497.7 million, which were issued in October 2024, and (iii) the Senior Notes due 2031 of \$350.0 million, which were issued in April 2024, partially offset by decreases in (iv) the Senior Notes due 2027 of \$355.2 million, which were redeemed in October 2024, (v) the Senior Notes due 2025 of \$325.9 million, which were redeemed in April 2024, and (vi) the Revolving Credit Facility of \$26.7 million.
- Equity in losses of unconsolidated entities increased by \$11.3 million, primarily driven by the profit elimination of \$11.9 million for sales to the 2025 Partnership.

Provision for (benefit from) income taxes

The provision for income taxes increased \$50.9 million and \$68.2 million during the three and six months ended June 30, 2025, respectively, primarily driven by higher income discussed above generated in the Aircraft Leasing and Aerospace Products segments within taxable jurisdictions.

Net income (loss)

Net income increased by \$385.3 million and \$448.0 million for the three and six months ended June 30, 2025 as compared to prior years primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased by \$133.9 million and \$238.4 million during the three and six months ended June 30, 2025 as compared to prior years primarily due to the changes noted above.

Aviation Leasing Segment

As of June 30, 2025, in our Aviation Leasing segment, we own and manage 375 aviation assets, consisting of 63 commercial aircraft and 312 engines, including eight aircraft and seventeen engines that were still located in Russia.

As of June 30, 2025, 53 of our commercial aircraft and 166 of our engines were leased to operators or other third parties. Aviation assets currently off lease are either undergoing repair and/or maintenance, being prepared to go on lease or held in short term storage awaiting a future lease. Our aviation equipment was approximately 70% utilized during the three months ended June 30, 2025, 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. Our aircraft currently have a weighted average remaining lease term of 46 months, and our engines currently on-lease have an average remaining lease term of 30 months. The table below provides additional information on the assets in our Aviation Leasing segment, including transfers which involve aircraft breakdowns, engine transfers from leasing equipment to inventory for manufacturing and sales, and engine transfers from inventory to leasing equipment for rebuilding and sales:

Aviation Assets	Widebody	Narrowbody	Total
Aircraft			
Assets at January 1, 2025	5	104	109
Purchases	—	16	16
Sales	—	(37)	(37)
Transfers	—	(25)	(25)
Assets at June 30, 2025	5	58	63
Engines			
Assets at January 1, 2025	23	289	312
Purchases	—	45	45
Sales	(1)	—	(1)
Transfers	—	(44)	(44)
Assets at June 30, 2025	22	290	312

The following table presents our results of operations for our Aviation Leasing segment:

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Revenues						
Lease income	\$ 62,439	\$ 60,759	\$ 1,680	\$ 130,879	\$ 111,605	\$ 19,274
Maintenance revenue	73,104	51,187	21,917	122,711	96,977	25,734
Asset sales revenue	47,915	72,433	(24,518)	66,854	111,040	(44,186)
Other revenue ⁽¹⁾	2,508	58	2,450	2,535	125	2,410
Total revenues	185,966	184,437	1,529	322,979	319,747	3,232
Expenses						
Cost of sales	51,789	58,969	(7,180)	71,748	90,858	(19,110)
Operating expenses	11,089	8,782	2,307	18,515	16,989	1,526
Acquisition and transaction expenses	577	1,969	(1,392)	3,482	4,730	(1,248)
Depreciation and amortization	50,423	52,672	(2,249)	105,484	98,756	6,728
Asset impairment	—	—	—	—	962	(962)
Total expenses	113,878	122,392	(8,514)	199,229	212,295	(13,066)
Other income (expense)						
Equity in losses of unconsolidated entities	(782)	(61)	(721)	(1,559)	(207)	(1,352)
Gain on sale to the 2025 Partnership	34,604	—	34,604	45,474	—	45,474
Other income (expense)	26,974	(911)	27,885	59,593	(542)	60,135
Total other income (expense)	60,796	(972)	61,768	103,508	(749)	104,257
Income before income taxes	132,884	61,073	71,811	227,258	106,703	120,555
Provision for income taxes	26,453	8,293	18,160	43,801	11,326	32,475
Net income attributable to shareholders	\$ 106,431	\$ 52,780	\$ 53,651	\$ 183,457	\$ 95,377	\$ 88,080

⁽¹⁾ Includes servicing fees of \$2,052 and \$2,600 for the three and six months ended June 30, 2025, respectively, from the 2025 Partnership.

The following table sets forth a reconciliation of net income attributable to shareholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Net income attributable to shareholders	\$ 106,431	\$ 52,780	\$ 53,651	\$ 183,457	\$ 95,377	\$ 88,080
Add: Provision for income taxes	26,453	8,293	18,160	43,801	11,326	32,475
Add: Equity-based compensation expense	264	128	136	439	233	206
Add: Acquisition and transaction expenses	577	1,969	(1,392)	3,482	4,730	(1,248)
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	—	—	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—	—	—
Add: Asset impairment charges	—	—	—	—	962	(962)
Add: Incentive allocations	—	—	—	—	—	—
Add: Depreciation and amortization expense ⁽¹⁾	60,864	61,790	(926)	124,750	117,076	7,674
Add: Interest expense and dividends on preferred shares	—	—	—	—	—	—
Add: Internalization fee to affiliate	—	—	—	—	—	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽²⁾	3,932	(40)	3,972	3,804	(123)	3,927
Less: Equity in losses of unconsolidated entities	782	61	721	1,559	207	1,352
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—	—	—
Adjusted EBITDA (non-GAAP)	\$ 199,303	\$ 124,981	\$ 74,322	\$ 361,292	\$ 229,788	\$ 131,504

⁽¹⁾ Includes the following items for the three months ended June 30, 2025 and 2024: (i) depreciation expense of \$50,423 and \$52,672, (ii) lease intangible amortization of \$2,153 and \$3,786 and (iii) amortization for lease incentives of \$8,288 and \$5,332, respectively. Includes the following items for the six months ended June 30, 2025 and 2024: (i) depreciation expense of \$105,484 and \$98,756, (ii) lease intangible amortization of \$5,359 and \$7,762 and (iii) amortization for lease incentives of \$13,907 and \$10,558, respectively.

⁽²⁾ Includes the following items for the three months ended June 30, 2025 and 2024: (i) net loss of \$782 and \$61, (ii) interest expense of \$1,490 and \$0, (iii) depreciation and amortization of \$3,301 and \$21 and (iv) acquisition and transaction expenses of \$(77) and \$0, respectively. Includes the following items for the six months ended June 30, 2025 and 2024: (i) net loss of \$1,559 and \$207, (ii) interest expense of \$1,490 and \$0, (iii) depreciation and amortization of \$3,403 and \$84 and (iv) acquisition and transaction expenses of \$470 and \$0, respectively.

Revenues

Comparison of the three months ended June 30, 2025 and 2024

Total revenue increased by \$1.5 million, driven by the following:

- Maintenance revenue increased by \$21.9 million, primarily due to an increase in aircraft maintenance revenue of \$23.1 million driven by an increase in utilization and higher maintenance reserves taken into revenue, partially offset by the sale of Seed Assets to the 2025 Partnership.
- Other revenue increased by \$2.5 million as a result of servicing fees earned in our capacity as the Servicer to the 2025 Partnership.
- Lease income increased by \$1.7 million due to an increase in engine lease revenue of \$4.1 million, partially offset by a decrease in aircraft lease revenue of \$2.4 million driven by the sale of Seed Assets to the 2025 Partnership.
- Asset sales revenue decreased by \$24.5 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines. Specifically, one engine sold in Q2 2025 as compared to six engines sold in Q2 2024.

Comparison of the six months ended June 30, 2025 and 2024

Total revenue increased \$3.2 million, driven by the following:

- Maintenance revenue increased by \$25.7 million, primarily due to an increase in aircraft maintenance revenue of \$24.7 million driven by an increase in utilization and higher maintenance reserves taken into revenue, partially offset by the sale of Seed Assets to the 2025 Partnership.
- Lease income increased by \$19.3 million, due to an increase in aircraft lease revenue of \$9.2 million and an increase in engine lease revenue of \$10.1 million, driven by an increased number of aircraft and engines on lease in addition to higher rental rates.

- Other revenue increased by \$2.4 million as a result of servicing fees earned in our capacity as the Servicer to the 2025 Partnership.
- Asset sales revenue decreased by \$44.2 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines. Specifically, one engine sold in 2025 as compared to 10 engines sold in the prior-year period.

Expenses

Comparison of the three months ended June 30, 2025 and 2024

Total expenses decreased by \$8.5 million, driven by the following:

- Cost of sales decreased by \$7.2 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines, which is in line with an overall decrease in the corresponding asset sales revenue.
- Depreciation and amortization expense decreased by \$2.2 million, primarily driven by the increase of assets held-for-sale and the sale of Seed Assets to the 2025 Partnership.

Comparison of the six months ended June 30, 2025 and 2024

Total expenses decreased by \$13.1 million, driven by the following:

- Cost of sales decreased by \$19.1 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines, which is in line with an overall decrease in the corresponding asset sales revenue.
- Depreciation and amortization expense increased by \$6.7 million, primarily driven by an increase in the number of assets owned and on lease during the period, partially offset by an increase of assets held-for-sale and the sale of Seed Assets to the 2025 Partnership.

Other income (expense)

Total other income increased by \$61.8 million and \$104.3 million during the three and six months ended June 30, 2025, primarily due to (i) an insurance settlement of \$24.2 million and \$54.3 million, respectively, (ii) gains on sale to the 2025 Partnership of \$34.6 million and \$45.5 million, respectively, and (iii) a \$2.2 million and \$4.5 million increase in interest income earned on financing receivables during 2025, respectively.

Provision for income taxes

The provision for income taxes increased by \$18.2 million and \$32.5 million during the three and six months ended June 30, 2025, respectively, primarily due to the increase in income discussed above from leasing activities in jurisdictions subject to taxes.

Net income

Net income increased by \$53.7 million and \$88.1 million during the three and six months ended June 30, 2025, respectively, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased by \$74.3 million and \$131.5 million during the three and six months ended June 30, 2025, respectively, primarily due to the changes noted above.

Aerospace Products Segment

The Aerospace Products segment, through our maintenance facilities, equity method investment and exclusivity arrangements, develops and manufactures, repairs/refurbishes, and sells aircraft engines and aftermarket components primarily for the CFM56-5B, CFM56-7B, and V2500 commercial aircraft engines. Our engine, module, and parts sales are facilitated through a dedicated commercial maintenance program designed to focus on modular and parts repair and refurbishment of these engines.

We entered into an agreement with our MRE business to supply replacement aircraft engines and modules for the life of the 2025 Partnership. To further enhance this business and establish permanent engine and module manufacturing capabilities, we acquired Lockheed Martin Commercial Engine Solutions (LMCES). Refer to Note 3, "Acquisition of Lockheed Martin Commercial Engine Solutions," for additional information.

Other serviceable used modules and parts are sold through our exclusive partnership, which is responsible for the teardown, repair, marketing, and sales of parts from our CFM56-5B and CFM56-7B engine pool. We also acquired the remaining interest in Quick Turn Engine Center LLC, or "QuickTurn" (formerly iAero Thrust LLC), a hospital maintenance and testing facility specializing in the CFM56-5B and CFM56-7B engines.

We further expanded our footprint in engine services by acquiring a 50% equity interest in QuickTurn Europe, which will operate as a dedicated maintenance, repair, and overhaul facility for CFM56 engines. Additionally, we maintain a 25% ownership stake in the Advanced Engine Repair joint venture, which is focused on developing innovative cost-saving programs for engine repairs.

The following table presents our results of operations:

<i>(in thousands)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Revenues						
Aerospace products revenue	\$ 420,686	\$ 245,200	\$ 175,486	\$ 685,111	\$ 434,257	\$ 250,854
MRE Contract revenue	69,585	—	69,585	170,223	—	170,223
Total revenues	490,271	245,200	245,071	855,334	434,257	421,077
Expenses						
Cost of sales	317,469	146,888	170,581	546,224	257,803	288,421
Operating expenses	8,989	6,423	2,566	14,676	13,893	783
Acquisition and transaction expenses	1,414	525	889	2,546	771	1,775
Depreciation and amortization	3,704	938	2,766	7,288	1,871	5,417
Total expenses	331,576	154,774	176,802	570,734	274,338	296,396
Other income (expense)						
Equity in earnings (losses) of unconsolidated entities	714	(633)	1,347	827	(1,154)	1,981
Total other income (expense)	714	(633)	1,347	827	(1,154)	1,981
Income before income taxes	159,409	89,793	69,616	285,427	158,765	126,662
Provision for income taxes	25,827	4,918	20,909	45,202	7,457	37,745
Net income attributable to shareholders	\$ 133,582	\$ 84,875	\$ 48,707	\$ 240,225	\$ 151,308	\$ 88,917

The following table sets forth a reconciliation of net income attributable to shareholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Net income attributable to shareholders	\$ 133,582	\$ 84,875	\$ 48,707	\$ 240,225	\$ 151,308	\$ 88,917
Add: Provision for income taxes	25,827	4,918	20,909	45,202	7,457	37,745
Add: Equity-based compensation expense	168	(72)	240	323	(2)	325
Add: Acquisition and transaction expenses	1,414	525	889	2,546	771	1,775
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	—	—	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—	—	—
Add: Asset impairment charges	—	—	—	—	—	—
Add: Incentive allocations	—	—	—	—	—	—
Add: Depreciation and amortization expense	3,704	938	2,766	7,288	1,871	5,417
Add: Interest expense and dividends on preferred shares	—	—	—	—	—	—
Add: Internalization fee to affiliate	—	—	—	—	—	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽¹⁾	883	(577)	1,460	1,052	(1,042)	2,094
Less: Equity in (earnings) losses of unconsolidated entities	(714)	633	(1,347)	(827)	1,154	(1,981)
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—	—	—
Adjusted EBITDA (non-GAAP)	\$ 164,864	\$ 91,240	\$ 73,624	\$ 295,809	\$ 161,517	\$ 134,292

⁽¹⁾ Includes the following items for the three months ended June 30, 2025 and 2024: (i) net income of \$714 and net loss of \$633 and (ii) depreciation and amortization expense of \$169 and \$56, respectively. Includes the following items for the six months ended June 30, 2025 and 2024: (i) net income of \$827 and net loss of \$1,154 and (ii) depreciation and amortization expense of \$225 and \$112, respectively.

Revenues

Comparison of the three months ended June 30, 2025 and 2024

Total revenues increased by \$245.1 million, due to the following:

- Aerospace Products revenue increased by \$175.5 million, primarily due to a \$172.1 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a \$3.2 million increase in other maintenance service revenues.
- MRE Contract revenue increased by \$69.6 million, primarily due to an increase in CFM56-5B and CFM56-7B engine and module sales made to the 2025 Partnership.

Comparison of the six months ended June 30, 2025 and 2024

Total revenues increased by \$421.1 million, due to the following:

- Aerospace Products revenue increased by \$250.9 million, primarily due to a \$237.0 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a \$11.9 million increase in other maintenance service revenues.
- MRE Contract revenue increased by \$170.2 million, primarily due to an increase in CFM56-5B and CFM56-7B engine and module sales made to the 2025 Partnership.

Expenses

Comparison of the three months ended June 30, 2025 and 2024

Total expenses increased by \$176.8 million, due to the following:

- Cost of sales increased by \$170.6 million, primarily due to increases in CFM56-5B, CFM56-7B and V2500 engine and module sales, and parts inventory sales, which directly corresponds to components of increases in Aerospace products revenue over the same period.
- Operating expenses increased by \$2.6 million, primarily due to higher compensation and benefits expense due to the acquisition of LMCES and an increase in shipping and logistics expense.

Comparison of the six months ended June 30, 2025 and 2024

Total expenses increased by \$296.4 million, due to the following:

- Cost of sales increased by \$288.4 million, primarily due to increases in CFM56-5B, CFM56-7B and V2500 engine and module sales, and parts inventory sales, which directly corresponds to components of increases in Aerospace products revenue over the same period.
- Operating expenses increased by \$0.8 million, primarily due to higher compensation and benefits expense due to the acquisitions of LMCES.
- Depreciation and amortization increased by \$5.4 million due to the acquisition of LMCES in the third quarter of 2024.

Provision for income taxes

The provision for income taxes increased by \$20.9 million and \$37.7 million during the three and six months ended June 30, 2025, respectively, primarily due to the increase in income discussed above from Aerospace Products activities in jurisdictions subject to taxes.

Net income

Net income increased \$48.7 million and \$88.9 million during the three and six months ended June 30, 2025, respectively, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased \$73.6 million and \$134.3 million during the three and six months ended June 30, 2025, respectively, primarily due to the changes noted above.

Corporate and Other

The following table presents our results of operations:

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Revenues						
Lease income	\$ —	\$ 9,995	\$ (9,995)	\$ —	\$ 12,310	\$ (12,310)
Other revenue	—	3,962	(3,962)	4	3,974	(3,970)
Total revenues	—	13,957	(13,957)	4	16,284	(16,280)
Expenses						
Operating expenses	14,250	13,894	356	33,575	23,534	10,041
General and administrative	2,442	2,969	(527)	5,558	6,652	(1,094)
Acquisition and transaction expenses	2,498	5,525	(3,027)	5,753	8,697	(2,944)
Management fees and incentive allocation to affiliate	—	3,554	(3,554)	—	8,449	(8,449)
Internalization fee to affiliate	—	300,000	(300,000)	—	300,000	(300,000)
Depreciation and amortization	1,109	3,081	(1,972)	2,026	5,984	(3,958)
Total expenses	20,299	329,023	(308,724)	46,912	353,316	(306,404)
Other income (expense)						
Interest expense	(63,965)	(55,196)	(8,769)	(126,005)	(102,903)	(23,102)
Loss on extinguishment of debt	—	(13,920)	13,920	—	(13,920)	13,920
Other income	182	413	(231)	634	678	(44)
Total other expense	(63,783)	(68,703)	4,920	(125,371)	(116,145)	(9,226)
Loss before income taxes	(84,082)	(383,769)	299,687	(172,279)	(453,177)	280,898
Benefit from income taxes	(14,402)	(26,244)	11,842	(28,266)	(26,244)	(2,022)
Net loss	(69,680)	(357,525)	287,845	(144,013)	(426,933)	282,920
Less: Dividends on preferred shares	—	8,335	(8,335)	6,327	16,670	(10,343)
Less: Loss on redemption of preferred shares	3,709	—	3,709	9,824	—	9,824
Net loss attributable to shareholders	\$ (73,389)	\$ (365,860)	\$ 292,471	\$ (160,164)	\$ (443,603)	\$ 283,439

The following table sets forth a reconciliation of net loss attributable to shareholders to Adjusted EBITDA:

<i>(in thousands)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Net loss attributable to shareholders	\$ (73,389)	\$ (365,860)	\$ 292,471	\$ (160,164)	\$ (443,603)	\$ 283,439
Add: Benefit from income taxes	(14,402)	(26,244)	11,842	(28,266)	(26,244)	(2,022)
Add: Equity-based compensation expense	5,083	582	4,501	9,642	917	8,725
Add: Acquisition and transaction expenses	2,498	5,525	(3,027)	5,753	8,697	(2,944)
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	—	13,920	(13,920)	6,327	13,920	(7,593)
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—	—	—
Add: Asset impairment charges	—	—	—	—	—	—
Add: Incentive allocations	—	3,148	(3,148)	—	7,456	(7,456)
Add: Depreciation and amortization expense	1,109	3,081	(1,972)	2,026	5,984	(3,958)
Add: Interest expense and dividends on preferred shares	67,674	63,531	4,143	135,829	119,573	16,256
Add: Internalization fee to affiliate	—	300,000	(300,000)	—	300,000	(300,000)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities	—	—	—	—	—	—
Less: Equity in losses (earnings) of unconsolidated entities	—	—	—	—	—	—
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—	—	—
Adjusted EBITDA (non-GAAP)	\$ (11,427)	\$ (2,317)	\$ (9,110)	\$ (28,853)	\$ (13,300)	\$ (15,553)

Revenues

Total revenues decreased \$14.0 million and \$16.3 million during the three and six months ended June 30, 2025 primarily due to the sale of the two vessels within the Offshore Energy business during the fourth quarter of 2024.

Expenses

Comparison of the three months ended June 30, 2025 and 2024

Total expenses decreased by \$308.7 million, due to the following:

- Internalization fee to affiliate decreased \$300.0 million relating to the Internalization effective May 28, 2024.
- Management fees and incentive allocation to affiliate decreased by \$3.6 million, due no management and incentive fees paid to the Former Manager during 2025, with the Internalization effective May 28, 2024.
- Acquisition and transaction expense decreased \$3.0 million primarily due to lower professional fees associated with the Internalization.
- Depreciation and amortization decreased by \$2.0 million, due to the sale of the two vessels within the Offshore Energy business during the fourth quarter of 2024.
- Operating expenses increased \$0.4 million primarily due to higher compensation and benefits expense due to an increase in employee headcount and increased overall compensation.

Comparison of the six months ended June 30, 2025 and 2024

Total expenses decreased by \$306.4 million, due to the following:

- Internalization fee to affiliate decreased \$300.0 million relating to the Internalization effective May 28, 2024.
- Management fees and incentive allocation to affiliate decreased by \$8.4 million, due to no management and incentive fees paid to the Former Manager during 2025, with the Internalization effective May 28, 2024.
- Depreciation and amortization decreased by \$4.0 million, due to the sale of the two vessels within the Offshore Energy business during the fourth quarter of 2024.
- Acquisition and transaction expense decreased \$2.9 million primarily due to lower professional fees associated with the Internalization and the sale of the Offshore Energy vessels.
- Operating expenses increased \$10.0 million primarily due to higher compensation and benefits expense due to an increase in employee headcount and increased overall compensation.

Other income (expense)

Total other expense decreased by \$4.9 million during the three months ended June 30, 2025, due to the following:

- Loss on extinguishment of debt decreased by \$13.9 million, driven by the 2024 redemption of Senior Notes due 2025 and partial redemption of Senior Notes due 2027.
- Interest expense increased by \$8.8 million, reflecting an increase in the average debt outstanding of approximately \$657.4 million, primarily due to increases in (i) the Senior Notes due 2032 of \$533.3 million, which were issued in June 2024, (ii) the Senior Notes due 2033 of \$497.7 million, which were issued in October 2024, partially offset by decreases in (iii) the Senior Notes due 2027 of \$310.3 million, which were redeemed in October 2024, and (iv) the Revolving Credit Facility of \$63.3 million.

Total other expense increased by \$9.2 million during the six months ended June 30, 2025, due to the following:

- Interest expense increased by \$23.1 million, reflecting an increase in the average debt outstanding of approximately \$806.5 million, primarily due to increases in (i) the Senior Notes due 2032 of \$666.7 million, which were issued in June 2024, (ii) the Senior Notes due 2033 of \$497.7 million, which were issued in October 2024, and (iii) the Senior Notes due 2031 of \$350.0 million, which were issued in April 2024, partially offset by decreases in (iv) the Senior Notes due 2027 of \$355.2 million, which were redeemed in October 2024, (v) the Senior Notes due 2025 of \$325.9 million, which were redeemed in April 2024, and (vi) the Revolving Credit Facility of \$26.7 million.
- Loss on extinguishment of debt decreased by \$13.9 million, driven by the 2024 redemption of Senior Notes due 2025 and partial redemption of Senior Notes due 2027.

Benefit from income taxes

The benefit from income taxes decreased by \$11.8 million for the three months ended June 30, 2026, and increased by \$2.0 million during the six months ended June 30, 2025. The decrease in the three-month period was primarily attributable to a tax benefit recognized in connection with the internalization fee paid to affiliate, which was deductible for tax purposes. The increase in the six-month period was mainly driven by higher corporate overhead expenses deductible for 2025 tax purposes.

Net loss

Net loss decreased by \$287.8 million and \$282.9 million during the three and six months ended June 30, 2025, respectively, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA decreased by \$9.1 million and decreased \$15.6 million during the three and six months ended June 30, 2025, respectively, primarily due to the changes noted above.

Liquidity and Capital Resources

We believe we have sufficient liquidity to satisfy our cash needs, however, we continue to evaluate and take action, as necessary, to preserve adequate liquidity and ensure that our business can continue to operate during various environments. This includes limiting discretionary spending across the organization and re-prioritizing our investments as necessary. On December 30, 2024, the Company announced the launch of a Strategic Capital Initiative in collaboration with third-party institutional investors. The first partnership under the initiative, the 2025 Partnership, will focus on acquiring 737NG and A320ceo aircraft. The Strategic Capital Initiative, and its related partnerships, will allow the Company to maintain an asset-light business model while the partnerships actively acquire on-lease narrowbody aircraft at scale. The Company has agreed that the 2025 Partnership, and follow-on partnerships, will be the primary buyer of on-lease 737NG and A320ceo aircraft. The Company, as the Servicer, will manage the aircraft in the 2025 Partnership, and the Company will receive customary, market-based compensation. The Company has also made a minority investment and will make future investments in the 2025 Partnership. The Company expects to manage the aircraft for and make minority investments in, future partnerships.

Our principal uses of liquidity have been and continue to be (i) acquisitions of aircraft and engines, (ii) dividends to our ordinary and preferred shareholders, (iii) expenses associated with our operating activities, and (iv) debt service obligations associated with our investments. In the future, instead of acquiring on-lease aircraft directly, as part of the Strategic Capital Initiative, we will invest in the related partnerships and such partnerships will acquire on-lease aircraft.

- Cash used for the purpose of making investments was \$594.9 million and \$563.1 million during the six months ended June 30, 2025 and 2024, respectively.
- Distributions to shareholders, including cash dividends, were \$71.4 million and \$76.8 million during the six months ended June 30, 2025 and 2024, respectively.
- Uses of liquidity associated with our operating expenses are captured on a net basis in our cash flows from operating activities. Uses of liquidity associated with our debt obligations are captured in our cash flows from financing activities.

Our principal sources of liquidity to fund these uses have been and continue to be (i) revenues from our aviation assets (including finance lease collections and maintenance reserve collections) net of operating expenses, (ii) proceeds from borrowings or the issuance of securities and (iii) proceeds from asset sales.

- Cash flows used in operating activities, plus the principal collections on finance leases and maintenance reserve collections were \$107.2 million and \$165.3 million during the six months ended June 30, 2025 and 2024, respectively.
- During the six months ended June 30, 2025, additional borrowings and total principal repayments in connection with the Revolving Credit Facility were \$430.0 million and \$430.0 million, respectively. During the six months ended June 30, 2024, additional borrowings were obtained in connection with the (i) Senior Notes due 2032 of \$800.0 million, (ii) Senior Notes due 2031 of \$700.0 million and (iii) Revolving Credit Facility of \$360.0 million and made total principal repayments of (i) \$650.0 million related to the Senior Notes due 2025, (ii) \$360.0 million relating to the Revolving Credit Facility and (iii) \$269.1 million related to the Senior Notes due 2027.
- Proceeds from the sale of assets were \$986.5 million and \$333.7 million during the six months ended June 30, 2025 and 2024, respectively.
- In February 2025, the Company redeemed in full the outstanding Series B preferred shares at a redemption price equal to \$25.00 per share in cash, plus \$2.4 million of accumulated and unpaid distributions thereon to, but not including, the redemption date of February 16, 2025.

We are currently evaluating several potential transactions and related financings, including, but not limited to, certain additional debt and equity financings, which could occur within the next 12 months. None of these potential transactions, negotiations, or financings are definitive or included within our planned liquidity needs. We cannot assure if or when any such transaction will be consummated or the terms of any such transaction or related financing.

Historical Cash Flow

Comparison of the six months ended June 30, 2025 and 2024

The following table compares the historical cash flow for the six months ended June 30, 2025 and 2024:

(in thousands)	Six Months Ended June 30,	
	2025	2024
Cash Flow Data:		
Net cash used in operating activities	\$ (136,284)	\$ (187,636)
Net cash provided by (used in) investing activities	496,148	(219,383)
Net cash (used in) provided by financing activities	(173,069)	485,748

Net cash used in operating activities decreased \$51.4 million, which primarily reflects (i) an increase in our Net income of \$448.0 million and certain adjustments to reconcile net income to cash used in operating activities including increases in (ii) Deferred income taxes of \$57.5 million, (iii) Equity in losses of unconsolidated entities of \$11.3 million, (iv) Equity-based compensation of \$9.3 million and (v) Depreciation and amortization of \$8.2 million partially offset by decreases in (vi) Non-cash termination fee to affiliate of \$150.0 million, (vii) Gain on sale of assets of \$80.0 million, (viii) Gain on insurance recoveries of \$54.3 million, (ix) Gain on sale of assets to the 2025 Partnership of \$45.5 million, (x) Security deposits and maintenance claims included in earnings of \$25.9 million, (xi) Loss on extinguishment of debt of \$13.9 million, and (xii) Changes in net working capital of \$117.3 million.

Net cash provided by investing activities increased \$715.5 million, primarily due to increases in (i) Proceeds from the sale of assets to the 2025 Partnership of \$397.1 million, (ii) Proceeds from the sale of assets of \$255.7 million, (iii) Proceeds from settlement of insurance claims of \$54.3 million, and (iv) Return of deposits for acquisition of leasing equipment of \$43.8 million, as well as a decrease in (v) Deposits for acquisition of leasing equipment of \$54.4 million. These were partially offset by decreases related to (vi) Acquisitions of leasing equipment of \$24.0 million and (vii) Investments in financing receivables of \$17.0 million, and by increases in (viii) Investment in unconsolidated entities of \$118.7 million and (ix) Acquisition of property, plant and equipment of \$8.6 million.

Net cash used in financing activities increased \$658.8 million, primarily due to a decrease in (i) Proceeds from debt of \$1.4 billion and an increase in (ii) Redemption of preferred shares of \$124.2 million, partially offset by decreases in (iii) Repayment of debt of \$857.4 million and (iv) Payment of deferred financing costs of \$9.7 million and an increase in (v) Receipt of maintenance deposits under operating lease agreements of \$6.7 million.

Contractual Obligations

Our material cash requirements include the following contractual and other obligations:

Debt Obligations—As of June 30, 2025, we had outstanding principal and interest payment obligations of \$3.5 billion and \$1.3 billion, respectively, of which only interest payments of \$228.8 million are due in the next twelve months. See Note 7 to the consolidated financial statements for additional information about our debt obligations.

Lease Obligations—As of June 30, 2025, we had outstanding operating and finance lease obligations of \$37.0 million, of which \$3.6 million is due in the next twelve months.

Other Cash Requirements—In addition to our contractual obligations, we pay quarterly cash dividends on our ordinary shares and preferred shares, which are subject to change at the discretion of our Board of Directors. During the last twelve months, we declared cash dividends of \$123.0 million and \$25.9 million on our ordinary shares and preferred shares, respectively.

We expect to meet our future short-term liquidity requirements through cash on hand, unused borrowing capacity or future financings and net cash provided by our current operations. We expect that our operating subsidiaries will generate sufficient cash flow to cover operating expenses and the payment of principal and interest on our indebtedness as they become due. We may elect to meet certain long-term liquidity requirements or to continue to pursue strategic opportunities through utilizing cash on hand, cash generated from our current operations and the issuance of securities in the future. Management believes adequate capital and borrowings are available from various sources to fund our commitments to the extent required.

Critical Accounting Estimates and Policies

There were no material changes to our critical accounting estimates described in our Annual Report on Form 10-K for the year ended December 31, 2024.

Recent Accounting Pronouncements

See Note 2 to our Consolidated Financial Statements for recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of changes in value of a financial instrument, caused by fluctuations in interest rates and foreign exchange rates. Changes in these factors could cause fluctuations in our results of operations and cash flows. We are exposed to the market risks described below.

Interest Rate Risk

Interest rate risk is the exposure to loss resulting from changes in the level of interest rates and the spread between different interest rates. Interest rate risk is highly sensitive to many factors, including the U.S. government's monetary and tax policies, global economic factors and other factors beyond our control. We are exposed to changes in the level of interest rates and to changes in the relationship or spread between interest rates. Our primary interest rate exposure relates to our Revolving Credit Facility.

Our borrowing agreements generally require payments based on a variable interest rate index, such as SOFR. Therefore, to the extent our borrowing costs are not fixed, increases in interest rates may reduce our net income by increasing the cost of our debt without any corresponding increase in rents or cash flow from our leases. We may elect to manage our exposure to interest rate movements through the use of interest rate derivatives (interest rate swaps and caps).

The following discussion about the potential effects of changes in interest rates is based on a sensitivity analysis, which models the effects of hypothetical interest rate shifts on our financial condition and results of operations. Although we believe a sensitivity analysis provides the most meaningful analysis permitted by the rules and regulations of the SEC, it is constrained by several factors, including the necessity to conduct the analysis based on a single point in time and by the inability to include the extraordinarily complex market reactions that normally would arise from the market shifts modeled. Although the following results of a sensitivity analysis for changes in interest rates may have some limited use as a benchmark, they should not be viewed as a forecast. This forward-looking disclosure also is selective in nature and addresses only the potential interest expense impacts on our financial instruments and, in particular, does not address the mark-to-market impact on our interest rate derivatives, if any. It also does not include a variety of other potential factors that could affect our business as a result of changes in interest rates.

As of June 30, 2025, assuming we do not hedge our exposure to interest rate fluctuations related to our outstanding floating rate debt, a hypothetical 100-basis point increase/decrease in our variable interest rate on our borrowings would not have increased or decreased interest expense over the next 12 months.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of and for the period covered by this report.

Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are and may become involved in legal proceedings, including but not limited to regulatory investigations and inquiries, in the ordinary course of our business. Although we are unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, we do not expect our current and any threatened legal proceedings to have a material adverse effect on our business, financial position or results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material adverse effect on our financial results.

Item 1A. Risk Factors

You should carefully consider the following risks and other information in this Form 10-Q in evaluating us and our shares. Any of the following risks, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations or financial condition. The risk factors generally have been separated into the following categories: risks related to our business, risks related to taxation and risks related to the Company's shares. However, these categories do overlap and should not be considered exclusive.

Risks Related to Our Business

Uncertainty relating to macroeconomic conditions, including those that affect the commercial aviation industry, may reduce the demand for our assets, result in non-performance of contracts by our lessees or charterers, limit our ability to obtain additional capital to finance new investments, or have other unforeseen negative effects.

Uncertainty and negative trends in general economic conditions in the United States and abroad, including significant tightening of credit markets and commodity price volatility, historically have created and continue to create difficult operating environments for owners and operators in the aviation industry. As a provider of products and services to the commercial aviation industry, we are greatly affected by the overall economic conditions and other trends that affect our customers and lessees in that industry, including any projected market growth that may not materialize or be sustainable and any lasting effects of tariffs. The commercial aviation industry is historically cyclical and has been negatively affected in the past, and could be negatively affected in future periods, by geopolitical events, natural disasters, pandemics, supply chain disruptions, labor issues, environmental concerns (including climate change), lack of capital, cost inflation, and weak or volatile economic conditions. A number of governments have implemented, or are considering implementing, a broad variety of governmental actions or new regulations for the financial markets and international trade. In addition, limitations on the availability of capital, higher costs of capital for financing expenditures or the desire to preserve liquidity, may cause our current or prospective customers and lessees to make reductions in future capital budgets and spending.

Further, demand for our assets is related to passenger and cargo traffic growth, which in turn is dependent on general business and economic conditions. Global economic downturns could have an adverse impact on passenger and cargo traffic levels and consequently our customers' and lessees' business, which may in turn result in a significant reduction in revenues, earnings and cash flows, difficulties accessing capital and a deterioration in the value of our assets. We have in the past been exposed to increased credit risk from our customers and lessees and third parties who have obligations to us, which resulted in non-performance of contracts by our customers and lessees and adversely impacted our business, financial condition, results of operations and cash flows. We cannot assure you that similar loss events may not occur in the future.

Instability in geographies where we have assets or where we derive revenue could have a material adverse effect on our business, customers, lessees, operations and financial results.

Economic, civil, military and political uncertainty exists and may increase in regions where we operate and derive our revenue. Various countries in which we operate are experiencing and may continue to experience military action and civil and political unrest. We have assets in the emerging market economies of Eastern Europe, including some assets in Russia. In late February 2022, Russian military forces launched significant military action against Ukraine. The conflict remains ongoing and sustained conflict and disruption in the region is likely. The impact to Russia and Ukraine, as well as actions taken by other countries, including new and stricter export controls and sanctions by Canada, the United Kingdom, the European Union, the U.S. and other countries and organizations against officials, individuals, regions, and industries in Russia and Ukraine, and each country's potential response to such sanctions, tensions and military actions, could have a material adverse effect on our business and delay or prevent us from accessing certain of our assets. We are actively monitoring the security of our remaining assets in the region.

The aviation industry has experienced periods of oversupply during which lease rates and asset values have declined, particularly during economic downturns, and any future oversupply could materially adversely affect our results of operations and cash flows.

The oversupply of a specific asset is likely to depress lease rates for and the value of that type of asset and result in decreased utilization of our assets, and the aviation industry has experienced periods of oversupply during which rates and asset values have declined, particularly during economic downturns. Factors that could lead to such oversupply include, without limitation:

- general demand for the type of assets that we purchase;
- general macroeconomic conditions, including market prices for commodities that our assets may serve;

- geopolitical events, including war, prolonged armed conflict and acts of terrorism;
- outbreaks of communicable diseases and natural disasters;
- governmental regulation, including on international trade;
- interest rates;
- the availability of credit;
- potential reduced cash flows and financial condition, including potential liquidity restraints;
- restructurings and bankruptcies of companies in the industries in which we operate, including our customers and lessees;
- manufacturer production levels and technological innovation;
- manufacturers merging or exiting the industry or ceasing to produce certain asset types;
- retirement and obsolescence of the assets that we own, maintain, repair or exchange; and
- increases in supply levels of assets in the market due to the sale or merging of operating lessors.

These and other related factors are generally outside of our control and could lead to (i) persistence of, or increase in, the oversupply of the types of assets that we acquire, maintain, repair or exchange or (ii) decreased utilization of our assets, either of which could materially adversely affect our results of operations and cash flow.

The aviation industry is heavily regulated, and if we fail to comply with applicable requirements, our results of operations could suffer.

Governmental agencies throughout the world, including the Federal Aviation Administration (“FAA”) and Transport Canada, prescribe standards and qualification requirements for aircraft components, including virtually all commercial airline and general aviation products. Specific regulations vary from country to country, although compliance with FAA requirements generally satisfies regulatory requirements in other countries. If any material authorization or approval qualifying us to supply our products is revoked or suspended, then sale of the product would be prohibited by law, which would have an adverse effect on our business, financial condition and results of operations.

The FAA and equivalent regulatory agencies in other jurisdictions in which we operate have increasingly focused on the need to assure that airline industry products are designed with sufficient cybersecurity controls to protect against unauthorized access or other unwanted compromise. A failure to meet these evolving expectations could negatively impact sales into the industry and expose us to legal or contractual liability.

From time to time, the FAA or equivalent regulatory agencies in other countries propose new regulations or changes to existing regulations, which often are more stringent than existing regulations. If such proposals are adopted and enacted, we may incur significant additional costs to achieve compliance, which could have a material adverse effect on our business, financial condition and results of operations.

The retirement or prolonged grounding of commercial aircraft could reduce our revenues and the value of any related inventory.

We sell aircraft components and replacement parts. If aircraft or engines for which we offer aircraft components and replacement parts are retired or grounded for prolonged periods of time and there are fewer aircraft that require these components or parts, our revenues may decline as well as the value of any related inventory.

Contractual defaults may adversely affect our business, prospects, financial condition, results of operations and cash flows by decreasing revenues and increasing storage, positioning, collection, recovery and lost equipment expenses.

The success of our business depends in large part on the success of the operators in the sectors in which we participate. Cash flows from our assets are substantially impacted by our ability to collect compensation and other amounts to be paid in respect of such assets from the lessees with whom we enter into leases or other contractual arrangements with lessees or customers. Inherent in the nature of the leases and other arrangements for the use of such assets is the risk that we may not receive, or may experience delay in realizing, such amounts to be paid. While we target the entry into contracts with credit-worthy counterparties, no assurance can be given that such counterparties will perform their obligations during the term of the leases or other contractual arrangements. In addition, when counterparties default, we may fail to recover all of our assets, and the assets we do recover may be returned in damaged condition or to locations where we will not be able to efficiently lease or sell them. In most cases, we maintain, or require our lessees to maintain, certain insurances to cover the risk of damages or loss of our assets. However, these insurance policies may not be sufficient to protect us against a loss.

Depending on the specific sector, the risk of contractual defaults may be elevated due to excess capacity as a result of oversupply during the most recent economic downturn. We lease assets to our lessees pursuant to fixed-price contracts, and our lessees then seek to utilize those assets to transport goods and provide services. If the price at which our lessees receive for their transportation services decreases as a result of an oversupply in the marketplace, then our lessees may be forced to reduce their prices in order to attract business (which may have an adverse effect on their ability to meet their contractual lease obligations to us), or may seek to renegotiate or terminate their contractual lease arrangements with us to pursue a lower-priced

opportunity with another lessor, which may have a direct, adverse effect on us. See “-The aviation industry has experienced periods of oversupply during which lease rates and asset values have declined, particularly during economic downturns, and any future oversupply could materially adversely affect our results of operations and cash flows.” Any default by a material customer or lessee would have a significant impact on our profitability at the time the customer or lessee defaulted, which could materially adversely affect our operating results and growth prospects. In addition, some of our counterparties may reside in jurisdictions with legal and regulatory regimes that make it difficult and costly to enforce such counterparties’ obligations.

We acquire a high concentration of CFM56-5B, CFM56-7B and V2500 engines and related parts and our business, prospects, financial condition, results of operations and cash flows could be adversely affected by changes in market demand or problems specific to that asset or sector.

We acquire a high concentration of CFM56-5B, CFM56-7B and V2500 engines and related parts and our business and financial results could be adversely affected by sector-specific or asset-specific factors. If the market demand for such engines and related parts declines, it is redesigned or replaced by its manufacturer or it experiences design or technical problems, the value and rates relating to such asset may decline, and we may be unable to lease or sell such engines or related parts on favorable terms, if at all. Any decrease in the value and rates of our assets may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We operate in highly competitive markets.

The markets for our products and services are highly competitive. Market competition for opportunities to acquire aviation assets includes traditional transportation companies, commercial and investment banks, as well as a growing number of non-traditional participants, such as hedge funds, private equity funds and other private investors. Some of these competitors may have access to greater amounts of capital and/or to capital that may be committed for longer periods of time or may have different return thresholds than us, and thus, these competitors may have certain advantages not shared by us. In addition, competitors may have incurred, or may in the future incur, leverage to finance their debt investments at levels or on terms more favorable than those available to us. Strong competition for investment opportunities could result in fewer such opportunities for us, as certain of these competitors have established and are establishing investment vehicles that target the same types of assets that we intend to purchase.

Market competition for our Aerospace Products business includes engine manufacturers, engine component and parts manufacturers, airline and aircraft service companies, companies providing maintenance, repair and overhaul services and aircraft spare parts distributors and redistributors.

Some of our competitors may have longer operating histories, greater financial resources and lower costs of capital than us, and consequently, may be able to compete more effectively in one or more of our target markets. We likely will not always be able to compete successfully with our competitors and competitive pressures or other factors may also result in significant price competition, particularly during industry downturns, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The success of our Aerospace Products segment is dependent upon our ability to manage our operational footprint.

We currently perform maintenance, repair and exchange activities at our maintenance facilities in the United States, Canada, and Europe. Our maintenance facilities could become unavailable either temporarily or permanently due to labor disruptions at any of our facilities or other circumstances that may be beyond our control, such as geopolitical developments or logistical complications arising from catastrophic and weather-related events.

Potential logistical complications resulting from circumstances beyond our control may include, but are not limited to, power loss, telecommunication and information systems failures, or other internal or external system or service failures, accidents or incidents arising from acts of war, terrorism, cyber-attacks, weather, global climate change, earthquakes, hurricanes, fires, floods, tornadoes, explosions or other natural disasters or pandemics, including public health crises.

If any of these events were to occur at or around any of our facilities, this could result in potential damage to physical assets and we may be unable to shift work to other facilities or to make up for lost work, which could result in a prolonged interruption of our business, significant delays in shipments of products, the loss of sales and customers and large expenses to repair or replace the facility or facilities. We may not have insurance to adequately compensate us for any of these events. If insurance or other risk transfer mechanisms, such as existing disaster recovery and business continuity plans, are insufficient to recover all costs, we could experience a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Certain liens may arise on our assets.

Certain of our assets are currently subject to liens under our third amended and restated revolving credit facility (the “Revolving Credit Facility”). In the event of a default under the Revolving Credit Facility, the lenders thereunder would be permitted to take possession of or sell such assets. In addition, our currently owned assets and assets that we purchase in the future may be subject to other liens based on the industry practices relating to such assets. Until they are discharged, these liens could impair our ability to repossess, re-lease or sell our assets, and to the extent our lessees do not comply with their obligations to discharge any liens on the applicable assets, we may find it necessary to pay the claims secured by such liens in order to repossess such assets. Such payments could materially adversely affect our operating results and growth prospects.

The values of our assets may fluctuate due to various factors.

The fair market values of our assets may decrease or increase depending on a number of factors, including the prevailing level of charter or lease rates from time to time, general economic and market conditions affecting our target markets, type and age of assets, supply and demand for assets, competition, new governmental or other regulations and technological advances, all of which could impact our profitability and our ability to lease, develop, operate, or sell such assets. In addition, our assets depreciate as they age and may generate lower revenues and cash flows. We must be able to replace such older, depreciated assets with newer assets, or our ability to maintain or increase our revenues and cash flows will decline. In addition, if we dispose of an asset for a price that is less than the depreciated book value of the asset on our balance sheet or if we determine that an asset's value has been impaired, we will recognize a related charge in our Consolidated Statement of Operations and such charge could be material.

We may not generate a sufficient amount of cash or generate sufficient free cash flow to fund our operations or repay our indebtedness.

As of June 30, 2025, we had \$3.4 billion of indebtedness outstanding. Our ability to make payments on our indebtedness depends on our ability to generate cash flow in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we do not generate sufficient free cash flow to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot provide assurance that any refinancing would be possible, that any assets could be sold, or, if sold, of the timeliness and amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the finance and credit markets. Our inability to generate sufficient free cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would materially affect our business, financial condition and results of operations.

Our use of joint ventures or partnerships may present unforeseen obstacles or costs.

We have acquired and may in the future acquire interests in certain assets in cooperation with third-party partners or co-investors through jointly-owned acquisition vehicles, joint ventures or other structures. In these co-investment situations, our ability to control the management of such assets depends upon the nature and terms of the joint arrangements with such partners and our relative ownership stake in the asset, each of which will be determined by negotiation at the time of the investment. Such arrangements present risks not present with wholly-owned assets, such as the possibility that a co-investor becomes bankrupt, develops business interests or goals that conflict with our interests and goals in respect of the assets, all of which could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

In addition, we expect to utilize third-party contractors to perform services and functions related to the operation and leasing of our assets. These functions may include billing, collections, recovery and asset monitoring. Because we do not directly control these third parties, there can be no assurance that the services they provide will be delivered at a level commensurate with our expectations, or at all. The failure of any such third-party contractors to perform in accordance with our expectations could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

Our Strategic Capital Initiative involves certain risks which could adversely affect our business, prospects, financial condition, results of operations and cash flows.

On December 30, 2024, we announced the launch of a Strategic Capital Initiative in collaboration with third-party institutional investors. The first partnership under the initiative, the 2025 Partnership, focuses on acquiring 737NG and A320ceo aircraft. The Strategic Capital Initiative, and its related partnerships, allow us to maintain an asset-light business model while the partnerships actively acquire on-lease narrowbody aircraft at scale. We have agreed that the 2025 Partnership, and follow-on partnerships, will be the primary buyer of on-lease 737NG and A320ceo aircraft. We provide aircraft management services to the 2025 Partnership, and the Company receives customary, market-based compensation for providing such services. The Company has also made a minority investment and will make future investments in the 2025 Partnership. We expect to provide aircraft management services to, and make minority investments in, future partnerships. Our Strategic Capital Initiative is subject to certain risks, which include, but are not limited to:

- **Market Risk.** Difficult market conditions may adversely affect our Strategic Capital Initiative in many ways, including by negatively impacting the 2025 Partnership and future partnerships' ability to raise or deploy capital, lowering management fee income and incentive income, increasing the cost of financial instruments and executing transactions and adversely affecting the performance of the partnerships' investments. In addition, market or idiosyncratic factors may make it difficult to raise new capital from investors into the Strategic Capital Initiative. Any of these circumstances could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.
- **Liquidity Risk.** Our Strategic Capital Initiative may invest in relatively high-risk, illiquid assets and may fail to realize any profits from these activities for a considerable period of time, if at all.

- *Valuation Risk.* Valuation methodologies for certain assets held by our Strategic Capital Initiative are subject to significant subjectivity and the values established pursuant to such methodologies may never be realized, which could result in significant losses from our Strategic Capital Initiative.
- *Key Personnel Risk.* Our business and financial condition may be materially adversely impacted by the loss of any of the key investment professionals involved in our Strategic Capital Initiative. Our ability to retain and attract investment professionals is critical to the success and growth of our Strategic Capital Initiative. In addition, evaluating transactions for our Strategic Capital Initiative may divert the time and attention of our management from other parts of our business.
- *Litigation Risk.* One of our subsidiaries is the Servicer of the 2025 Partnership and we expect to serve as Servicer of future partnerships. As Servicer, we may be subject to the risk of litigation by third parties, including investors in our Strategic Capital Initiative dissatisfied with our management of the 2025 Partnership and future partnerships or the performance thereof.
- *Allocation and Conflicts of Interest Risk.* We have agreed that the 2025 Partnership, and follow-on partnerships, will be the primary buyer of on-lease 737NG and A320ceo aircraft. In the future, we may agree to allocate buying opportunities for certain assets to other partnerships. In addition, potential conflicts of interest may arise with respect to our decisions regarding how to allocate investment opportunities between us and partnerships in our Strategic Capital Initiative. Allocating investment opportunities appropriately frequently involves significant and subjective judgments. Investors in our Strategic Capital Initiative and our shareholders may perceive conflicts of interest regarding such investment decisions, which could harm our reputation with such investors and our shareholders.
- *Leverage Risk.* Our Strategic Capital Initiative utilizes leverage in investments, which could materially adversely affect its ability to achieve positive rates of return on those investments. The use of leverage poses a significant degree of risk, including by significantly increasing the risk of loss associated with leveraged investments that decline in value, and enhances the possibility of a significant loss in the value of the investments made by our Strategic Capital Initiative.
- *Risks of loss related to our investment.* We made a minority investment and will make future investments in the 2025 Partnership and expect to make minority investments in future partnerships. Our investments are subject to the risk of loss if the 2025 Partnership and future partnership do not perform well. In addition, we receive servicing and profit participation fees for the services we provide to the 2025 Partnership and expect to perform for future partnerships. If the 2025 Partnership and future partnerships are not successful, that will have an adverse affect on our results of operations and cash flows.
- *Regulatory Risk.* Tariffs, sanctions and other restrictions imposed by the U.S. government, and the potential for further regulatory changes, may create regulatory uncertainty and adversely affect the investment strategies and the profitability of the 2025 Partnership and future partnerships. In addition, changes in laws or regulations could affect our ability to continue to execute on our Strategic Capital Initiative in a manner that does not require us or any of our subsidiaries to register as an investment company under the Investment Company Act or as an investment adviser under the Investment Advisers Act.
- *Diligence Risk.* The due diligence process that our Strategic Capital Initiative undertakes in connection with its investments may not reveal all facts that may be relevant in connection with making an investment.
- *Hedging and Risk Management.* Risk management activities may materially adversely affect the return on our Strategic Capital Initiative's investments. When managing our Strategic Capital Initiative's exposure to market risks, we expect to use hedging strategies, and if our risk management processes and systems are ineffective, we may be exposed to material unanticipated losses.

The partnerships in our Strategic Capital Initiative and its investments may be subject to numerous additional risks, which we may not be able to foresee or anticipate. Many of these factors are outside of our control and any one of them could result in a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We are subject to the risks and costs of obsolescence of our assets.

Technological and other improvements expose us to the risk that certain of our assets may become technologically or commercially obsolete. For example, as manufacturers introduce technological innovations and new types of aircraft and engines, our engines and related parts could become less desirable to potential lessees and maintenance and repair customers. Such technological innovations may increase the rate of obsolescence of existing aircraft and our engines faster than currently anticipated by us. It could also adversely affect the performance of our maintenance facilities if they are not able to perform the required maintenance and repairs or necessitate us to invest significant capital to upgrade our facilities. In addition, the imposition of increased regulation regarding stringent noise or emissions restrictions may make some of our aircraft and engines less desirable and less valuable in the marketplace. Any of these risks may adversely affect our ability to lease or sell our aircraft, engines and related parts and conduct maintenance, repair and exchanges on favorable terms, if at all, which could materially adversely affect our operating results and growth prospects.

The inability to obtain certain components from suppliers could harm our business.

Our business is affected by the availability and price of the component parts that we use to maintain or repair our engines or for our partners to manufacture products. Our ability to manage inventory and meet delivery requirements may be constrained by

our suppliers' ability to adjust delivery of long-lead time products during times of volatile demand. The supply chains for our business could also be disrupted by external events such as natural disasters, extreme weather events, pandemics, labor disputes, governmental actions, such as tariffs, and legislative or regulatory changes. As a result, our suppliers may fail to perform according to specifications when required and we may be unable to identify alternate suppliers or to otherwise mitigate the consequences of their non-performance.

Transitions to new suppliers may lead to significant costs and delays, particularly due to the recertification of newly supplied parts, as required by our customers, lessees, and/or regulatory agencies. Our inability to fill our supply needs could jeopardize our ability to fulfill obligations under contracts, which could result in reduced revenues and profits, contract penalties or terminations, and damage to lessee and customer relationships. Further, increased costs of such components could reduce our profits if we were unable to pass along such price increases to our customers and lessees.

We could be negatively impacted by environmental, social, and governance (ESG) and sustainability-related matters.

Governments, investors, customers, lessees, employees and other stakeholders are increasingly focusing on corporate ESG practices and disclosures, and expectations in this area are rapidly evolving. We have announced, and may in the future announce, sustainability-focused investments, partnerships and other initiatives and goals. These initiatives, aspirations, targets or objectives reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our efforts to accomplish and accurately report on these initiatives and goals present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which could have a material negative impact, including on our reputation and stock price.

In addition, the standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Our selection of disclosure frameworks that seek to align with various voluntary reporting standards may change from time to time and may result in a lack of comparative data from period to period. Moreover, our processes and controls may not always align with evolving voluntary standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our goals or reported progress in achieving such goals. In this regard, the criteria by which our ESG practices and disclosures are assessed may change due to the quickly evolving landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. The increasing attention to corporate ESG initiatives could also result in increased investigations and litigation or threats thereof. If we are unable to satisfy such new criteria, investors may conclude that our ESG and sustainability practices are inadequate. If we fail or are perceived to have failed to achieve previously announced initiatives or goals or to accurately disclose our progress on such initiatives or goals, our reputation, business, financial condition and results of operations could be adversely impacted.

Our assets generally require routine maintenance, and we may be exposed to unforeseen maintenance costs.

We may be exposed to unforeseen maintenance costs for our assets associated with a lessee's or charterer's failure to properly maintain the asset. We enter into leases with respect to some of our assets pursuant to which the lessees are primarily responsible for many obligations, which generally include complying with all governmental requirements applicable to the lessee or charterer, including operational, maintenance, government agency oversight, registration requirements and other applicable directives. Failure of a lessee or charterer to perform required maintenance during the term of a lease or charter could result in a decrease in value of an asset, an inability to re-lease or charter an asset at favorable rates, if at all, or a potential inability to utilize an asset. Maintenance failures would also likely require us to incur maintenance and modification costs upon the termination of the applicable lease or charter; such costs to restore the asset to an acceptable condition prior to re-leasing, charter or sale could be substantial. Any failure by our lessees to meet their obligations to perform required scheduled maintenance or our inability to maintain our assets could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

Our customers and lessees operate in highly regulated industries and changes in laws or regulations, including laws with respect to international trade, may adversely affect our ability to lease or sell our assets.

Our customers and lessees operate in highly regulated industries such as aviation. A number of our contractual arrangements - for example, our leasing aircraft engines to third-party operators-require the operator (our lessee) to obtain specific governmental or regulatory licenses, consents or approvals. These include consents for certain payments under such arrangements and for the export, import or re-export of the related assets. Failure by our lessee or, in certain circumstances, by us, to obtain certain licenses and approvals could negatively affect our ability to conduct our business. In addition, the shipment of goods, services and technology across international borders subjects the operation of our assets to international trade laws and regulations. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities. If any such regulations or sanctions affect the asset operators that are our customers, lessees, our business, prospects, financial condition, results of operations and cash flows may be materially adversely affected.

We may not be able to renew or obtain new or favorable leases, which could adversely affect our business, prospects, financial condition, results of operations and cash flows.

Our ability to renew existing leases or obtain new leases will also depend on prevailing market conditions, and upon expiration of the contracts governing the leasing of the applicable assets, we may be exposed to increased volatility in terms of rates and contract provisions. For example, our lessees may reduce their activity levels or seek to terminate or renegotiate their leases with

us. If we are not able to renew or obtain new leases in direct continuation, or if new leases are entered into at rates substantially below the existing rates or on terms otherwise less favorable compared to existing contractual terms, or if we are unable to sell assets for which we are unable to obtain new contracts or leases, our business, prospects, financial condition, results of operations and cash flows could be materially adversely affected.

Litigation to enforce our contracts and recover our assets has inherent uncertainties that are increased by the location of our assets in jurisdictions that have less developed legal systems.

While some of our contractual arrangements are governed by New York law and provide for the non-exclusive jurisdiction of the courts located in the state of New York, our ability to enforce our counterparties' obligations under such contractual arrangements is subject to applicable laws in the jurisdiction in which enforcement is sought. While some of our existing assets are used in specific jurisdictions, transportation and aviation assets by their nature generally move throughout multiple jurisdictions in the ordinary course of business. As a result, it is not possible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. Litigation and enforcement proceedings have inherent uncertainties in any jurisdiction and are expensive. These uncertainties are enhanced in countries that have less developed legal systems where the interpretation of laws and regulations is not consistent, may be influenced by factors other than legal merits and may be cumbersome, time-consuming and even more expensive. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions whose laws do not confer the same security interests and rights to creditors and lessors as those in the United States and where the legal system is not as well developed. As a result, the remedies available and the relative success and expedience of collection and enforcement proceedings with respect to the owned assets in various jurisdictions cannot be predicted. To the extent more of our business shifts to areas outside of the United States and Europe, such as Asia and the Middle East, it may become more difficult and expensive to enforce our rights and recover our assets.

Our international operations involve additional risks, which could adversely affect our business, prospects, financial condition, results of operations and cash flows.

We and our customers and lessees operate in various regions throughout the world. As a result, we may, directly or indirectly, be exposed to political and other uncertainties, including risks of:

- terrorist acts, armed hostilities, war and civil disturbances;
- acts of piracy;
- potential cybersecurity attacks;
- significant governmental influence over many aspects of local economies;
- seizure, nationalization or expropriation of property or equipment;
- repudiation, nullification, modification or renegotiation of contracts;
- limitations on insurance coverage, such as war risk coverage, in certain areas;
- political unrest;
- foreign and U.S. monetary policy and foreign currency fluctuations and devaluations;
- the inability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;
- import-export quotas, wage and price controls, imposition of trade barriers;
- U.S. and foreign sanctions or trade embargoes;
- restrictions on the transfer of funds into or out of countries in which we operate;
- compliance with U.S. Treasury sanctions regulations restricting doing business with certain nations or specially designated nationals;
- regulatory or financial requirements to comply with foreign bureaucratic actions;
- compliance with applicable anti-corruption laws and regulations;
- changing taxation policies, including confiscatory taxation;
- other forms of government regulation and economic conditions that are beyond our control; and
- governmental corruption.

Any of these or other risks could adversely impact our customers' and lessees' international operations which could materially adversely impact our operating results and growth opportunities.

We may make acquisitions in emerging markets throughout the world, and investments in emerging markets are subject to greater risks than developed markets and could adversely affect our business, prospects, financial condition, results of operations and cash flows.

To the extent that we acquire assets in emerging markets – which we may do throughout the world – additional risks may be encountered that could adversely affect our business. Emerging market countries have less developed economies and infrastructure and are often more vulnerable to economic and geopolitical challenges and may experience significant fluctuations in gross domestic product, interest rates and currency exchange rates, as well as civil disturbances, government instability, nationalization and expropriation of private assets and the imposition of taxes or other charges by government authorities. In

addition, the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible or may be subject to the imposition of other monetary or fiscal controls and restrictions.

Emerging markets are still in relatively early stages of their development and accordingly may not be highly or efficiently regulated. Moreover, emerging markets tend to be shallower and less liquid than more established markets which may adversely affect our ability to realize profits from our assets in emerging markets when we desire to do so or receive what we perceive to be their fair value in the event of a realization. In some cases, a market for realizing profits from an investment may not exist locally. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in more developed countries, thereby potentially increasing the risk of fraud and other deceptive practices. Settlement of transactions may be subject to greater delay and administrative uncertainties than in developed markets and less complete and reliable financial and other information may be available to investors in emerging markets than in developed markets. In addition, economic instability in emerging markets could adversely affect the value of our assets subject to leases in such countries, or the ability of our lessees, which operate in these markets, to meet their contractual obligations. As a result, lessees that operate in emerging market countries may be more likely to default under their contractual obligations than those that operate in developed countries. Liquidity and volatility limitations in these markets may also adversely affect our ability to dispose of our assets at the best price available or in a timely manner.

As we have and may continue to acquire assets located in emerging markets throughout the world, we may be exposed to any one or a combination of these risks, which could adversely affect our operating results.

We are actively evaluating potential acquisitions of assets and operating companies in other aviation sectors which could result in additional risks and uncertainties for our business and unexpected regulatory compliance costs.

While our existing portfolio primarily consists of assets in the aviation sector, we are actively evaluating potential acquisitions of assets and operating companies in sectors of the aviation market in which we do not currently operate and we plan to be flexible as other attractive opportunities arise over time. To the extent we make acquisitions in other sectors, we will face numerous risks and uncertainties, including risks associated with the required investment of capital and other resources and with combining or integrating operational and management systems and controls. Entry into certain lines of business may subject us to new laws and regulations and may lead to increased litigation and regulatory risk. Many types of transportation assets, including certain aviation assets, are subject to registration requirements by U.S. governmental agencies, as well as foreign governments if such assets are to be used outside of the United States. Failing to register the assets, or losing such registration, could result in substantial penalties, forced liquidation of the assets and/or the inability to operate and, if applicable, lease the assets. We may need to incur significant costs to comply with the laws and regulations applicable to any such new acquisition. The failure to comply with these laws and regulations could cause us to incur significant costs, fines or penalties or require the assets to be removed from service for a period of time resulting in reduced income from these assets. In addition, if our acquisitions in other sectors produce insufficient revenues, or produce investment losses, or if we are unable to efficiently manage our expanded operations, our results of operations will be adversely affected, and our reputation and business may be harmed.

Implementing new or expanded platforms, products and services and keeping pace with technological or process developments in our industries may require significant capital and operational risk.

The commercial and business aviation industries are constantly undergoing development and change, and it is likely that new products, platforms, equipment, digital tools and methods which are more advanced, will be introduced in the future. We may need to make significant expenditures to fund and implement new or expanded platforms and purchase new equipment.

New or expanded platforms with new technologies typically carry risks associated with design responsibility, development of new production tools, hiring and training of qualified personnel, increased capital and funding commitments, ability to meet customer specifications, delivery schedules and unique contractual requirements, supplier performance, subcontractor performance, ability of the lessee to meet its contractual obligations to us, and our ability to accurately estimate costs associated with such platforms. We may face financial risks in connection with new or expanded platforms or technologies if we are not able to reduce the costs of these products over time, through experience and other measures, including the introduction of new designs, technologies, manufacturing methods and suppliers. In addition, any new or expanded platform may not generate sufficient demand or may experience technological problems or significant delays in the regulatory certification or manufacturing and delivery schedule. If we were unable to perform our obligations under new or expanded platforms to the customer's satisfaction or expectations or manufacture products at our estimated costs, if we were to experience unexpected fluctuations in raw material prices or other fluctuations in supplier costs leading to cost overruns, if we were unable to successfully perform under revised design and manufacturing plans or successfully and equitably resolve claims and assertions, or if a new or expanded platform in which we had made a significant investment was terminated or experienced weak demand, delays or technological problems, our business, financial condition and results of operations could be adversely affected. This risk includes the potential for default, quality problems or failure to meet contractual requirements and could result in low margin or forward loss contracts, and the risk of having to write-off inventory or contract assets if they were deemed to be unrecoverable over the life of the platform. In addition, beginning new work on existing platforms carries risks associated with the transfer of technology, knowledge and tooling. Any of the foregoing risks or expenditures could adversely affect our business, results of operations and financial condition.

To perform on new or expanded platforms, we may be required to construct or acquire new facilities, requiring additional up-front investment costs. In the case of significant platform delays and/or platform cancellations, we could be required to bear certain

unrecoverable construction and maintenance costs and incur potential impairment charges for the new facilities. We also may need to expend additional resources to determine an alternate revenue generating use for the facilities. Likewise, significant delays in the construction or acquisition of a plant site could impact production schedules.

In addition, we may need to make significant expenditures to keep pace with new technological or process developments in our industries. Technological development and expenditures pose a number of challenges and risks, including the following:

- we may not be able to successfully protect the proprietary interests we have in our aftermarket services and component and accessory repair processes;
- we may need to expend significant capital to (i) purchase new equipment and machines, (ii) train employees in new methods of servicing engines, components or parts and (iii) fund the research and development of new platforms; and
- development by our competitors of patents or methodologies that preclude us from providing aftermarket services could adversely affect our business, financial condition and results of operations.

In addition, we may not be able to successfully develop new products, equipment or methods of repair and overhaul service, and the failure to do so could adversely affect our business, financial condition and results of operations.

The agreements governing our indebtedness place restrictions on us and our subsidiaries, reducing operational flexibility and creating default risks.

The agreements governing our indebtedness, including, but not limited to, the indentures governing our senior unsecured notes due 2028, 2030, 2031, 2032 and 2033 ("Senior Notes") and the Revolving Credit Facility, contain covenants that place restrictions on us and our subsidiaries. The indentures governing our Senior Notes and the Revolving Credit Facility restrict among other things, our and certain of our subsidiaries' ability to:

- merge, consolidate or transfer all, or substantially all, of our assets;
- incur additional debt or issue preferred shares;
- make certain investments or acquisitions;
- create liens on our or our subsidiaries' assets;
- sell assets;
- make distributions on or repurchase our shares;
- enter into transactions with affiliates; and
- create dividend restrictions and other payment restrictions that affect our subsidiaries.

These covenants could impair our ability to grow our business, take advantage of attractive business opportunities, pay dividends on our ordinary shares or successfully compete. A breach of any of these covenants could result in an event of default. Cross-default provisions in our debt agreements could cause an event of default under one debt agreement to trigger an event of default under our other debt agreements. Upon the occurrence of an event of default under any of our debt agreements, the lenders or holders thereof could elect to declare all outstanding debt under such agreements to be immediately due and payable.

We may not realize some or all of the targeted benefits of the Internalization.

The failure to effectively complete the transition of the Former Manager's services to a fully internal basis, efficiently manage the transition with the Former Manager or find adequate internal replacements for these services, could impede our ability to achieve the targeted cost savings of the Internalization and adversely affect our operations. In addition, complexities arising from the Internalization could increase our overhead costs and detract from management's ability to focus on operating our business. There can be no assurance we will be able to realize the expected cost savings of the Internalization.

Terrorist attacks or other hostilities could negatively impact our operations and our profitability and may expose us to liability and reputational damage.

Terrorist attacks may negatively affect our operations. Such attacks have contributed to economic instability in the United States and elsewhere, and further acts of terrorism, violence or war could similarly affect world trade and the industries in which we and our customers and lessees operate. In addition, terrorist attacks or hostilities may directly impact airports or aircraft or our physical facilities or those of our lessees. In addition, it is also possible that our assets could be involved in a terrorist attack or other hostilities. The consequences of any terrorist attacks or hostilities are unpredictable, and we may not be able to foresee events that could have a material adverse effect on our operations. Although our lease and charter agreements generally require the counterparties to indemnify us against all damages arising out of the use of our assets, and we carry insurance to potentially offset any costs in the event that our lessee indemnifications prove to be insufficient, our insurance does not cover certain types of terrorist attacks, and we may not be fully protected from liability or the reputational damage that could arise from a terrorist attack which utilizes our assets.

Projects in the aerospace products and services sector are exposed to a variety of unplanned interruptions which could cause our results of operations to suffer.

Projects in the aerospace products and services sector are exposed to unplanned interruptions caused by breakdown or failure of equipment, aging infrastructure, employee error or contractor or subcontractor failure, limitations that may be imposed by

equipment conditions or environmental, safety or other regulatory requirements, fuel supply or fuel transportation reductions or interruptions, labor or legal disputes, difficulties with the implementation or operation of information systems, power outages, pipeline or electricity line ruptures, catastrophic events, such as hurricanes, cyclones, earthquakes, landslides, floods, explosions, fires, or other disasters. Any equipment or system outage or constraint can, among other things, reduce sales, increase costs and affect the ability to meet regulatory service metrics, customer expectations and regulatory reliability and security requirements. Operational disruption, as well as supply disruption, and increased government oversight could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in temporary or permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance, and any loss from such events may not be recoverable under relevant insurance policies. Although we believe that we are adequately insured against these types of events, no assurance can be given that the occurrence of any such event will not materially adversely affect us.

Our leases typically require payments in U.S. dollars, but many of our lessees operate in other currencies; if foreign currencies devalue against the U.S. dollar, our lessees may be unable to meet their payment obligations to us in a timely manner.

Our current leases typically require that payments be made in U.S. dollars. If the currency that our lessees typically use in operating their businesses devalues against the U.S. dollar, our lessees could encounter difficulties in making payments to us in U.S. dollars. Furthermore, many foreign countries have currency and exchange laws regulating international payments that may impede or prevent payments from being paid to us in U.S. dollars. Future leases may provide for payments to be made in euros or other foreign currencies. Any change in the currency exchange rate that reduces the amount of U.S. dollars obtained by us upon conversion of future lease payments denominated in euros or other foreign currencies, may, if not appropriately hedged by us, have a material adverse effect on us and increase the volatility of our earnings.

Our inability to obtain sufficient capital would constrain our ability to grow our portfolio and to increase our revenues.

We have used and may continue to employ leverage to finance our operations. Accordingly, our ability to successfully execute our business strategy and maintain our operations depends on the availability and cost of debt and equity capital. Additionally, our ability to borrow against our assets is dependent, in part, on the appraised value of such assets. If the appraised value of such assets declines, we may be required to reduce the principal outstanding under our debt facilities or otherwise be unable to incur new borrowings.

We can give no assurance that the capital we need will be available to us on favorable terms, or at all. Our inability to obtain sufficient capital, or to renew or expand our credit facilities, could result in increased funding costs and would limit our ability to:

- meet the terms and maturities of our existing and future debt facilities;
- purchase new assets or refinance existing assets;
- fund our working capital needs and maintain adequate liquidity; and
- finance other growth initiatives.

In addition, we conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act or as an investment adviser under the Investment Advisers Act. As such, certain forms of financing such as finance leases may not be available to us. Please see “– If we are deemed an “investment company” under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.”

The effects of various environmental regulations may negatively affect the industries in which we operate which could have a material adverse effect on our financial condition, results of operations and cash flows.

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites and noise and emission levels and greenhouse gas emissions. Legislative and regulatory measures currently under consideration or being implemented by government authorities to address climate change could require reductions in our greenhouse gas or other emissions, establish a carbon tax or increase fuel or energy taxes. These legal requirements are expected to result in increased capital expenditures and compliance costs, and could result in higher costs and may require us to acquire emission credits or carbon offsets. These costs and restrictions could harm our business and results of operations by increasing our expenses or requiring us to alter our operations. The inconsistent international, regional and/or national requirements associated with climate change regulations also create economic and regulatory uncertainty.

Under some environmental laws in the United States and certain other countries, strict liability may be imposed on the owners or operators of assets, which could render us liable for environmental and natural resource damages without regard to negligence or fault on our part. We could incur substantial costs, including cleanup costs, fines and third-party claims for property damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessee's or charterer's current or historical operations, any of which could have a material adverse effect on our results of operations and financial condition. In addition, a variety of new legislation is being enacted, or considered for enactment, at the federal, state and local levels relating to greenhouse gas emissions and climate change. While there has historically been a lack of consistent climate change legislation, as climate change concerns continue to grow, further legislation and regulations are

expected to continue in areas such as greenhouse gas emissions control, emission disclosure requirements and building codes or other infrastructure requirements that impose energy efficiency standards. Government mandates, standards or regulations intended to mitigate or reduce greenhouse gas emissions or projected climate change impacts could result in increased energy and transportation costs, and increased compliance expenses and other financial obligations to meet permitting or development requirements that we may be unable to fully recover (due to market conditions or other factors), any of which could result in reduced profits and adversely affect our results of operations. In addition, there also is an increasing number of state-level anti-ESG initiatives in the U.S. that may conflict with other regulatory requirements, resulting in regulatory uncertainty. While we typically maintain liability insurance coverage and typically require our lessees to provide us with indemnity against certain losses, the insurance coverage is subject to large deductibles, limits on maximum coverage and significant exclusions and may not be sufficient or available to protect against any or all liabilities and such indemnities may not cover or be sufficient to protect us against losses arising from environmental damage. In addition, changes to environmental standards or regulations in the industries in which we operate could limit the economic life of the assets we acquire or reduce their value, and also require us to make significant additional investments in order to maintain compliance, which would negatively impact our cash flows and results of operations.

A cyberattack that bypasses our information technology (“IT”), security systems or the IT security systems of our third-party providers, causing an IT security breach, may lead to a disruption of our IT systems and the loss of business information which may hinder our ability to conduct our business effectively and may result in lost revenues and additional costs.

Parts of our business depend on the secure operation of our IT systems and the IT systems of our third-party providers to manage, process, store, and transmit information associated with aircraft leasing. We have, from time to time, experienced threats to our data and systems, including malware and computer virus attacks. A cyberattack that bypasses our IT security systems or the IT security systems of our third-party providers, causing an IT security breach, could adversely impact our daily operations and lead to the loss of sensitive information, including our own proprietary information and that of our customers, suppliers and employees. Such losses could harm our reputation and result in competitive disadvantages, litigation, regulatory enforcement actions, lost revenues, additional costs and liabilities. While we devote substantial resources to maintaining adequate levels of cybersecurity, our resources and technical sophistication may not be adequate to prevent all types of cyberattacks.

If we are deemed an “investment company” under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act. Section 3(a)(1)(A) of the Investment Company Act defines an investment company as any issuer that is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the Investment Company Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer’s total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Excluded from the term “investment securities,” among other things, are U.S. government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company for certain privately-offered investment vehicles set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We are a holding company that is not an investment company because we are engaged in the business of holding securities of our wholly-owned and majority-owned subsidiaries, which are engaged in transportation and related businesses which lease assets pursuant to operating leases and finance leases. The Investment Company Act may limit our and our subsidiaries’ ability to enter into financing leases and engage in other types of financial activity because less than 40% of the value of our and our subsidiaries’ total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis can consist of “investment securities.”

If we or any of our subsidiaries were required to register as an investment company under the Investment Company Act, the registered entity would become subject to substantial regulation that would significantly change our operations, and we would not be able to conduct our business as described in this report. We have not obtained a formal determination from the SEC as to our status under the Investment Company Act and, consequently, any violation of the Investment Company Act would subject us to material adverse consequences.

If we are deemed an “investment adviser” under the Investment Advisers Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment adviser under the Investment Advisers Act. If we or one or more of our subsidiaries registers as an investment adviser under the Investment Advisers Act, we will become subject to various requirements under the Investment Advisers Act, such as fiduciary duties to clients, anti-fraud provisions, substantive prohibitions and requirements, contractual and record-keeping requirements and administrative oversight by the SEC (primarily by inspection). In addition, if we or one or more of our subsidiaries registers as an investment adviser under the Investment Advisers Act, we will be required to continually address potential conflicts between our interests and those of our clients. It is possible that actual, potential or perceived conflicts of interest could give rise to investor dissatisfaction, litigation or regulatory enforcement actions. If we or any of our subsidiaries are deemed to be out of compliance

with any such rules and regulations, we may be subject to civil liability, criminal liability and/or regulatory sanctions, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Because we are incorporated under the laws of the Cayman Islands, you may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited.

We are an exempted company incorporated under the laws of the Cayman Islands. As a result, it may be difficult for investors to effect service of process within the United States upon our directors or officers, or enforce judgments obtained in the United States courts against our directors or officers.

Our corporate affairs are governed by our Articles, the Companies Act (As Revised) of the Cayman Islands (the “Cayman Companies Act”) and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, the decisions of whose courts are of persuasive authority, but are not binding on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are different from what they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a different body of securities laws as compared to the United States, and certain states, such as Delaware, may have more fully developed and judicially interpreted bodies of corporate law. In addition, Cayman Islands companies may not have standing to initiate a shareholders derivative action in a federal court of the United States.

We have been advised by Maples and Calder (Cayman) LLP, our Cayman Islands legal counsel, that the courts of the Cayman Islands are unlikely (1) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (2) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a United States company.

Risks Related to Taxation

The Company has been and may be a passive foreign investment company (“PFIC”) and it could be a controlled foreign corporation (“CFC”) for U.S. federal income tax purposes, which may result in adverse tax considerations for U.S. shareholders.

We believe that the Company was treated as a PFIC in the taxable years ended December 31, 2022, and December 31, 2023 (collectively with any other taxable years in which we are treated as a PFIC, the “PFIC Years”). Although we do not believe the Company was a PFIC in the taxable year ended December 31, 2024 and do not expect it to be a PFIC thereafter, no assurance can be given in that regard. In addition, the Company could be treated as a CFC for U.S. federal income tax purposes for any given taxable year.

If you are a U.S. person and do not make a valid qualified electing fund (“QEF”) election with respect to us and each of our PFIC subsidiaries, then, unless we are a CFC and you own 10% or more of our shares (by vote or value), you would generally be subject to special deferred tax with respect to certain distributions on our shares, any gain realized on a disposition of our shares, and certain other events. These rules generally continue to apply to each shareholder who held our shares during any PFIC Year (“PFIC Holders”) and has not made either (i) a valid QEF election for the first PFIC Year in which such shareholder held our shares or (ii) certain other elections with respect to our shares under the PFIC rules, even if the Company is not treated as a PFIC for any subsequent taxable year. The effect of this deferred tax could be materially adverse to you. Alternatively, if you are a PFIC Holder and make a valid QEF election for us and each of our PFIC subsidiaries, or if we are a CFC and you own 10% or more of our shares (by vote or value), you will generally not be subject to those taxes, but could recognize taxable income with respect to our shares in excess of any distributions that we make to you, thus giving rise to so called “phantom income” and to a potential out-of-pocket tax liability. No assurances can be given that any given shareholder will be able to make a valid QEF election with respect to us or our PFIC subsidiaries. See “U.S. Federal Income Tax Considerations—Considerations for U.S. Holders—PFIC Status and Related Tax Considerations.”

For any PFIC Year or taxable year of ours immediately following a PFIC Year, distributions made by us to a U.S. person will generally not be eligible for taxation at reduced tax rates generally applicable to “qualified dividends” paid by certain U.S. corporations and “qualified foreign corporations” to individuals. The more favorable rates applicable to other corporate dividends could cause individuals to perceive investment in our shares to be relatively less attractive than investment in the shares of other corporations, which could adversely affect the value of our shares.

Investors should consult their tax advisors regarding the potential impact of these rules on their investment in us.

To the extent we recognize income treated as effectively connected with a trade or business in the United States, we would be subject to U.S. federal income taxation on a net income basis, which could adversely affect our business and result in decreased cash available for distribution to our shareholders.

If we are treated as engaged in a trade or business in the United States, the portion of our net income, if any, that is “effectively connected” with such trade or business would be subject to U.S. federal income taxation at maximum corporate rates, currently 21%. In addition, we may be subject to an additional U.S. federal branch profits tax on our effectively connected earnings and profits at a rate of 30%. The imposition of such taxes could adversely affect our business and would result in decreased cash available for distribution to our shareholders. Although we (or one or more of our non-U.S. corporate subsidiaries) are expected to be treated as engaged in a U.S. trade or business, it is currently expected that only a small portion of our taxable income will be treated as effectively connected with such U.S. trade or business. However, no assurance can be given that the amount of effectively connected income will not be greater than currently expected, whether due to a change in our operations or otherwise.

If there is not sufficient trading in our shares, or if 50% of our shares are held by certain 5% shareholders, we could lose our eligibility for an exemption from U.S. federal income taxation on rental income from our aircraft used in “international traffic” and could be subject to U.S. federal income taxation which would adversely affect our business and result in decreased cash available for distribution to our shareholders.

We expect that we will be eligible for an exemption under Section 883 of the Internal Revenue Code of 1986, as amended (the “Code”), which provides an exemption from U.S. federal income taxation with respect to rental income derived from aircraft and ships used in international traffic by certain foreign corporations. No assurances can be given that we will continue to be eligible for this exemption as changes in our ownership or the amount of our shares that are traded could cause us to cease to be eligible for such exemption. To qualify for this exemption in respect of rental income, the lessor of the aircraft or ships must be organized in a country that grants a comparable exemption to U.S. lessors. The Cayman Islands and the Marshall Islands grant such exemptions. Additionally, certain other requirements must be satisfied. We can satisfy these requirements in any year if, for more than half the days of such year, our shares are primarily and regularly traded on a recognized exchange and certain shareholders, each of whom owns 5% or more of our shares (applying certain attribution rules), do not collectively own more than 50% of our shares. Our shares will be considered to be primarily and regularly traded on a recognized exchange in any year if: (i) the number of trades in our shares effected on such recognized stock exchanges exceed the number of our shares (or direct interests in our shares) that are traded during the year on all securities markets; (ii) trades in our shares are effected on such stock exchanges in more than de minimis quantities on at least 60 days during every calendar quarter in the year; and (iii) the aggregate number of our shares traded on such stock exchanges during the taxable year is at least 10% of the average number of our shares outstanding in that class during that year. If we were not eligible for the exemption under Section 883 of the Code, we expect that our U.S. source rental income would generally be subject to U.S. federal taxation, on a gross income basis, at a rate of not in excess of 4% as provided in Section 887 of the Code. If, contrary to expectations, we or certain of our non-U.S. subsidiaries did not comply with certain administrative guidelines of the U.S. Internal Revenue Service (the “IRS”), such that 90% or more of the U.S. source rental income of the Company or any of such subsidiaries were attributable to the activities of personnel based in the United States (in the case of bareboat leases), or from “regularly scheduled transportation” as defined in such administrative guidelines (in the case of time charter leases), our, or such subsidiary’s, U.S. source rental income would be treated as income effectively connected with the conduct of a trade or business in the United States. In such case, such U.S. source rental income would be subject to U.S. federal income taxation at the maximum corporate rate as well as state and local taxation. In addition, the Company or such subsidiary would be subject to the U.S. federal branch profits tax on its effectively connected earnings and profits at a rate of 30%. The imposition of such taxes could adversely affect our business and would result in decreased cash available for distribution to our shareholders.

We or our subsidiaries may become subject to increased and/or unanticipated tax liabilities that may have a material adverse effect on our results of operations.

Some of our subsidiaries are subject to income, withholding or other taxes in certain non-U.S. jurisdictions by reason of their jurisdiction of incorporation, activities and operations, where their assets are used or where the lessees of their assets (or others in possession of their assets) are located, and it is also possible that taxing authorities in any such jurisdictions could assert that we or our subsidiaries are subject to greater taxation than we currently face or otherwise anticipate. Further, the Organisation for Economic Co-operation and Development (the “OECD”) is conducting a project focused on base erosion and profit shifting in international structures, which seeks to establish certain international standards for taxing the worldwide income of multinational companies. In addition, the OECD, together with other countries comprising the membership of the “Inclusive Framework,” is working on a “BEPS 2.0” initiative, which is aimed at (i) shifting taxing rights to the jurisdiction of the consumer and (ii) ensuring all companies pay a global minimum tax. Numerous countries, including European Union member states, have enacted or are expected to enact minimum tax legislation, and other countries may enact such legislation in the future. As a result of these developments, the tax laws of certain countries in which we and our affiliates do business have increased and may further increase our liabilities for taxes (and possibly interest and penalties), which could harm our business, cash flows, results of

operations and financial position. For instance, Bermuda has enacted a corporate tax regime with a 15% rate to which the Company is subject beginning January 1, 2025. The impact on the Company of these legislative and regulatory changes will depend on the timing of implementation, the exact nature of each country's legislation, guidance and regulations thereon and their application by tax authorities either prospectively or retrospectively. In addition, a portion of certain of our non-U.S. corporate subsidiaries' income is treated as effectively connected with a U.S. trade or business and is accordingly subject to U.S. federal income tax or may be subject to gross-basis U.S. withholding tax. It is possible that the IRS could assert that a greater portion of our or any such non-U.S. subsidiaries' income is effectively connected income that should be subject to U.S. federal income tax or subject to withholding tax.

Although we do not currently expect the enactment of the One Big Beautiful Bill Act, Pub. L. No. 119-21, or the recent tariff policies of the U.S. federal government, to have a material impact on our financial condition or results of operations, the ultimate effects of such policies remain uncertain and may differ from our current expectations.

Risks Related to Our Shares

The market price and trading volume of our ordinary and preferred shares may be volatile, which could result in rapid and substantial losses for our shareholders.

The market price of our ordinary and preferred shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our ordinary and preferred shares may fluctuate and cause significant price variations to occur. If the market price of our ordinary or preferred shares declines significantly, you may be unable to resell your shares at or above your purchase price, if at all. The market price of our ordinary and preferred shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our shares include:

- a shift in our investor base;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our ordinary shares;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- prevailing interest rates or rates of return being paid by other comparable companies and the market for securities similar to our preferred shares;
- additional issuances of preferred shares;
- whether we declare distributions on our preferred shares;
- overall market fluctuations;
- general economic conditions; and
- developments in the markets and market sectors in which we participate.

Stock markets in the United States have experienced extreme price and volume fluctuations. Market fluctuations, as well as general political and economic conditions, such as acts of terrorism, prolonged economic uncertainty, a recession or interest rate or currency rate fluctuations, could adversely affect the market price of our ordinary and preferred shares.

Short sellers have and may in the future engage in activity intended to drive down the market price of our ordinary shares, which could in the future result in related governmental and regulatory scrutiny, among other effects.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed or intends to borrow from a third party with the intention of later buying lower priced identical securities to return to the lender. Accordingly, it is in the interest of a short seller of our ordinary shares for the price to decline. At any time, short sellers may publish, or arrange for the publication of, opinions or characterizations that are intended to create negative market momentum. Short selling reports can cause increased volatility in an issuer's share price and result in regulatory and governmental inquiries. For example, in January 2025, several short seller reports were published which contained certain allegations against the Company (the "Short Seller Reports"). In response to the Short Seller Reports, the Audit Committee of our board of directors completed an internal investigation with the assistance of outside counsel and forensic accountants into the allegations in the Short Seller Reports. The internal investigation concluded that the allegations of misconduct in the Short Seller Reports were all without merit. Any future inquiries or investigations conducted by a governmental organization or other regulatory body, or any future internal investigation could result in a material diversion of our management's time and result in substantial cost and, in the event of an adverse finding, could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. In addition, any perceived or actual failure by us to comply with applicable laws, rules, regulations, and standards could have a significant impact on our reputation and expose us to legal risk and potential criminal and civil liability.

An increase in market interest rates may have an adverse effect on the market price of our shares.

One of the factors that investors may consider in deciding whether to buy or sell our shares is our distribution rate as a percentage of our share price relative to market interest rates. If the market price of our shares is based primarily on the earnings and return that we derive from our investments and income with respect to our investments and our related distributions to shareholders, and not from the market value of the investments themselves, then interest rate fluctuations and capital market conditions will likely affect the market price of our shares. For instance, if market interest rates rise without an increase in our distribution rate, the market price of our shares could decrease, as potential investors may require a higher distribution yield on our shares or seek other securities paying higher distributions or interest. In addition, rising interest rates would result in increased interest expense on our outstanding and future (variable and fixed) rate debt, thereby adversely affecting cash flows and our ability to service our indebtedness and pay distributions.

We are required by Section 404 of the Sarbanes-Oxley Act to evaluate the effectiveness of our internal controls, and the outcome of that effort may adversely affect our results of operations, financial condition and liquidity.

As a public company, we are required to comply with Section 404 ("Section 404") of the Sarbanes-Oxley Act. Section 404 requires that we evaluate the effectiveness of our internal control over financial reporting at the end of each fiscal year and to include a management report assessing the effectiveness of our internal controls over financial reporting in our Annual Report on Form 10-K for that fiscal year. Section 404 also requires an independent registered public accounting firm to attest to, and report on, management's assessment of our internal controls over financial reporting. The outcome of our review and the report of our independent registered public accounting firm may adversely affect our results of operations, financial condition and liquidity. During the course of our review, we may identify control deficiencies of varying degrees of severity, and we may incur significant costs to remediate those deficiencies or otherwise improve our internal controls. As a public company, we are required to report control deficiencies that constitute a "material weakness" in our internal control over financial reporting. If we discover a material weakness in our internal control over financial reporting, our share price could decline and our ability to raise capital could be impaired.

Your percentage ownership in us may be diluted in the future.

Your percentage ownership in FTAI Aviation Ltd. may be diluted in the future because of equity awards that we expect will be granted to our directors, officers and employees, as well as other equity instruments such as debt and equity financing.

Our board of directors has adopted the FTAI Aviation Ltd. 2025 Omnibus Incentive Plan (the "Incentive Plan"), which provides for the grant of equity-based awards, including restricted shares, stock options, stock appreciation rights, performance awards, restricted share units, and other equity-based and non-equity based awards, to the directors, officers, employees, service providers, consultants and advisors who performed services for us, and to our directors, officers, employees, service providers, consultants and advisors. We initially reserved 5,750,000 ordinary shares for issuance under the Incentive Plan. As of June 30, 2025, rights relating to 5,742,608 of our ordinary shares were outstanding under the Incentive Plan.

Sales or issuances of our ordinary shares could adversely affect the market price of our ordinary shares.

Sales of substantial amounts of our ordinary shares in the public market, or the perception that such sales might occur, could adversely affect the market price of our ordinary shares. The issuance of our ordinary shares in connection with property, portfolio or business acquisitions or the exercise of outstanding options or otherwise could also have an adverse effect on the market price of our ordinary shares.

The incurrence or issuance of debt, which ranks senior to our ordinary shares upon our liquidation, and future issuances of equity or equity-related securities, which would dilute the holdings of our existing ordinary shareholders and may be senior to our ordinary shares for the purposes of making distributions, periodically or upon liquidation, may negatively affect the market price of our ordinary shares.

We have incurred and may in the future incur or issue debt or issue equity or equity-related securities to finance our operations, acquisitions or investments. Upon our liquidation, lenders and holders of our debt and holders of our preferred shares (if any) would receive a distribution of our available assets before ordinary shareholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing ordinary shareholders on a preemptive basis. Therefore, additional issuances of ordinary shares, directly or through convertible or exchangeable securities warrants or options, will dilute the holdings of our existing ordinary shareholders and such issuances, or the perception of such issuances, may reduce the market price of our ordinary shares. Any preferred shares issued by us would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to ordinary shareholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, ordinary shareholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our ordinary shares.

Our determination of how much leverage to use to finance our acquisitions may adversely affect our return on our assets and may reduce funds available for distribution.

We utilize leverage to finance many of our asset acquisitions, which entitles certain lenders to cash flows prior to retaining a return on our assets. While we target using only what we believe to be reasonable leverage, our strategy does not limit the amount of leverage we may incur with respect to any specific asset. The return we are able to earn on our assets and funds

available for distribution to our shareholders may be significantly reduced due to changes in market conditions, which may cause the cost of our financing to increase relative to the income that can be derived from our assets.

While we currently intend to pay regular quarterly dividends to our shareholders, we may change our dividend policy at any time.

Although we currently intend to pay regular quarterly dividends to holders of our ordinary shares, we may change our dividend policy at any time. Our net cash provided by operating activities has been less than the amount of distributions to our shareholders. The declaration and payment of dividends to holders of our ordinary shares are at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, our taxable income, our operating expenses and other factors our board of directors deem relevant. There can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries. Our indirect intermediate holding company subsidiary FTAI LLC is currently, and may in the future be, subject to certain covenants included in its financing agreements that limit its ability to make distributions to us. In addition, our existing indebtedness does, and our future indebtedness may, limit our ability to pay dividends on our ordinary and preferred shares. Furthermore, the terms of our preferred shares generally prevent us from declaring or paying dividends on or repurchasing our ordinary shares or other junior capital unless all accrued distributions on such preferred shares have been paid in full.

Anti-takeover provisions in our Articles could delay or prevent a change in control.

Provisions in our Articles may make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our shareholders. For example, our Articles provides for a staggered board, requires advance notice for proposals by shareholders and nominations, places limitations on convening shareholder meetings, and authorizes the issuance of preferred shares that could be issued by our board of directors to thwart a takeover attempt. The market price of our shares could be adversely affected to the extent that provisions of our operating agreement discourage potential takeover attempts that our shareholders may favor.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding our ordinary shares, our share price and trading volume could decline.

The trading market for our ordinary shares are influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us downgrades our ordinary units or publishes inaccurate or unfavorable research about our business, our ordinary share price may decline. If analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our ordinary share price or trading volume to decline and our ordinary shares to be less liquid.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of August 12, 2022, by and among, FTAI, the Company and FTAI Aviation Merger Sub LLC (incorporated by reference to Annex A to FTAI's Registration Statement on Form S-4, filed on October 11, 2022).
2.2	Separation and Distribution Agreement, dated as of August 1, 2022, between FTAI Infrastructure Inc. and the Company (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K, filed on August 1, 2022).
3.1	Amended and Restated Memorandum and Articles of Association of the Company (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed on November 14, 2022).
3.2	Share Designation with respect to the 8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares (included as part of Exhibit 3.1 hereto).
3.3	Share Designation with respect to the 9.500% Fixed-Rate Reset Series D Cumulative Perpetual Redeemable Preferred Shares of FTAI Aviation Ltd. (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form 8-A, filed on March 15, 2023).
3.4	Form of Certificate representing the 8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares of FTAI Aviation Ltd. (included as part of Exhibit 3.1 hereto).
3.5	Form of certificate representing the 9.500% Fixed-Rate Reset Series D Cumulative Perpetual Redeemable Preferred Shares of FTAI Aviation Ltd. (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form 8-A, filed on March 15, 2023).
4.1	Indenture, dated April 12, 2021, between the Company and U.S. Bank National Association, as trustee, relating to the Company's 5.50% senior unsecured notes due 2028 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed on April 12, 2021).
4.2	Form of global note representing the Company's 5.50% senior unsecured notes due 2028 (included in Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on April 12, 2021).
4.3	First Supplemental Indenture, dated as of September 24, 2021, between the Company and U.S. Bank National Association, as trustee, relating to the Company's 5.50% senior unsecured notes due 2028 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on September 24, 2021).
4.4	2028 Notes Guarantee, dated November 10, 2022 (incorporated by reference to Exhibit 4.3 of the Company's Current Report on Form 8-K, filed on November 14, 2022).
4.5	Second Supplemental Indenture, dated as of January 28, 2022, between FTAI Italia DAC and U.S. Bank Trust Company, National Association, as trustee, relating to the Company's 5.50% senior unsecured notes due 2028. (incorporated in Exhibit 4.5 of the Company's Quarterly Report on Form 10-Q, filed on May 5, 2025).
4.6	Third Supplemental Indenture, dated as of March 18, 2022, among AirOpCo 1ET Bermuda Ltd., AVSA Leasing 2, AVSA Leasing 4, AIRCOL 13, AIRCOL 20, AIRCOL 25, Wells Fargo Trust Company, National Association, not in its individual capacity but solely as owner trustee of MSN 5280 Trust, MSN 5333 Trust, MSN 5068 Trust, MSN 5406 Trust, Airlease Twenty Nine Limited, Airsal 2, Airsal 3 and Airsal 7, Wilmington Trust Company, a Delaware trust company, not in its individual capacity but solely as owner trustee of Aircol 26, Aircol 38, Aircol 33, Aircol 37, Aircol 35 and Aircol 36 and U.S. Bank Trust Company, National Association, as trustee, relating to the Company's 7.875% senior unsecured notes due 2030. (incorporated in Exhibit 4.6 of the Company's Quarterly Report on Form 10-Q, filed on May 5, 2025).
4.7	Fourth Supplemental Indenture, dated as of February 21, 2025, between FTAI Aviation Ireland Holdings DAC and U.S. Bank Trust Company, National Association, as trustee, relating to the Company's 5.50% senior unsecured notes due 2028. (incorporated in Exhibit 4.7 of the Company's Quarterly Report on Form 10-Q, filed on May 5, 2025).
4.8	Indenture, dated November 21, 2023, between the Company and U.S. Bank National Association, as trustee, relating to the Company's 7.875% senior unsecured notes due 2030 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on November 22, 2023).
4.9	Form of global note representing the Company's 7.875% senior unsecured notes due 2030 (included in Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on November 22, 2023).
4.10	First Supplemental Indenture, dated as of February 21, 2025, between FTAI Aviation Ireland Holdings DAC and U.S. Bank Trust Company, National Association, as trustee, relating to the Company's 7.875% senior unsecured notes due 2030. (incorporated in Exhibit 4.10 of the Company's Quarterly Report on Form 10-Q, filed on May 5, 2025).
4.11	Indenture, dated April 11, 2024, among Fortress Transportation and Infrastructure Investors LLC, the Company as guarantor, and U.S. Bank Trust Company, National Association, as trustee, relating to the Company's 7.000% senior unsecured notes due 2031 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on April 11, 2024).
4.12	Form of global note representing the Company's 7.000% senior unsecured notes due 2031 (included in Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on April 11, 2024).
4.13	First Supplemental Indenture, dated as of February 21, 2025, between FTAI Aviation Ireland Holdings DAC and U.S. Bank Trust Company, National Association, as trustee, relating to the Company's 7.000% senior unsecured notes due 2031. (incorporated in Exhibit 4.13 of the Company's Quarterly Report on Form 10-Q, filed on May 5, 2025).
4.14	Indenture, dated as of June 17, 2024, among Fortress Transportation and Infrastructure Investors LLC, FTAI Aviation Ltd. as guarantor, and U.S. Bank Trust Company, National Association, as trustee relating to the Company's 7.000% senior unsecured notes due 2032 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on June 17, 2024).
4.15	Form of global note representing the Company's 7.000% senior unsecured notes due 2032 (included in Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on June 17, 2024).
4.16	First Supplemental Indenture, dated as of February 21, 2025, between FTAI Aviation Ireland Holdings DAC and U.S. Bank Trust Company, National Association, as trustee, relating to the Company's 7.000% senior unsecured notes due 2032. (incorporated in Exhibit 4.16 of the Company's Quarterly Report on Form 10-Q, filed on May 5, 2025).
4.17	Indenture, dated as of October 9, 2024, among Fortress Transportation and Infrastructure Investors LLC, FTAI Aviation Ltd. as guarantor, and U.S. Bank Trust Company, National Association, as trustee relating to the Company's 5.875% senior unsecured notes due 2033 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on October 9, 2024).

Exhibit No.	Description
4.18	Form of global note representing the Company's 5.875% senior unsecured notes due 2033 (included in Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on October 9, 2024).
4.19	First Supplemental Indenture, dated as of February 21, 2025, between FTAI Aviation Ireland Holdings DAC and U.S. Bank Trust Company, National Association, as trustee, relating to the Company's 5.875% senior unsecured notes due 2033. (incorporated in Exhibit 4.19 of the Company's Quarterly Report on Form 10-Q, filed on May 5, 2025).
4.20	Description of Securities Registered under Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.13 of the Company's Annual Report on Form 10-K, filed on March 3, 2025).
†	10.1 FTAI Aviation Ltd. Nonqualified Stock Option and Incentive Award Plan, dated as of February 23, 2023 (incorporated in Exhibit 10.4 of the Company's Annual Report on Form 10-K, filed on February 27, 2023).
	10.2 FTAI Aviation Ltd. 2025 Omnibus Incentive Plan, effective as of May 29, 2025 (incorporated by reference to Annex A of the Company's Definitive Proxy Statement on Schedule 14A, filed on April 16, 2025).
†	10.3 Form of FTAI Aviation Ltd. Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-4, filed on October 4, 2022).
†	10.4 Form of Director Award Agreement pursuant to the FTAI Aviation Ltd. Nonqualified Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-4, filed on October 4, 2022).
†	10.5 Form of Non-Director Award Agreement under the FTAI Aviation Ltd. Nonqualified Stock Option and Incentive Award Plan (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-4, filed on October 4, 2022).
†	10.6 Form of Restricted Stock Unit Award Agreement under the FTAI Aviation Ltd. Nonqualified Stock Option and Incentive Award Plan (incorporated in Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q, filed on August 9, 2024).
	10.7 Trademark License Agreement, dated as of August 1, 2022, between Fortress Transportation and Infrastructure Investors LLC and FTAI Infrastructure Inc. (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed on August 1, 2022).
*	10.8 Third Amended and Restated Credit Agreement, dated as of May 22, 2024, between the Company, the lenders and issuing banks from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent. (incorporated by reference to Exhibit 10.7 of the Company's Quarterly Report on Form 10-Q, filed on August 9, 2024).
	10.9 Revolver Guarantee, dated November 10, 2022 (incorporated by reference to Exhibit 4.4 of the Company's Current Report on Form 8-K, filed on November 14, 2022).
*	10.10 Internalization Agreement, dated May 28, 2024, by and among FTAI Aviation Ltd., FIG LLC and Fortress Worldwide Transportation and Infrastructure Master GP LLC (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on May 28, 2024).
†	10.11 Letter Agreement, dated May 27, 2024, by and among FTAI Aviation LLC, FTAI Aviation Ltd. and Joseph P. Adams, Jr. (incorporated by reference to Exhibit 10.11 of the Company's Quarterly Report on Form 10-Q, filed on August 9, 2024).
†	10.12 Letter Agreement, dated May 27, 2024, by and among FTAI Aviation LLC, FTAI Aviation Ltd. and Eun (Angela) Nam (incorporated by reference to Exhibit 10.12 of the Company's Quarterly Report on Form 10-Q, filed on August 9, 2024).
*#	10.13 Fourth Amended and Restated Aircraft Sale and Purchase Agreement, dated as of June 26, 2025, between certain subsidiaries of the Company, as the sellers, and FTAI Aircraft Leasing Ireland (2025) DAC and FTAI Aircraft Leasing Bermuda (2025) Ltd., as the buyers.
*#	10.14 Amended and Restated Beneficial Interest Sale and Purchase Agreement, dated as of April 30, 2025, between certain subsidiaries of the Company, as the sellers, and FTAI Aircraft Leasing US (2025) LLC, FTAI Aircraft Leasing Ireland (2025) DAC and FTAI Aircraft Leasing Bermuda (2025) Ltd., as the buyers. (incorporated in Exhibit 10.13 of the Company's Quarterly Report on Form 10-Q, filed on May 5, 2025).
	31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
	31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
	32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
	32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
	101 The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Changes in Equity; (iv) Consolidated Statements of Cash Flows; and (v) Notes to Consolidated Financial Statements.
	104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
†	<i>Management contracts and compensatory plans or arrangements.</i>
*	<i>Certain schedules or similar attachments to this exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K.</i>
#	<i>Certain portions of this exhibit have been omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K.</i>

SIGNATURES

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

FTAI Aviation Ltd.

By: /s/ Joseph P. Adams, Jr.
Joseph P. Adams, Jr.
Chairman and Chief Executive Officer

Date: July 31, 2025

By: /s/ Eun (Angela) Nam
Eun (Angela) Nam
Chief Financial Officer and Chief Accounting Officer

Date: July 31, 2025

Certain identified information has been excluded from this exhibit because it is both not materials and is the type that the registrant treats as private or confidential. Information that was omitted has been noted in this document with a placeholder identified by the mark “[***]”.

**FOURTH AMENDED AND RESTATED
AIRCRAFT SALE AND
PURCHASE AGREEMENT**

originally dated as of December 30, 2024,
and amended and restated as of June 26, 2025

among

The SELLERS party hereto,
each as a Seller

and

The BUYERS party hereto,
each as a Buyer

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**FOURTH AMENDED AND RESTATED
AIRCRAFT SALE AND PURCHASE AGREEMENT**

THIS FOURTH AMENDED AND RESTATED AIRCRAFT SALE AND PURCHASE AGREEMENT (“**Agreement**”), originally entered into as of December 30, 2024, and amended and restated as of June 26, 2025, among the Sellers party hereto, each as seller in respect of the relevant Aircraft, and the Buyers party hereto, each as buyer in respect of the relevant Aircraft.

RECITALS

WHEREAS, each Seller is the owner of the Aircraft, as further described in Exhibit A-1, and all respective existing warranties and all manuals, technical records, and aircraft documents (collectively, the “**Aircraft**”);

WHEREAS, subject to the terms and conditions of this Agreement, the Sellers and the Buyers have agreed that each Seller shall sell to the relevant Buyer, and each Buyer shall purchase the Aircraft from the relevant Seller; and

WHEREAS, the Buyers and the Sellers desire to amend and restate in its entirety that certain Aircraft Sale and Purchase Agreement originally dated as of December 30, 2024 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the “**Original Sale and Purchase Agreement**”).

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby conclusively acknowledged, the Buyers and the Sellers hereby agree to amend and restate the Original Sale and Purchase Agreement in its entirety as follows:

Section 1. Definitions and Construction

1.1 **Defined Terms**. The following terms, when capitalized as below, shall have the following meanings when used in this Agreement:

“**Acceptance Certificate**” means an acceptance certificate substantially in the form of Exhibit C.

“**Additional Insureds**” means, with respect to each Aircraft, the Seller Indemnitees together with each other entity identified by Seller in the relevant Lease Assignment.

“**Aircraft Manufacturer**” means, with respect to each Aircraft, the manufacturer identified as the “Airframe Manufacturer” in respect of such Aircraft in Exhibit A-1.

“**Base Purchase Price**” means, with respect to each Aircraft, the amount set forth as the “Base Purchase Price” in respect of the relevant Aircraft in Exhibit A-2.

“**Business Day**” means a day, other than a Saturday or a Sunday, on which banks are open for business in New York, New York, U.S.A.

“**Buyer**” means, with respect to each Aircraft, the entity identified as the “Buyer” in respect of such Aircraft in Exhibit A-1.

“**Buyer Indemnitee**” means Buyer and any affiliate of any of them and each of their respective affiliates, subsidiaries, shareholders, members, partners, managers, officers, directors, servants, employees, attorneys, contractors, sub-contractors, agents, representatives, successors and assigns.

“**Cape Town Convention**” means, collectively, the official English language text of the Convention of International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment each adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa.

“**Claims**” has meaning set forth in Section 4.2.

“**Default**” means a “Default” or any analogous term under the relevant Lease Agreement.

“**Delivery**” means, on the Transfer Date for the relevant Aircraft, the concurrent occurrence of the events enumerated in Section 2.1.

“**Delivery Condition**” means with respect to each Aircraft, an “as-is, where is” condition, free and clear of all liens and encumbrances (except the relevant Lease Agreement and any other Permitted Lien).

“**Delivery Date**” means, in respect of an Aircraft, the date on which Delivery of such Aircraft occurs.

“**Delivery Location**” means, with respect to each Aircraft, a location to be agreed between Buyer and Seller in writing in advance of the Transfer Date.

“**Dollars**” and the sign “\$” means the lawful currency of the United States of America.

“**Due Diligence**” has the meaning set forth in Section 2.6(b).

“**Economic Closing Date**” means [***].

“**Engine**” means, with respect to each Aircraft, each engine identified by the “Engine Manufacturer’s Serial Numbers” in respect of such Aircraft in Exhibit A-1.

“**Engine Manufacturer**” means, with respect to each Aircraft, the manufacturer identified as the “Engine Manufacturer” in respect of the relevant Engines in Exhibit A-1.

“**Event of Default**” means an “Event of Default” or any analogous term under the relevant Lease Agreement.

“**Excluded Taxes**” has the meaning set forth in Section 4.1.

“**Final Date**” means, with respect to each Aircraft, [***], or such later date as may be agreed between Buyer and Seller in writing.

“**Government Entity**” means any (a) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (d) multinational organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, or taxing authority or power of any nature.

“**Guaranteed Obligations**” means all obligations and liabilities of the relevant Seller owing to the relevant Buyer under this Agreement (whether actual or contingent, whether now existing or at any time hereafter arising).

“**Guarantor**” means FTAI Aviation Ltd.

“**Inspection**” has the meaning set forth in Section 2.6(a).

“**Interest Adjustment Amount**” means, in respect of an Aircraft, an amount equal to [***] for the period commencing on (and including) [***] for such Aircraft.

“**International Registry**” means the registry established pursuant to the Cape Town Convention.

“**Lease Agreement**” means, with respect to each Aircraft, the agreement identified as the “Lease Agreement” in respect of such Aircraft in Exhibit A-3.

“**Lease Assignment**” means, with respect to each Aircraft, the lease novation and amendment agreement or lease assignment, assumption and amendment agreement (as applicable), in each case, related to such Aircraft to be dated as of the relevant Transfer Date among the relevant Seller, the relevant Buyer and the relevant Lessee, in each case in form and substance satisfactory to the parties thereto.

“**Lease Deposit**” means, with respect to each Aircraft, the amount identified as the “Lease Deposit” in respect of such Aircraft in Exhibit A-2.

“**Lease Transaction Documents**” means the additional documents related to the relevant Lease Agreement as set forth in the relevant Lease Assignment.

“**Lessee**” means, with respect to each Aircraft, the entity identified as the “Lessee” in respect of such Aircraft in Exhibit A-1.

“**Lien**” has the meaning given to such term, or any analogous term, in each Lease Agreement.

“**Maintenance Reserves Amount**” means, in respect of an Aircraft, the aggregate amount of the cash “Maintenance Reserves” (as defined in the relevant Lease Agreement), or any

analogous term defined under the Lease Agreement, actually received by the relevant Seller from the relevant Lessee under the relevant Lease Agreement on or before the Delivery Date for such Aircraft less any portion thereof reimbursed by such Seller to such Lessee pursuant to the relevant Lease Agreement.

“**Net Purchase Price**” means, in respect of an Aircraft, the Purchase Price for such Aircraft *less* the sum of (a) the Maintenance Reserves Amount and (b) the Security Deposit Amount, in each case as the same relates to such Aircraft.

“**Paying Party**” has the meaning set forth in Section 4.1.

“**Payment Default**” means a Default by the relevant Lessee pursuant to the relevant Lease Agreement solely in respect of such Lessee’s payment obligations to the lessor (or any applicable indemnitee) under such Lease Agreement.

“**Permitted Lien**” means, with respect to each Aircraft, any Liens that are permitted to exist under the relevant Lease Agreement other than any Lien created by or through the relevant Seller or any affiliate thereof.

“**Person**” means any individual person, company, corporation, partnership, firm, joint stock company, joint venture trust, estate, unincorporated organization, association, government entity, or organization or association of which any of the above is a member or participant.

“**Purchase Price**” means, in respect of an Aircraft, the Base Purchase Price for such Aircraft (i) *plus* the Interest Adjustment Amount and (b) *less* (a) the Rent Adjustment Amount, in each case as the same relates to such Aircraft.

“**Receiving Party**” has the meaning set forth in Section 4.1.

“**Relevant Guidance**” has the meaning set forth in Section 7.18(c).

“**Relevant Regulations**” has the meaning set forth in Section 7.18(a).

“**Rent**” has the meaning given to the term “Rent” or “Basic Rent”, or any analogous term, as the case may be, in the relevant Lease Agreement and is set forth under the column “Rent” in respect of each Aircraft in Exhibit A-2.

“**Rent Adjustment Amount**” means, in respect of each Aircraft, the amount equal to the Rent actually received by the relevant Seller or any affiliate thereof from the relevant Lessee pursuant to the relevant Lease Agreement attributable to the period on and after the Economic Closing Date.

“**Sales Taxes**” has the meaning set forth in Section 4.1.

“**Security Deposit Amount**” means, in respect of each Aircraft, the amount of the cash Lease Deposit held by the relevant Seller pursuant to the relevant Lease Agreement immediately prior to the Delivery Date for such Aircraft.

“**Seller**” means, with respect to each Aircraft, the entity identified as the “Seller” in respect of such Aircraft in Exhibit A-1.

“**Seller Indemnitee**” means Seller, [***] and each of their respective affiliates, subsidiaries, shareholders, members, partners, managers, officers, directors, servants, employees, attorneys, contractors, sub-contractors, agents, representatives, successors and assigns.

“**Subject Buyer**” means any Buyer under this Agreement which is not (i) incorporated under the laws of a member state of the European Union or (ii) incorporated under the laws of any of Australia, Canada, Iceland, Japan, Liechtenstein, New Zealand, Norway, South Korea, Switzerland, the United Kingdom or the United States of America.

“**Taxes**” includes all present and future taxes, levies, imposts, duties, fees or charges of whatever nature, including, without limitation, any withholding taxes, stamp duties, sale and use, income, value added, excise or similar taxes at the rate applicable for the time being, imposed by any national or local taxing authority or any other Government Entity, together with interest thereon and penalties in respect thereof.

“**Total Loss**” has the meaning given to the term “Total Loss” or “Casualty Event”, or any analogous term, as the case may be, in the relevant Lease Agreement.

“**Transaction Documents**” shall mean, in respect of an Aircraft, this Agreement, the relevant Warranty Bill of Sale, the relevant Lease Assignment, the relevant Acceptance Certificate and any other document deemed by the parties to this Agreement to be reasonably necessary to effect the sale, assignment and transfer of such Aircraft contemplated hereunder as well as any agreement amending or supplementing the foregoing documents.

“**Transfer Date**” means, with respect to each Aircraft, such date prior to the relevant Final Date as may be agreed between Buyer and Seller in writing.

“**Warranty Bill of Sale**” means a bill of sale in the form of Exhibit B.

1.2 **Construction.** Any agreement referred to in this Section 1 means such agreement as from time to time modified, supplemented and amended in accordance with its terms. References to sections, exhibits and the like refer to those in or attached to this Agreement unless otherwise specified. “**Including**” means “including but not limited to” and “**herein**”, “**hereof**”, “**hereunder**”, etc. mean in, of, or under, etc. this Agreement (and not merely in, of, under, etc. the section or provision where that reference appears).

Section 2. Sale of Aircraft and Lease Agreement.

2.1 **Sale of the Aircraft.** Subject to the provisions of this Agreement, each Seller agrees to sell the relevant Aircraft to the relevant Buyer and the relevant Buyer agrees to purchase the relevant Aircraft from the relevant Seller, in each case for the relevant Net Purchase Price, on the relevant Transfer Date in an “as is, where is” condition with all faults. Upon the relevant Buyer’s payment of and the relevant Seller’s receipt of the Net Purchase Price for an Aircraft in accordance with Section 2.3 and the mutual satisfaction or waiver of all conditions precedent in respect of such Aircraft set forth in Section 3, the relevant Seller shall (i) pursuant to the execution and delivery by such Seller of the Warranty Bill of Sale for the Aircraft, transfer all

of its right, title and interest in and to such Aircraft to the relevant Buyer free and clear of all Liens (except the relevant Lease Agreement and any other Permitted Lien) and (ii) deliver, or cause to be delivered, such Aircraft to the relevant Delivery Location.

2.2 Lease Agreement.

(a) Each Aircraft is subject to the relevant Lease Agreement between the relevant Seller, as lessor, and the relevant Lessee.

(b) On the Transfer Date, the relevant Seller, the relevant Buyer and the relevant Lessee shall enter into a Lease Assignment in respect of the relevant Lease Agreement which shall include appropriate amendments to such Lease Agreement to reflect, *inter alia*, the sale of the relevant Aircraft.

(c) If, after Delivery of an Aircraft, the relevant Seller receives from the relevant Lessee any amounts payable by such Lessee pursuant to the relevant Lease Agreement (notwithstanding the relevant Lease Assignment) which relates to the period following the Economic Closing Date, such Seller shall procure that such payment (other than any indemnity payment payable to such Seller or any relevant Seller Indemnitee pursuant to the provisions of the relevant Lease Agreement and/or the relevant Lease Assignment) is paid to the relevant Buyer within three (3) Business Days of such Seller's receipt of the same and pending such payment shall hold the same on trust for such Buyer.

2.3 Net Purchase Price. On Delivery of each Aircraft, payment of the Net Purchase Price in respect of such Aircraft shall be made by the relevant Buyer in immediately available funds by wire transfer to the account of the relevant Seller as notified by such Seller to such Buyer in writing.

2.4 Place of Delivery and Delivery. Delivery of each Aircraft shall occur on the relevant Transfer Date when such Aircraft is at the relevant Delivery Location.

2.5 Title and Risk of Loss. Upon the execution and delivery of the Warranty Bill of Sale for an Aircraft, title and risk of loss with respect to such Aircraft shall pass to the relevant Buyer.

2.6 Inspection; Due Diligence.

(a) Each Buyer has had an opportunity to complete an inspection of the aircraft documents related to such Aircraft (the "**Inspection**") and confirms that the results of such inspection are satisfactory to such Buyer. The entire set of aircraft documents in Seller's possession in respect of each such Aircraft shall be provided to Buyer at Delivery provided that some items shall be provided as electronic copies.

(b) Each Seller provided the relevant Buyer with copies of all relevant Lease Transaction Documents for each Aircraft. Each Buyer hereby confirms that it completed its due diligence with respect to the relevant Lease Agreement and the related Lease Transaction Documents in respect of such Aircraft (the "**Due Diligence**") and such Due Diligence for each such Aircraft was satisfactory to each such Buyer.

2.7 Manufacturer's Warranties.

(a) Each Seller shall, on the relevant Transfer Date and to the extent that any such warranties exist, assign to the relevant Buyer, without recourse and subject to any rights of the relevant Lessee under the relevant Lease Agreement, all of such Seller's rights, title and

interest (to the extent that such an assignment is permitted by the terms thereof) in all agreements between such Seller and (i) the relevant Aircraft Manufacturer relating to warranties with respect to the relevant Aircraft or (ii) the relevant Engine Manufacturer relating to warranties with respect to the relevant Engines.

(b) To the extent that any warranties exist, each Seller agrees to give notice to, and use reasonable efforts to obtain the consent of, the Aircraft Manufacturer or the Engine Manufacturer, as the case may be, with respect to such assignment at or before the Transfer Date in respect of the relevant Aircraft. From and after such Transfer Date, the relevant Buyer shall pursue any warranty claims at its own expense.

(c) No Seller makes any representation or warranty as to the existence or assignability of any such warranties or rights with respect to any Aircraft or Engine under this Section 2.7.

Section 3. Conditions Precedent.

3.1 Conditions to each Buyer's Obligations. Each Buyer's obligation to buy each Aircraft shall be subject to the satisfaction of, or waiver by such Buyer of, the following conditions in respect of each such Aircraft:

(a) such Buyer shall have satisfactorily completed its Inspection and Due Diligence related to the relevant Aircraft;

(b) the relevant Seller shall have tendered delivery of the relevant Aircraft to the relevant Buyer at the relevant Delivery Location in the Delivery Condition;

(c) subject to any Liens permitted pursuant to Section 3.1(d) below, the relevant Seller shall have full good and marketable legal and beneficial title to the relevant Aircraft;

(d) the relevant Aircraft shall be free and clear of all Liens (except the relevant Lease Agreement and any other Permitted Lien) and such Buyer shall have received such evidence as such Buyer may reasonably request evidencing that such Aircraft is free and clear of all Liens (except the relevant Lease Agreement and any other Permitted Lien);

(e) no Total Loss or, upon due inquiry by the relevant Seller, damage in excess of \$100,000 shall have occurred in relation to the relevant Aircraft, or if such damage has occurred, such damage is repaired in accordance with the relevant Lease Agreement to the relevant Buyer's reasonable satisfaction prior to the Final Date;

(f) the relevant Buyer shall have received a copy of the fully executed, but undated, Warranty Bill of Sale in respect of the relevant Aircraft, in escrow pending release at Delivery of such Aircraft;

(g) the relevant Buyer shall have received an executed counterpart (other than by such Buyer) of each relevant Transaction Document related to such Aircraft in escrow pending release at Delivery of such Aircraft and satisfaction of all conditions precedent of the relevant Buyer under any such Transaction Documents;

(h) the relevant Buyer shall have received acceptable evidence of support of the "know your customer" requirements with which it must comply, all of which shall be satisfactory in such Buyer's reasonable discretion;

(i) the relevant Buyer shall be satisfied that neither the relevant Seller nor FTAI Aviation Ltd. nor the relevant Lessee is: (i) a target of economic, financial or trade sanctions administered or enforced from time to time by the U.S., the European Union, or the United Kingdom; (ii) named, identified or described on any blocked persons list, specially designated nationals list, prohibited persons list, or other official list of restricted persons with whom U.S., European Union or United Kingdom persons, or persons otherwise subject to the jurisdiction of the U.S., the European Union or the United Kingdom may not conduct business, including, but not limited to, restricted party lists published or maintained by (A) Office of Foreign Assets Control of the U.S. Department of the Treasury (“**OFAC**”), (B) the Bureau of Industry and Security of the U.S. Department of Commerce (“**BIS**”), (C) the U.S. Department of State, (D) the European Union, or (E) His Majesty’s Treasury of the United Kingdom (“**HMT**”); or (iii) owned (ten percent (10%) or more) or controlled by, or an actor on behalf of, any person described in subsections (i) or (ii);

(j) each of the representations and warranties of the relevant Seller contained herein shall be true and correct in all material respects as of Delivery of the relevant Aircraft (except to the extent that such representations and warranties relate solely to an earlier date, in which case they shall be true in all material respects as of such earlier date);

(k) unless otherwise agreed in writing by the relevant Buyer, the relevant Lessee shall not (i) be subject to Chapter 11, bankruptcy, insolvency, or similar restructuring proceedings or (ii) have entered into any arrangement with its creditors generally after the date of this letter of intent or (iii) have initiated any restructuring process related to financial constraints or (iv) be insolvent;

(l) the relevant Buyer shall have received an original of each historic bill of sale or title transfer document issued in respect of the relevant Aircraft which has been executed and delivered since such Aircraft was delivered by the Aircraft Manufacturer (or, if applicable, when an Engine was delivered by the Engine Manufacturer), or where the relevant Seller does not hold the originals, copies of the same;

(m) no Payment Default or Event of Default shall have occurred and be continuing under the relevant Lease Agreement;

(n) the relevant Buyer shall have received originals, to the extent available, or copies of the relevant Lease Transaction Documents in respect of the relevant Aircraft;

(o) the relevant Buyer shall have received immediately prior to Delivery of the relevant Aircraft (i) a priority search certificate from the International Registry in respect of the Aircraft and the related Engines showing no existing international interest which is superior in priority to the relevant Seller’s ownership interest in the relevant Aircraft and the related Engines (other than the registration of the relevant Lease Agreement or international interests which will be discharged upon Delivery of such Aircraft) and (ii) a local lien search in the jurisdiction of the relevant Aircraft’s registration showing such Aircraft and related Engines are free and clear of all Liens (except the relevant Lease Agreement and any other Permitted Lien);

(p) all required steps have been (or will at or immediately following Delivery of the relevant Aircraft be) taken by the relevant Seller and/or the relevant Lessee, as applicable, to (i) assign the international registration with respect to the relevant Lease Agreement to the relevant Buyer; and (ii) make registrations in connection with the sale of the relevant Aircraft at the International Registry (as defined in the Cape Town Convention) in accordance with Section 7.15;

(q) the relevant Seller shall not be in default of its material obligations under this Agreement or any other relevant Transaction Document;

(r) all conditions precedent for its benefit under the relevant Lease Assignment in respect of the relevant Aircraft shall have been satisfied or waived;

(s) no change in law or regulation has occurred that would result in the purchase or leasing of the relevant Aircraft in accordance with this Agreement being illegal;

(t) receipt by the relevant Buyer of certificate(s) from the relevant Lessee's insurance broker evidencing such Lessee's compliance with the insurance provisions of Section 4.4 hereof (including naming any relevant additional insureds as set forth in the relevant Lease Assignment); and

(u) receipt by the relevant Buyer of committed financing to support the purchase of the relevant Aircraft.

3.2 Conditions to Seller's Obligations. Each Seller's obligation to sell each Aircraft shall be subject to the satisfaction, or waiver by such Seller, of the following conditions in respect of each such Aircraft:

(a) receipt by the relevant Seller of confirmation that the relevant Buyer shall have satisfactorily completed its Due Diligence related to the relevant Aircraft;

(b) receipt by the relevant Seller of the fully executed Acceptance Certificate in respect of the relevant Aircraft;

(c) receipt by the relevant Seller of the Net Purchase Price in respect of the relevant Aircraft;

(d) the relevant Seller shall have received an executed counterpart (other than by Seller) of each relevant Transaction Document related to such Aircraft in escrow pending release at Delivery of such Aircraft and satisfaction of all conditions precedent of the relevant Seller under any such Transaction Documents;

(e) receipt by the relevant Seller of certificate(s) from the Lessee's insurance broker evidencing the relevant Buyer's compliance with the insurance provisions of Section 4.4 hereof;

(f) all conditions precedent for its benefit under the relevant Lease Assignment in respect of the relevant Aircraft shall have been satisfied or waived;

(g) receipt by the relevant Seller of a duly executed tax exemption certificate valid in the jurisdiction of the relevant Delivery Location, if applicable;

(h) the relevant Seller shall have received acceptable evidence of support of the "know your customer" requirements with which it must comply, all of which shall be satisfactory in such Seller's reasonable discretion;

(i) the relevant Seller shall be satisfied that neither the relevant Buyer nor the relevant Lessee is: (i) a target of economic, financial or trade sanctions administered or enforced from time to time by the U.S., the European Union, or the United Kingdom; (ii) named, identified or described on any blocked persons list, specially designated nationals list, prohibited persons list, or other official list of restricted persons with whom U.S., European Union or

United Kingdom persons, or persons otherwise subject to the jurisdiction of the U.S., the European Union or the United Kingdom may not conduct business, including, but not limited to, restricted party lists published or maintained by (A) OFAC, (B) BIS, (C) the U.S. Department of State, (D) the European Union, or (E) HMT; or (iii) owned (ten percent (10%) or more) or controlled by, or an actor on behalf of, any person described in subsections (i) or (ii);

(j) each of the representations and warranties of the relevant Buyer contained herein shall be true and correct in all material respects as of Delivery of the relevant Aircraft (except to the extent that such representations and warranties relate solely to an earlier date, in which case they shall be true in all material respects as of such earlier date);

(k) the relevant Buyer shall not be in default of its material obligations under this Agreement or any other relevant Transaction Document; and

(l) no change in law or regulation has occurred that would result in the purchase or leasing of the relevant Aircraft in accordance with this Agreement being illegal.

Section 4. Taxes and Indemnities.

4.1 **Sales Taxes.** Each Buyer and each Seller shall cooperate with each other in all reasonable respects to lawfully mitigate any adverse consequences of any sales, use, excise, stamp, transfer, value added or any other similar Taxes, duties, and all license and registration fees or charges (collectively, "**Sales Taxes**") that may be imposed on any Seller, any Buyer, or the Aircraft by any Government Entity in any jurisdiction as a result of the sale or purchase of the Aircraft under this Agreement. The Purchase Price for each Aircraft does not include the amount of any Sales Taxes (other than Excluded Taxes) that may be imposed by any Government Entity in any jurisdiction as a result of the sale of such Aircraft under this Agreement. The relevant Buyer and the relevant Seller shall each be responsible for and promptly pay when due, and will on demand indemnify and hold harmless each relevant Seller Indemnitee and each relevant Buyer Indemnitee, as applicable, on a full indemnity, after-tax basis from and against, fifty percent (50%) of all Sales Taxes, and all penalties, fines, additions to tax and interest thereon, which may be levied by any Government Entity in any jurisdiction as a result of or in connection with the sale of the relevant Aircraft with regard to any time period at or following Delivery of such Aircraft, excluding such Taxes (i) based on, measured by or in respect of the overall gross or net income, profits, gross receipts, capital, franchise, doing business, net worth or accumulated earnings, or capital gains of a relevant Seller Indemnitee (or in each case franchise, alternative minimum or similar Taxes imposed in lieu of such Taxes) arising in such Seller Indemnitee's jurisdiction of tax residence or, if different, its organization or incorporation or any other jurisdiction, (ii) as a result of the gross negligence or willful misconduct of such Seller Indemnitee, or (iii) from any fines, penalties, surcharges or interest thereon imposed, levied or assessed or otherwise payable, to any Government Entity in connection with such Taxes or the gross negligence or willful misconduct of such Seller Indemnitee (such Taxes, "**Excluded Taxes**"). Accordingly, all payments to be made by any Buyer or any Seller under this Agreement (1) will be made without set off or counterclaim whatsoever and (2) will be made in full without any deduction or withholding in respect of Taxes, duties, charges, levies, withholdings, deductions or fees or otherwise unless the deduction is required by law, in which event Buyer or Seller, as applicable, will: (a) ensure that the deduction or withholding does not exceed the minimum amount legally required; (b) forthwith pay to the other party such additional amount so that the net amount received by such party will equal the full amount which would have been received by such party had no such deduction or withholding (other than Excluded Taxes) been made; (c) pay to the relevant taxation authority such amounts; and (d) promptly provide such party with written evidence of such payment reasonably acceptable to such other party.

If a party (a “**Receiving Party**”) determines, in its sole discretion exercised in good faith, that it has received a refund, credit or any other Tax benefit on account of any Taxes which the other party (a “**Paying Party**”) has paid under this Agreement, such Receiving Party shall pay to such Paying Party the net amount of such Tax benefit (but only to the extent of amounts paid by such Paying Party hereunder with respect to the Taxes giving rise to such Tax benefit), taking into account any out-of-pocket costs incurred in securing such Tax benefit (including Taxes) and without interest (other than any interest paid by the relevant Government Entity with respect to such Tax benefit). The Paying Party, upon the request of a Receiving Party, shall repay to such Receiving Party the amount paid over pursuant to this paragraph (plus any penalties, interest or other charges imposed by the relevant Government Entity) in the event that such Receiving Party is required to pay and/or repay such Tax benefit to such Government Entity. Notwithstanding anything to the contrary in this paragraph, in no event will a Receiving Party be required to pay any amount to a Paying Party pursuant to this paragraph the payment of which would place such Receiving Party in a less favorable net after-Tax position than such Receiving Party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. If a claim is made against a Receiving Party for Taxes with respect to which a Paying Party is liable under this Agreement, such Receiving Party shall, as soon as reasonably practicable following it becoming aware of such Tax claim, give the relevant Paying Party notice in writing of such Tax claim. Such Receiving Party will, at the Paying Party’s reasonable written request, in good faith and at such Paying Party’s expense, contest such Tax claim (or, if such Receiving Party prefers, such Receiving Party shall permit such Paying Party to contest it in the name of such Receiving Party).

4.2 Buyer Indemnity. Each Buyer agrees to indemnify, defend, save and hold harmless each Seller Indemnitee, in full and on demand from and against any and all losses, liabilities, actions, proceedings, penalties, fines, judgments, damages, fees, costs, expenses, claims, obligations, or other liabilities (“**Claims**”) which may be alleged or incurred by a Seller Indemnitee (regardless of when same are suffered or incurred): (a) arising directly or indirectly out of or in any way connected with the purchase, registration, performance, transportation, management, sale, inspection, testing, delivery, leasing, replacement, removal or redelivery, condition, ownership, manufacture, design, maintenance, service, repair, overhaul, improvement, modification or alteration, possession, control, use, operation, export, reexport or other activity of the relevant Aircraft by the relevant Buyer or the relevant Lessee or relating to loss or destruction of or damage to any property, or death or injury to any person caused by, relating to or arising from or out of (in each case whether directly or indirectly) any of the foregoing matters, or whether it arises out of or is attributable to any act or omission or otherwise of the relevant Buyer or the relevant Lessee, in each case, to the extent attributable to the period from and after Delivery of such Aircraft and other than Taxes (which provisions are agreed in Section 4.1 above) or (b) as a result of the breach by the relevant Buyer of any of its obligations, representations or warranties hereunder or any documents entered into in connection herewith or (c) for Taxes which are imposed with regard to taxable periods beginning after Delivery of an Aircraft (but excluding Delivery of such Aircraft and determined by closing the books at Delivery of such Aircraft for each taxable period beginning before Delivery of such Aircraft) in any jurisdiction, including interest and penalties thereon, imposed on or in connection with the relevant Aircraft (but only so long as a Seller Indemnitee does not reacquire the relevant Aircraft), as applicable, or otherwise in connection with this Agreement and/or any other related agreement and/or the sale, purchase, export, import, disposition, delivery, transfer of title and/or deregistration of the relevant Aircraft, other than Excluded Taxes; provided that the indemnities

from such Buyer contained in this Section 4.2 shall not extend to any Claims to the extent that such Claims:

- (i) arise out of any act, omission, event or circumstance occurring in respect of the relevant Aircraft before Delivery of such Aircraft;
- (ii) are caused by the willful misconduct or gross negligence of any of Seller Indemnitees; or
- (iii) are the result of a failure by the relevant Seller to comply with any of its obligations under this Agreement or the other Transaction Documents to which it is a party or any representation or warranty of such Seller contained in this Agreement and the other Transaction Documents to which it is a party not being true and correct.

4.3 Seller Indemnity. Each Seller agrees to indemnify, defend, save and hold harmless each Buyer Indemnitee from and against any and all Claims which may be alleged or incurred by a Buyer Indemnitee (regardless of when same are suffered or incurred): (a) arising directly or indirectly out of or in any way connected with the purchase, registration, performance, transportation, management, sale, inspection, testing, delivery, leasing, replacement, removal or redelivery, condition, ownership, manufacture, design, maintenance, service, repair, overhaul, improvement, modification or alteration, possession, control, use, operation, export, reexport or other activity of the relevant Aircraft by the relevant Seller or the relevant Lessee or relating to loss or destruction of or damage to any property, or death or injury to any person caused by, relating to or arising from or out of (in each case whether directly or indirectly) any of the foregoing matters, or whether it arises out of or is attributable to any act or omission or otherwise of the relevant Seller or the relevant Lessee, in each case, to the extent attributable to the period prior to Delivery of such Aircraft (but excluding Delivery of such Aircraft) and other than Taxes (which provisions are agreed in Section 4.1 above); or (b) as a result of the breach by the relevant Seller of any of its obligations, representations or warranties hereunder or any documents entered into in connection herewith; or (c) for Taxes which are imposed with regard to taxable periods ending before Delivery of such Aircraft (but excluding Delivery of such Aircraft and determined by closing the books immediately prior to Delivery of such Aircraft for each taxable period beginning before Delivery of such Aircraft) in any jurisdiction, including interest and penalties thereon, imposed on or in connection with the relevant Aircraft or otherwise in connection with this Agreement and/or any other related agreement and/or the sale, purchase, export, import, disposition, delivery, transfer of title and/or deregistration of such Aircraft, other than Excluded Taxes; provided that the indemnities from Seller contained in this Section 4.3 shall not extend to any Claims to the extent that such Claims:

- (i) arise out of any act, omission, event or circumstance occurring in respect of the relevant Aircraft after Delivery of such Aircraft;
- (ii) are caused by the willful misconduct or gross negligence of any of Buyer Indemnitees;
- (iii) are the result of a failure by the relevant Buyer to comply with any of its obligations under this Agreement or the other Transaction Documents to which it is a party or any representation or warranty of such Buyer contained in this Agreement and the other Transaction Documents to which it is a party not being true and correct; or
- (iv) arise out of any act or omission of the relevant Buyer.

Any payment or indemnity made under Sections 4.2 or 4.3 by either party shall include any amount necessary to hold a Seller Indemnitee (or a Buyer Indemnitee, as the case may be) harmless on an after-tax basis from all withholding taxes and other Taxes, fees and other charges required to be paid with respect to such payment or indemnity under all applicable laws. Each party shall give prompt written notice to the other party of any liability for which it is, or may be, liable under this provision; provided, however, failure to give such notice will not terminate any of the rights of such indemnitee hereunder.

4.4 Insurance. From and after the relevant Transfer Date, the relevant Buyer shall comply with each of the provisions of Exhibit D hereto, which provisions are hereby incorporated by reference as if set forth in full herein.

Section 5. Excusable Delay; Termination.

5.1 Excusable Delay. No party hereto shall be responsible for, nor be deemed to be in default or breach of, this Agreement as a result of any delay in Delivery of an Aircraft due to injunction against sale or any causes beyond its control and not occasioned by its negligence or willful misconduct, including, but not limited to, acts of God or the public enemy, acts of government, civil wars, insurrection or riots, fires, floods, explosions, earthquakes or other casualties, strikes or labor troubles causing cessation, slowdown or interruption of work, epidemic or pandemic. Any party failing to perform its obligations under this Agreement as a result of an event described in this Section 5 shall use commercially reasonable efforts to mitigate the damages caused by such event but shall also use commercially reasonable efforts to perform its obligations hereunder.

5.2 Termination. If for any reason, completion of the sale and purchase of an Aircraft shall not have taken place by the Final Date for such Aircraft, then the relevant Seller's obligation to sell and the relevant Buyer's obligation to purchase such Aircraft shall automatically terminate on the Final Date, whereupon neither such Seller nor such Buyer shall have any further rights, obligations or liabilities with respect to the sale and purchase of such Aircraft (other than any accrued rights, obligations and liabilities under any of this Section 5.2, Section 6 (*Representations and Warranties*), Section 7.11 (*Expenses*) or 7.4 (*Broker's Commissions*)) under this Agreement, subject to Section 7.12 (*Confidentiality*).

Section 6. Representations and Warranties.

6.1 Representations and Warranties of Seller. Each Seller hereby makes the following representations at execution and delivery of this Agreement, and the relevant Seller makes the following representations at Delivery of the relevant Aircraft:

(a) Organization, Etc. Such Seller is duly incorporated, validly existing and in good standing (where such concept is recognized in its jurisdiction of incorporation) under the laws of the jurisdiction of its formation or incorporation and has all requisite power and authority to enter into and perform its obligations under this Agreement.

(b) Authorization. Such Seller has taken, or caused to be taken, all necessary company or organizational or constitutional action (including, without limitation, the obtaining of any consent or approval of any of its members or any managers required by its certificate of formation or incorporation, limited liability company agreement, memorandum and bye-laws, constitutional documents or other charter documents) to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder.

(c) No Violation. The execution and delivery by such Seller of this Agreement, the performance by such Seller of its obligations hereunder, and the consummation by such Seller on the date hereof and on the relevant Transfer Date for the relevant Aircraft of the transactions contemplated hereby, do not and will not (i) violate or contravene any provision of any certificate of formation or incorporation or other charter or constitutional documents of such Seller, (ii) violate or contravene any law applicable to or binding on such Seller, or (iii) violate, contravene or constitute any default under, or result in the creation of any Lien under, any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, lease, loan or other material agreement, instrument or document to which such Seller is a party or by which such Seller or any of their respective properties is or may be bound or affected.

(d) Approvals. The execution and delivery by such Seller of this Agreement, the performance by such Seller of its obligations hereunder, and the consummation by such Seller on the date hereof and on the relevant Transfer Date for the relevant Aircraft of the transactions contemplated hereby, do not and will not require the consent, approval or authorization of, or the giving of notice to, or the registration with, or the recording or filing of any documents with, or the taking of any other action in respect of, (i) any trustee or other holder of any debt of such Seller, or (ii) any Government Entity.

(e) Valid and Binding Agreement. This Agreement has been duly authorized, executed and delivered by such Seller and, assuming the due authorization, execution and delivery by any other party or parties thereto, this Agreement constitutes the legal, valid and binding obligations of such Seller, enforceable against such Seller in accordance with the respective terms thereof, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, examinership and other similar laws affecting the rights of creditors generally and general principles of equity, whether considered in a proceeding at law or in equity.

(f) Title. Upon delivery of the Warranty Bill of Sale for the relevant Aircraft by such Seller to the relevant Buyer, such Seller shall have transferred full good and marketable legal and beneficial title to such Aircraft to such Buyer free and clear of all Liens (except the relevant Lease Agreement and any other Permitted Lien).

(g) Litigation. There are no pending or, to the actual knowledge of such Seller, threatened actions or proceedings against such Seller before any court, administrative agency or tribunal which, if determined adversely to such Seller, would adversely affect the ability of such Seller to perform any of its obligations under this Agreement.

(h) Sanctions. Neither such Seller nor FTAI Aviation Ltd. is: (i) a target of economic, financial or trade sanctions administered or enforced from time to time by the U.S., the European Union, or the United Kingdom; (ii) named, identified or described on any blocked persons list, specially designated nationals list, prohibited persons list, or other official list of restricted persons with whom U.S., European Union, United Kingdom or United Nations persons, or persons otherwise subject to the jurisdiction of the U.S., the European Union, the United Kingdom or the United Nations may not conduct business, including, but not limited to, restricted party lists published or maintained by (A) OFAC, (B) BIS, (C) the U.S. Department of State, (D) the European Union, or (E) HMT; or (iii) controlled by, or an actor on behalf of, any person described in clauses (i) or (ii).

(i) Solvent. Such Seller is not the subject of any bankruptcy case or insolvency proceeding prior to the sale of the relevant Aircraft. Such Seller will not be rendered insolvent, incapable of paying its debts as and when they become due, or left with inadequate capital with which to conduct its present and anticipated business as a result of the sale of the relevant Aircraft to the relevant Buyer.

(j) Lease Agreement. The relevant Lease Agreement is in full force and effect. Except as set forth in the relevant Lease Assignment, no assignments, amendments, modifications, waivers, consents or other arrangements have been entered into by such Seller and/or such Lessee with respect to the obligations of any party to such Lease Agreement to perform its obligations thereunder or with respect to the rights of any party thereunder.

(k) No Transfer. Such Seller has not consented to any assignment, transfer or other disposal by the relevant Lessee of its rights and/or obligations under the relevant Lease Agreement or, to the extent such Lease Agreement requires the consent of such Seller, to any sublease or transfer of possession of the relevant Aircraft.

(l) No Event of Default from Lessee. No Event of Default has occurred and is continuing under such Lease Agreement.

(m) No Damage. Such Seller has not received notice of any damage to the Aircraft resulting in repair costs in excess of \$100,000 or of any Total Loss in respect of the Aircraft.

(n) No Prepayment of Rent. Such Seller has not received any prepayment of Rent related to any period following Delivery of the relevant Aircraft.

6.2 Representations and Warranties of Buyer. Each Buyer hereby makes the following representations at execution and delivery of this Agreement, and the relevant Buyer makes the following representations at Delivery of the relevant Aircraft:

(a) Organization, Etc. Such Buyer is duly formed or incorporated, validly existing and in good standing (where such concept is recognized in its jurisdiction of incorporation) under the laws of the jurisdiction of its formation or incorporation and has the power and authority to enter into and perform its obligations under this Agreement.

(b) Authorization. Such Buyer has taken, or caused to be taken, all necessary company or organizational or constitutional action (including, without limitation, the obtaining of any consent or approval of any of its members or any managers required by its certificate of formation or incorporation, limited liability company agreement, memorandum and bye-laws, constitutional documents or other charter documents) to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder.

(c) No Violation. The execution and delivery by such Buyer of this Agreement, the performance by such Buyer of its obligations hereunder, and the consummation by such Buyer on the date hereof and on the relevant Transfer Date for the relevant Aircraft of the transactions contemplated hereby, do not and will not (i) violate or contravene any provision of the constitutive documents of such Buyer, (ii) violate or contravene any law applicable to or binding on such Buyer, or (iii) violate, contravene or constitute any default under, or result in the creation of any Lien under, any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, lease, loan or other material agreement, instrument or document to which such Buyer is a party (other than an interest in a general debenture relating to such Buyer's general financing arrangements with its banking syndicate) or by which such Buyer or any of its properties is or may be bound or affected.

(d) Approvals. The execution and delivery by such Buyer of this Agreement, the performance by such Buyer of its obligations hereunder, and the consummation by Buyer on the date hereof and on the relevant Transfer Date for the relevant Aircraft of the transactions contemplated hereby for such date, do not and will not require the consent, approval or authorization of, or the giving of notice to, or the registration with, or the recording or filing of

any documents with, or the taking of any other action in respect of, (i) any trustee or other holder of any debt of such Buyer, or (ii) any Government Entity.

(e) Valid and Binding Agreement. This Agreement has been or will be duly authorized, executed and delivered by such Buyer and, assuming the due authorization, execution and delivery by the other party or parties thereto, this Agreement constitutes the legal, valid and binding obligations of such Buyer and is or will be enforceable against such Buyer in accordance with the respective terms thereof, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, examinership and other similar laws affecting the rights of creditors generally and general principles of equity, whether considered in a proceeding at law or in equity.

(f) Litigation. There are no pending or, to the actual knowledge of such Buyer, threatened actions or proceedings against such Buyer before any court, administrative agency or tribunal which, if determined adversely to such Buyer, would adversely affect the ability of such Buyer to perform any of its obligations under this Agreement.

(g) Sanctions. Such Buyer is not: (i) a target of economic, financial or trade sanctions administered or enforced from time to time by the U.S., the European Union, or the United Kingdom; (ii) named, identified or described on any blocked persons list, specially designated nationals list, prohibited persons list, or other official list of restricted persons with whom U.S., European Union, United Kingdom or United Nations persons, or persons otherwise subject to the jurisdiction of the U.S., the European Union, the United Kingdom or the United Nations may not conduct business, including, but not limited to, restricted party lists published or maintained by (A) OFAC, (B) BIS, (C) the U.S. Department of State, (D) the European Union, or (E) HMT; or (iii) controlled by, or an actor on behalf of, any person described in clauses (i) or (ii).

(h) Solvent. Such Buyer is not the subject of any bankruptcy case or insolvency proceeding prior to the sale of the relevant Aircraft. Such Buyer will not be rendered insolvent, incapable of paying its debts as and when they become due, or left with inadequate capital with which to conduct its present and anticipated business as a result of the purchase of the relevant Aircraft from the relevant Seller.

6.3 Limitation of Warranties and Agreements. THE AIRCRAFT, EACH ENGINE, THE PARTS THEREOF, AND ANY OTHER THING DELIVERED, SOLD OR TRANSFERRED HEREUNDER ARE BEING SOLD AND TRANSFERRED TO THE RELEVANT BUYER AND ACCEPTED BY SUCH BUYER HEREUNDER "AS-IS, WHERE-IS," WITH ALL FAULTS. EACH SUCH BUYER UNCONDITIONALLY AGREES THAT AS BETWEEN SUCH BUYER AND THE RELEVANT SELLER, THE AIRCRAFT, EACH ENGINE AND EACH PART THEREOF ARE TO BE SOLD AND PURCHASED IN AN *AS IS, WHERE IS, WITH ALL FAULTS* CONDITION AS AT THE TRANSFER DATE FOR SUCH AIRCRAFT, AND NO WARRANTY, REPRESENTATION OR COVENANT OF ANY KIND HAS BEEN ACCEPTED, MADE OR IS GIVEN BY ANY SELLER OR ITS SERVANTS OR AGENTS IN RESPECT OF THE AIRWORTHINESS, VALUE, QUALITY, DURABILITY, CONDITION, DESIGN, OPERATION, DESCRIPTION, MERCHANTABILITY OR FITNESS FOR USE OR PURPOSE OF THE AIRCRAFT, ANY ENGINE OR ANY PART THEREOF, AS TO THE ABSENCE OF LATENT, INHERENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AS TO THE COMPLETENESS OR CONDITION OF THE AIRCRAFT RECORDS OR AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, COPYRIGHT, DESIGN OR OTHER PROPRIETARY RIGHTS; AND ALL CONDITIONS, WARRANTIES AND REPRESENTATIONS (OR OBLIGATION OR LIABILITY, IN CONTRACT OR IN TORT) IN RELATION TO ANY OF THOSE MATTERS, EXPRESSED OR IMPLIED, STATUTORY

OR OTHERWISE, ARE EXPRESSLY EXCLUDED. IT IS UNDERSTOOD AND AGREED THAT NO REPRESENTATION OR WARRANTY RELATED TO THE CONDITION OF THE AIRCRAFT WILL SURVIVE THE DELIVERY OF SUCH AIRCRAFT.

6.4 Transfer Date Representation of Seller. Each Seller makes the following representation solely at Delivery of the relevant Aircraft:

(a) Such Seller has no knowledge of any Payment Default occurring or continuing under the relevant Lease Agreement.

Section 7. Miscellaneous.

7.1 Notices. Every notice, request, demand or other communication (collectively, “**Notice**”) under this Agreement shall:

(a) be in writing delivered personally or by prepaid courier or other similar services or by electronic mail and in the case of a Notice sent by e-mail, shall be accompanied by a copy sent by prepaid air mail letter;

(b) be deemed to have been received, in the case of an e-mail upon the earlier of (i) confirmation of receipt of such e-mail by the addressee; or (ii) on the fifth day after sending, provided the sender thereof has not received actual notice of failed delivery, and, in the case of a Notice delivered personally or by courier service, when delivered (provided that if delivery is tendered but refused, such Notice shall be deemed effective upon such tender); and

(c) be sent:

to FTAI Aircraft Leasing Ireland (2025) DAC at:

[***]

E-mail: [***]

Attention: [***]

to FTAI Aircraft Leasing Bermuda (2025) Ltd. at:

[***]

E-mail: [***]

Attention: [***]

to each Seller at:

[***]

E-mail: [***]

Attention: [***]

or to such other address or facsimile number as is notified by one party to the other party under this Agreement.

7.2 Assignment. This Agreement may not be assigned by any Buyer or Seller without the prior written consent of the relevant Buyer or Seller; provided that a Buyer may assign its rights under this Agreement as collateral security in connection with a financing transaction.

7.3 Headings. All headings in this Agreement are for convenience only and are not a substantive part of this Agreement.

7.4 Brokers' Commissions.

(a) Each Buyer represents that it has not engaged any agent or broker entitled to any compensation as a result of the transactions contemplated by this Agreement. Each Buyer agrees to indemnify each Seller Indemnitee from and against all claims, demands, liabilities, damages, losses and judgments (including reasonable attorneys' fees, consultants' fees and court costs) which arise out of such Buyer's actions with respect to agents or brokers.

(b) Each Seller represents that it has not engaged any agent or broker entitled to any compensation as a result of the transactions contemplated by this Agreement. Each Seller agrees to indemnify each Buyer Indemnitee from and against all claims, demands, liabilities, damages, losses and judgments (including reasonable attorneys' fees, consultants' fees and court costs) which arise out of such Seller's actions with respect to agents or brokers.

7.5 Survival of Representations, Warranties and Indemnities. Each of the representations, warranties and indemnities of the parties hereto shall survive the execution and delivery of this Agreement and the Delivery of each Aircraft.

7.6 Governing Law; Jurisdiction. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, U.S.A. APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE WITHOUT REGARD FOR CONFLICT OF LAW PRINCIPLES (OTHER THAN THE PROVISIONS OF SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

(a) The parties agree that the federal and state courts located in New York, New York (in the Borough of Manhattan) are to have non-exclusive jurisdiction to settle any disputes in connection with this Agreement and the other documents related hereto and submit to the jurisdiction of such courts in connection with this Agreement and the other documents related hereto.

(b) Each party hereto:

(i) waives objection to such courts on grounds of inconvenient forum, venue or otherwise as regards proceedings in connection with this Agreement and other documents related hereto; and

(ii) agrees that (subject to permitted appeals) a judgment or order of such a court in connection with this Agreement or the other documents related hereto is conclusive and binding on it and may be enforced against them in the courts of any other jurisdiction.

(c) Nothing in this Section 7.6 limits the right of either party to bring proceedings in connection with this Agreement or any other document related hereto:

(i) in any other court of competent jurisdiction; or

(ii) concurrently in more than one jurisdiction.

7.7 Entire Agreement. This Agreement shall constitute the entire agreement between the parties with respect to the transactions contemplated herein, supersede any prior or contemporaneous agreements, whether oral or in writing, between the parties, and this Agreement shall not in any manner be supplemented, amended or modified except by a writing executed on behalf of the parties by their authorized representatives. This Agreement shall not be interpreted or construed against any party to this Agreement because that party or attorney for that party drafted the Agreement or participated in the drafting of this Agreement, and the parties expressly waive any law, common law or court decision to the contrary.

7.8 Waivers. The waiver of performance of any term of this Agreement in a particular instance shall not constitute a waiver of any subsequent breach or preclude any party from thereafter demanding performance thereof according to the provisions hereof.

7.9 Unenforceability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

7.10 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but both of which together will constitute one and the same agreement, and which shall be sufficiently evidenced by any one of such original counterparts. An electronic signature on any counterpart hereto will be deemed an original for all purposes.

7.11 Expenses. Except as otherwise expressly provided herein, each party shall be responsible for and shall pay the costs and expenses incurred by it in connection with the negotiation and drafting of this Agreement and the consummation of the transactions contemplated hereby, including attorneys' fees and expenses and technical, inspection and/or appraisal costs, provided that, any expenses relating to the transfers and which are payable or reimbursable to each Lessee will be split evenly between the relevant Seller and the relevant Buyer, provided further that such Buyer shall be solely responsible for any such expenses that are solely attributable to such Buyer's financing of such purchase. Notwithstanding the foregoing, the relevant Buyer shall bear the cost of any legal opinions requested by the relevant Lessee in respect of such Buyer and the relevant Seller shall bear the cost of any legal opinions requested by the relevant Lessee in respect of such Seller.

7.12 Confidentiality. The parties each acknowledge that the commercial and financial information contained in this Agreement is considered confidential. The parties each agree that it will treat the contents and subject matter of this Agreement as confidential and will not, without the prior written consent of the other, disclose this Agreement or the subject matter hereof to any third party except to (i) FTAI Aviation LLC and FTAI Aviation Ltd. and (ii) such party's respective affiliates and its and their respective employees, officers, directors, professional advisors, potential financing sources, insurance brokers, auditors and or other agents, as may be required by applicable law or rule or regulation of any stock exchange (including, for the avoidance of doubt, filing of this Agreement in accordance with such applicable law or rule or regulation or with such stock exchange), or as may be required to perform under, or enforce the terms of, this Agreement; provided that any Buyer may disclose any relevant term to its equity and joint venture partners, and its respective employees, officers, directors, professional advisors, insurance brokers, auditors and or other agents, or to a financial institution for the purpose of financing the purchase of the Aircraft. Upon disclosure required by any applicable law, rule or regulation, such disclosing party shall use its commercially reasonable efforts to secure confidential treatment from all recipients of such confidential information and shall cooperate with the efforts of the other party to ensure such treatment; provided that this sentence shall not apply where such disclosure makes the previously confidential information publicly available. Each party shall inform its representatives that it expects them to comply with the provisions of this Section 7.12 and each party shall be responsible for any breach of the provisions of this Section 7.12 by any of its representatives.

7.13 No Third-Party Beneficiaries. Except as provided in Section 4 hereof with respect to Seller Indemnitees and Buyer Indemnitees as applicable, no third party is intended to benefit from, nor may any third party seek to enforce any of the provisions of, this Agreement.

7.14 Limitation of Damages. No party will in any event be liable to any other party for any indirect, special, consequential or punitive damages arising out of any breach or otherwise in respect of this Agreement or the subject matter hereof, except, for the avoidance of doubt, to the extent the indemnification provisions hereunder require an indemnity in respect of such damages which are recoverable by a person not a party hereto against a Seller Indemnitee or a Buyer Indemnitee, it being understood that this provision shall not limit or expand the scope or content of such indemnification provisions.

7.15 Cape Town Convention. Once legal title to an Aircraft has duly passed to the relevant Buyer pursuant to the Warranty Bill of Sale in respect of such Aircraft, the relevant Seller, at its cost, will consent to the registration at the International Registry of a contract of sale registration with respect to such Warranty Bill of Sale in respect of such Aircraft.

7.16 Compliance with U.S. Trade Control Laws. (a) Each party acknowledges that this Agreement is subject to all United States' executive orders, laws, rules and regulations now or hereafter applicable to the parties to (or any of their affiliates), or subject matter of, this Agreement, including, but not limited to, all laws and regulations relating to: (i) economic, trade and financial sanctions, including, but not limited to, all laws and regulations administered or enforced by OFAC or the U.S. Department of State; (ii) export and re-export controls, including, but not limited to, the Export Administration Regulations ("EAR"), administered or enforced by BIS or U.S. Department of State; (iii) anti-corruption, including but not limited to, the U.S. Foreign Corrupt Practices Act of 1977, as amended; and (iv) any other law of similar effect or that relates to U.S. trade controls or anti-corruption (collectively, and as amended from time to time, "**U.S. Trade Control Laws**").

(a) Each Seller has complied and each Buyer will comply in all material respects with all applicable U.S. and non-U.S. laws, ordinances, rules, regulations and orders of all governmental authorities relating to the ownership, installation, operation, movement,

marketing and maintenance of the Aircraft, including applicable U.S. Trade Control Laws. Without limiting the generality of the foregoing, no Seller has sold, transferred or leased the Aircraft (or permitted the sale, transfer or lease of the Aircraft), and each Buyer shall not sell, transfer or lease the Aircraft, (1) to any person that is: (i) subject to U.S., European Union, United Kingdom, or other economic, financial or trade sanctions in force from time to time; (ii) owned or controlled by, or acting on behalf of, any person that is subject to U.S., European Union, United Kingdom, or other economic, financial or trade sanctions in force from time to time; or (iii) named, identified or described on any blocked persons list, specially designated nationals list, prohibited persons list, or other official list of restricted persons with whom U.S. or United Kingdom persons, or persons otherwise subject to the jurisdiction of the U.S., may not conduct business, including, but not limited to, restricted party lists published or maintained by (A) OFAC, (B) BIS, or (C) the U.S. Department of State, or (2) in violation of applicable U.S. Trade Control Laws.

7.17 Limitation of Recourse. Notwithstanding any other provisions of this Agreement, in the absence of fraud, or willful misconduct on the part of a Buyer, each Buyer's liability under this Agreement and the recourse of the Sellers to each Buyer under this Agreement shall be limited solely to the assets of such Buyer.

7.18 No Re-Export to Russia or Belarus.

(a) For the purposes of, and in accordance with Article 12g of Regulation (EU) No.833/2014, as amended by Council Regulation (EU) 2023/2878 of 18 December 2023 and Article 8g of Regulation (EC) 765/2006 as amended by Council Regulation (EU) 2024/1865 of 29 June 2024 (the "**Relevant Regulations**"), each Subject Buyer shall not, and shall use commercially reasonable efforts procure that the follow on purchaser or operator, as the case may be, shall not (i) re-export the Aircraft or any Engine to Russia or (ii) re-export the Aircraft or any Engine for use in Russia or (iii) re-export the Aircraft or any Engine to Belarus or (iv) re-export the Aircraft or any Engine for use in Belarus, except, in each case, where such re-export would otherwise be in compliance with the then applicable United States, United Kingdom and European Union laws, regulations sanctions, and export controls.

(b) If a Subject Buyer becomes aware of any breach of this Section 7.18 or it has reasonable cause to suspect that this Section 7.18 has been or may be breached (with reference to the applicable laws, regulations sanctions and export controls in effect as of such date), such Subject Buyer shall:

(i) notify the relevant Seller thereof immediately; and

(ii) at its own cost, take such action as such relevant Seller may reasonably request and as is available to it, to remedy such breach.

(c) If, after the date of this Agreement, the Council of the European Union or the European Commission (or any other organization which has the authorization and approval from either of the foregoing) issues any official guidance with respect to the foregoing Relevant Regulations (or its implementation in any contract) (any such guidance, "**Relevant Guidance**"), either party shall be entitled to (by way of written notice to the other) request that they consult (and they shall consult) in good faith for the purposes of agreeing and documenting any necessary changes to this Section 7.18 in order to conform the same with the Relevant Guidance.

7.19 Guaranty.

(a) In consideration of each Buyer agreeing to enter into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby

acknowledged, the Guarantor, hereby absolutely, irrevocably and unconditionally guarantees to each Buyer, as a continuing obligation, the due and punctual payment, performance and observance by such Seller of the Guaranteed Obligations owed by such Seller to such Buyer.

(b) Guarantor undertakes to each Buyer that, if the relevant Seller does not pay or perform any of the Guaranteed Obligations owed by such Seller to such Buyer when due, it shall immediately pay or perform, or cause to be paid or performed, upon Buyer's demand, the relevant Guaranteed Obligation(s) as if Guarantor were the principal obligor.

(c) Guarantor hereby agrees that its obligations hereunder shall be absolute, irrevocable, unconditional and continuing, irrespective of the validity, regularity or enforceability of this Agreement, any change in or amendment thereto, the absence of any action to enforce the same, any waiver or consent by any Buyer with respect to any provision thereof, the recovery of any judgment against the relevant Seller or any action to enforce the same, or any other circumstances which may otherwise constitute a legal or equitable discharge or defense of a guarantor (other than complete performance); provided, however, that Guarantor shall be entitled to assert against a Buyer any defenses available to the relevant Seller under this Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, each Seller and each Buyer have executed this Fourth Amended and Restated Aircraft Sale and Purchase Agreement as of the date first above written.

SELLERS:

[***]
as Seller

By: /s/Aileen McElroy
Name: Aileen McElroy
Title: Director

[***]
as Seller

By: /s/Aileen McElroy
Name: Aileen McElroy
Title: Director

[***]
as Seller

By: /s/Joseph P. Adams
Name: Joseph P. Adams
Title: Director

[***]
as Seller

By: /s/Aileen McElroy
Name: Aileen McElroy
Title: Director

BUYERS:

FTAI AIRCRAFT LEASING IRELAND (2025) DAC,
as Buyer

By: /s/Paul Griffin
Name: Paul Griffin
Title: Director

FTAI AIRCRAFT LEASING BERMUDA (2025) LTD.,
as Buyer

By: /s/Kallie Steffes
Name: Kallie Steffes
Title: Director

ACKNOWLEDGED and AGREED as it pertains to Section 7.19 of this Agreement:

FTAI AVIATION LTD.,
as Guarantor

By: /s/ Joseph P. Adams
Name: Joseph P. Adams
Title: Chief Executive Officer

EXHIBIT B
WARRANTY BILL OF SALE

[•], 2025

[SELLER] (“**Seller**”) owns full legal and beneficial title [*Airframe Manufacturer*] model [*Airframe Model*] bearing manufacturer’s serial number [*MSN*], together with two (2) [*Engine Manufacturer*] model [*Engine Model*] aircraft engines bearing manufacturer’s serial numbers [*ESN 1*] and [*ESN 2*], as more particularly described in the Purchase Agreement (collectively the “**Aircraft**”).

For good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Seller hereby sells, grants, transfers and delivers to **[BUYER]** (“**Buyer**”), full legal and beneficial title and interest in and to the Aircraft.

This Warranty Bill of Sale is delivered pursuant to the Fourth Amended and Restated Aircraft Sale and Purchase Agreement, originally dated as of December 30, 2024, and amended and restated as of June [•], 2025 (as amended, restated, supplemented or otherwise modified from time to time, the “**Purchase Agreement**”), among, *inter alios*, Seller and Buyer. Capitalized terms not defined herein shall have the meaning ascribed to them in the Purchase Agreement.

The undersigned hereby warrants to Buyer (and Buyer’s successors and assigns) that Seller conveys to Buyer full good and marketable legal and beneficial title to the Aircraft, free and clear of all Liens (except the relevant Lease Agreement and any other Permitted Lien); provided, that the Aircraft is otherwise conveyed “**AS IS**”, “**WHERE IS**” AND “**WITH ALL FAULTS**” AND **(EXCEPT AS PREVIOUSLY PROVIDED IN THIS PARAGRAPH OR IN THE PURCHASE AGREEMENT) WITHOUT REPRESENTATION OR WARRANTY OF ANY TYPE OR KIND, EXPRESS OR IMPLIED, WITH RESPECT THERETO (INCLUDING, WITHOUT LIMITATION, AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE)** and is subject to each and every disclaimer contained in the Purchase Agreement. Seller shall warrant and defend such title forever against any claims and demands whatsoever.

THIS WARRANTY BILL OF SALE IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[Signature page follows]

IN WITNESS WHEREOF, Seller has caused this Warranty Bill of Sale to be executed in its name as of the date first written above.

[SELLER], as Seller

By: ___
Name:
Title:

EXHIBIT C

FORM OF ACCEPTANCE CERTIFICATE

As of [•], 2025, [BUYER] (“Buyer”), hereby accepts that [Airframe Manufacturer] model [Airframe Model] bearing manufacturer’s serial number [MSN], together with two (2) [Engine Manufacturer] model [Engine Model] aircraft engines bearing manufacturer’s serial numbers [ESN 1] and [ESN 2], as more particularly described in the Agreement (collectively, the “Aircraft”) pursuant to the terms of that certain Fourth Amended and Restated Aircraft Sale and Purchase Agreement originally dated as of December 30, 2024, and amended and restated as of June [•], 2025 (as amended, restated, supplemented or otherwise modified from time to time, the “Agreement”), among, *inter alios*, Buyer and [SELLER] (“Seller”). Capitalized terms used but not defined herein have the meanings ascribed thereto in the Agreement.

The Aircraft was received at [Delivery Location] and the Aircraft and other equipment have met the conditions of delivery and conforms to the Agreement in every respect.

[Signature Page Follows]

[BUYER], as Buyer

By: —

Name:

Title:

EXHIBIT D
INSURANCES

Section 1. Insurances. From Delivery and continuously until the earlier to occur of (i) two (2) years following Delivery, and (ii) such date as the relevant Buyer disassembles the relevant Aircraft to piece parts, such Buyer will carry or cause to be carried with respect to such Aircraft comprehensive aviation legal liability insurance including but not limited to aircraft third party, passenger, baggage, cargo, mail and products liability insurance including without limitation, war risk and allied perils, (I) in an amount of not less than (a) if the Aircraft (or an Engine) is being operated in flight, [***] or (b) if the Aircraft is grounded and not being operated in flight, [***]

; any one occurrence and in the aggregate with respect to products liability, (II) of the type usually carried by corporations engaged in the same or a similar business, similarly situated with such Buyer, and which covers risks of a kind customarily insured against by such corporations, and (III) which is maintained in effect with insurers of recognized reputation and responsibility.

The relevant Buyer will (or, if applicable, will use reasonable commercial efforts to cause any other operator to) obtain and maintain hull all risks insurance (including war risks), with respect to any aircraft upon which an Engine is installed. This insurance shall contain a waiver of subrogation in favor of the relevant Seller Indemnitees.

Section 2. Terms of Insurance Policies. Any policies carried in accordance with Section 1 hereof covering the relevant Aircraft, and any policies taken out in substitution or replacement for any such policies, (i) shall name the relevant Additional Insureds as additional insureds for the indemnity obligation in Section 4.2, (but without imposing on any such party liability to pay premiums with respect to such insurance), (ii) shall provide that if the insurers cancel such insurance for any reason whatever, or if the same is allowed to lapse for non-payment of premium or if any material change is made in the insurance which adversely affects the interest of any Seller Indemnitee, such lapse, cancellation or change shall not be effective as to any Seller Indemnitee for thirty days (seven days in the case of war risk and allied perils coverage) after written notice by such insurers of such lapse, cancellation or change, provided, however, that if any notice period specified above is not reasonably obtainable, such policies shall provide for as long a period of prior notice as shall then be reasonably obtainable, (iii) shall expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were separate policy covering each insured, (iv) provide that the insurers will waive any right to any setoff, recoupment or counterclaim or any other deduction, by attachment or otherwise and (v) be primary and without right of contribution from any insurance which may be carried by any Seller Indemnitees. The insurance required by this Exhibit D may be subject to any limits prevailing at the time in the aviation insurance marketplace.

On or before the relevant Transfer Date for an Aircraft, the relevant Buyer shall provide to the relevant Seller a certificate of insurance evidencing the coverage required pursuant to this Exhibit in respect of such Aircraft and, if so requested by such Seller, shall provide to such Seller, as applicable, an updated certificate of insurance upon each renewal of the coverage required pursuant to this Exhibit D.

EXHIBIT 31.1

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Joseph P. Adams, Jr., certify that:

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

July 31, 2025

(Date)

/s/ Joseph P. Adams, Jr.

Joseph P. Adams, Jr.
Chief Executive Officer

EXHIBIT 31.2

SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Eun (Angela) Nam, certify that:

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

July 31, 2025

(Date)

/s/ Eun (Angela) Nam

Eun (Angela) Nam
Chief Financial Officer and
Chief Accounting Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q of FTAI Aviation Ltd. (the "Company") for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Joseph P. Adams, Jr., as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

/s/ Joseph P. Adams, Jr.

Joseph P. Adams, Jr.

Chief Executive Officer

July 31, 2025

EXHIBIT 32.2

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

In connection with the Quarterly Report on Form 10-Q of FTAI Aviation Ltd. (the "Company") for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Eun (Angela) Nam, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of her knowledge:

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

/s/ Eun (Angela) Nam

Eun (Angela) Nam

Chief Financial Officer and Chief Accounting Officer

July 31, 2025