

POWER FOR THE AFTERMARKET

INNOVATING CFM56 POWER

FTAI Aviation

Supplemental Information Fourth Quarter 2022



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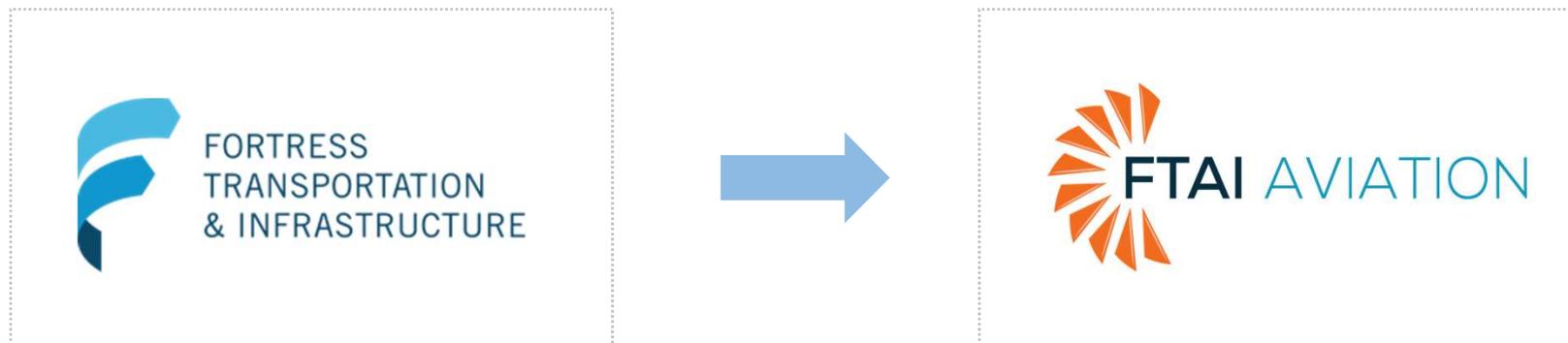
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Merger Complete

Key Highlights



- Merger transaction completed November 10, 2022.
- Shares of Fortress Transportation and Infrastructure Investors LLC (*FTAI LLC*) exchanged automatically for shares of FTAI Aviation Ltd (*FTAI*).
- Ordinary shares & preferred shares of the Company continue to trade on Nasdaq under the same ticker symbols
 - FTAI shares acquired following the merger no longer subject to K-1 reporting
 - Shareholders who held shares in 2022 prior to the merger will receive final K-1 in 2023
 - No further shareholder action required

QuickTurn Engine Center



1 Module Exchanges



2 Hospital & Field



3 Engine Testing

Acquisition Overview

- FTAI & Unical completed acquisition of iAero Thrust MRO facility 01/04/23
 - Rebranded as QuickTurn Engine Center “QuickTurn”
 - FTAI invested \$19.5mm for 50% equity stake⁽¹⁾
- Become leading independent provider of CFM56 light maintenance solutions⁽²⁾
 - Targeting new industry standard of Turn-Around-Time (TAT) restoration⁽²⁾
- Central location to support light work-scopes for FTAI leasing fleet
- Learn more at www.quickturnengine.com



Capital Structure

Key Highlights

- Q4'22 Net Debt / Adj. EBITDA Run-Rate⁽³⁾ multiple of **4.3x**
- 12/22 Gross Debt Balance includes:
 - I. Corporate Revolver balance of \$150 million
 - II. Senior Notes balance of \$2,050 million
- 2023 Net Debt / Adj. EBITDA projected to decline to **3x – 4x**⁽⁴⁾

(\$s in millions)	Q4 2022
Debt Balance ⁽¹⁾	\$2,176
Cash ⁽²⁾	(\$53)
Total Net Debt	\$2,123
Adj. EBITDA Run-Rate⁽³⁾	
Aviation Leasing	\$441
Aerospace Products	\$87
Corporate & Other	(\$34)
Total Adj. EBITDA Run-Rate⁽³⁾	\$494
Net Debt / Adj. EBITDA Run-Rate⁽³⁾	4.3x

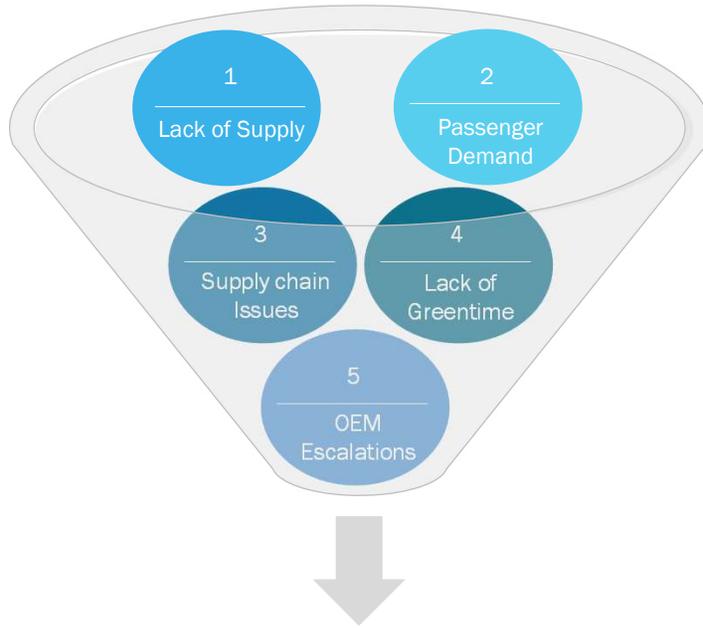
1) Debt Balance is net of approximately \$24.3mm of net deferred financing costs and bond issuance premium & discount.

2) Includes restricted cash of \$19.5mm

3) Adjusted EBITDA Run-Rate is defined as Q4'22 Adjusted EBITDA multiplied by four.

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

The Aftermarket's Promising Outlook⁽¹⁾



	Macro	Description
1	Lack of Narrowbody Supply	New aircraft delays extending the life of 737NG and A320ceo aircraft ⁽²⁾
2	Passenger Demand	CFM engine flight cycles at 97% of 2019 levels; China opening expected to further accelerate recovery into growth ⁽³⁾
3	Supply Chain Issues	Broken supply chains increasing turnaround time for aftermarket and OEM maintenance support ⁽³⁾
4	Lack of Greentime	Pooling during COVID consumed greentime; CFM56 life extended due to new aircraft delays ⁽⁴⁾
5	OEM Escalations	Double digit percent increase on new part prices ⁽⁵⁾

CFM56 Thesis: Aftermarket Expected to Soar

- 1) Airlines are extending the lifespan of their NG and CEO fleets which will result in more flight hours for the CFM56.
- 2) CFM56 greentime will be severely depleted (already significantly consumed as a result to COVID) and the supply chain will not be able to service engines in time. Airlines will struggle to find power.
- 3) Airlines are experiencing record high CASM (cost per available seat mile), maintenance cost-saving products and practices are in high demand.

CFM56 Asset Owners Need Low-cost and Flexible Power

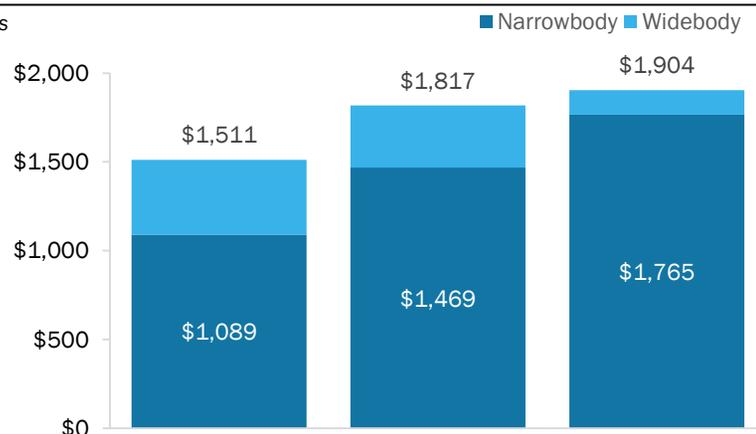
1) Forward looking statement. See "Disclaimers" at the beginning of the Presentation.
 2) Source: Financial Times - October 21, 2022
 3) Source: Aviation Week - February 17, 2023
 4) Source: Aviation Week - Engine Yearbook 2023
 5) Per MBA market study report

Concentrating Portfolio on CFM56 Platform

- Portfolio of 106 aircraft and 224 standalone engines as of December 31, 2022
- 327 CFM56 engines in portfolio including engines on-wing and engines at The Module Factory™:
 - 138x engines on Airbus A320 and 14x engines on Boeing 737 (152 CFM56 Engines)
 - 114 modules at The Module Factory™ (~38 Aerospace CFM56 Engine Equivalents)⁽²⁾

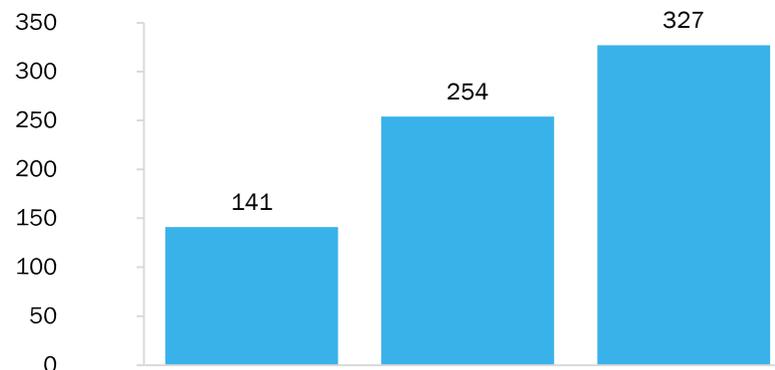
FTAI Aviation Portfolio

\$ in millions



As of Dec 31	2020	2021	2022
Narrowbody	\$1,089	\$1,469	\$1,765
Widebody	\$422	\$348	\$139
Total BV⁽¹⁾	\$1,511	\$1,817	\$1,904

CFM56 Engine Count



As of Dec 31	2020	2021	2022
Standalone	48	88	137
On-wing	82	150	152
Aerospace	11	16	38
Total Engines	141	254	327

FTAI's CFM56 portfolio more than doubled in two years



1) BV is defined as Net Leasing Equipment plus Inventory from our consolidated Balance Sheet.
 2) CFM56 engine is comprised of three module components.

Consolidated Financial Results

1 Q4'22 Financial Results

- Net Income attributable to Shareholders of \$20.0 million
- Adjusted EBITDA of \$123.5 million⁽¹⁾:
- Adjusted EBITDA⁽¹⁾ quarterly growth of 13.4%

2 Q4'22 Balance Sheet

- Total Assets of \$2.4 billion
- Total Debt of \$2.2 billion⁽²⁾
- Total Cash of \$53.1 million⁽³⁾

Consolidated Key Financial Metrics

(\$s in millions)

<i>Quarter Over Quarter Results</i>	<i>Q4'21</i>	<i>Q3'22</i>	<i>Q4'22</i>	<i>Balance Sheet & Liquidity</i>	<i>December 31, 2022</i>
Aviation Leasing	\$84.5	\$96.0	\$110.3	Cash ⁽³⁾	\$53.1
Aerospace Products	\$20.3	\$18.6	\$21.7	Net Leasing Equipment	\$1,913.6
Corporate & Other	\$(3.4)	\$(5.7)	\$(8.5)	Other Assets	\$462.9
Adjusted EBITDA⁽⁴⁾	\$101.4	\$108.9	\$123.5	Total Assets	\$2,429.6
Continuing Operations	\$(7.9)	\$(10.9)	\$20.0	Total Debt ⁽²⁾	\$2,175.7
Discontinued Operations	\$(11.1)	\$(11.9)	-	Total Equity	\$19.4
Net (Loss) Income Attributable to Shareholders	\$(19.0)	\$(22.8)	\$20.0	Total Debt + Total Equity	\$2,195.1

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

2) Net of \$24.3mm deferred financing costs.

3) Includes restricted cash of \$19.5mm.

FTAI Segments and Financial Results

1 Aviation Leasing

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

2 Aerospace Products: The Module Factory™ & USM

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

Q4'22 Key Segment Financial Metrics

(\$s in millions)

	Aviation Leasing ⁽²⁾	Aerospace Products	Corporate & Other	FTAI Consolidated	Q4'22 Run-Rate ⁽³⁾
Revenue	\$209.9	\$59.4	\$5.0	\$274.3	\$1,097.2
Adjusted EBITDA ⁽⁴⁾	\$110.3	\$21.7	\$(8.5)	\$123.5	\$494.0
Net Income (loss) Attributable to Shareholders	\$57.6	\$23.4	\$(61.0)	\$20.0	\$80.0

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

2) Includes net Gains On Sales of \$25.7mm in Q4'22

3) Run-Rate defined as each Q4'22 financial metric multiplied by four.

Aviation Leasing

Highlights & Key Metrics

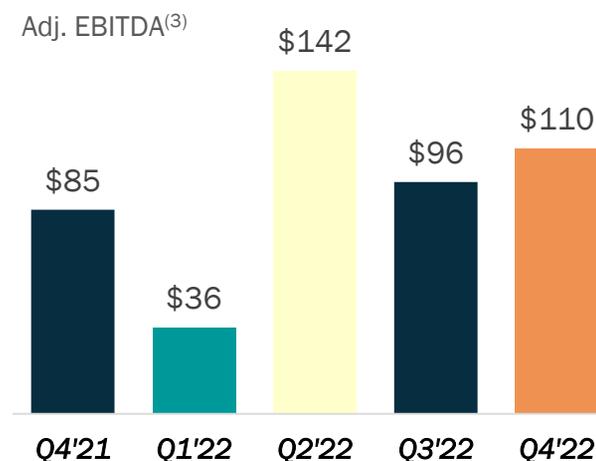
- Acquired \$297.9mm equipment (19 Engines & 16 Aircraft)
- \$123.0mm in proceeds for Asset Sales (18 Engines & 8 Aircraft/Airframes)
- Robust pipeline of in-place LOIs opportunities⁽¹⁾

As of December 31, 2022	Engines	Aircraft	Total
# Assets ⁽²⁾	224	106	330
Net Leasing Equipment	\$699.2	\$1,041.0	\$1,740.2
Remaining Lease Term ⁽³⁾	11	42	(n/a)
W.A. Utilization ⁽⁴⁾	56.0%	83.5%	71.2%
Portfolio Composition	40.2%	59.8%	100.0%

Historical Leasing Performance

(\$s in millions)

Statement of Operations	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
Total Revenue	\$82.9	\$70.7	\$82.4	\$164.8	\$209.9
Total Expenses	(\$65.5)	(\$216.7)	(\$45.4)	(\$112.9)	(\$149.2)
Other ⁽⁵⁾	\$12.4	\$6.8	\$54.4	(\$0.8)	(\$3.1)
Net Income (Loss) Attributable to Shareholders	\$29.8	(\$139.2)	\$91.4	\$51.1	\$57.6
Adjusted EBITDA ⁽⁶⁾	\$84.5	\$35.6	\$142.2	\$96.0	\$110.3



1) As of February 15, 2023. In-place LOIs represent understandings and arrangements in place. There can be no assurance that we will be successful in acquiring any such assets or, if acquired, that they will generate returns meeting our expectations, or at all. Some of our committed investments and pipeline investments are subject to definitive documentation, agency consent and board approval. Committed investments and pipeline investments are also subject to varying degrees of diligence. There can be no assurance that we will complete any such investments or transactions.

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

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

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

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

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

Aerospace Products

Highlights & Key Metrics

- \$21.7mm Adj. EBITDA on \$59.4mm of Sales in Q4'22
- Over 100 modules sold in 2022 to 26 unique customers
- CFM-56 engine parts inventory of \$163.7 million as of 12/22
- Strong backlog from airlines, lessors & MROs

Aerospace Products Margin

(\$s in millions)

	Q3'22	Q4'22
Revenue	\$53.4	\$59.4
Adj. EBITDA ⁽¹⁾	\$18.6	\$21.7
Adj. EBITDA Margin % ⁽²⁾	35%	37%

Historical Aerospace Products Performance

(\$s in millions)

Statement of Operations	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
Total Revenue	\$10.0	\$14.3	\$26.5	\$53.4	\$59.4
Total Expenses	(\$7.7)	(\$10.7)	(\$18.2)	(\$34.7)	(\$37.8)
Other ⁽³⁾	\$16.8	\$8.8	\$6.8	(\$2.9)	\$1.9
Net Income (Loss) Attributable to Shareholders	\$19.1	\$12.4	\$15.1	\$15.8	\$23.4
Adjusted EBITDA ⁽¹⁾	\$20.3	\$13.0	\$17.1	\$18.6	\$21.7

Adj. EBITDA⁽¹⁾



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

2) Calculated as Adjusted EBITDA divided by total revenue

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

Corporate & Other

Highlights & Key Metrics

Corporate & Other is primarily comprised of:

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

Corporate Debt <i>(\$s in millions)</i>	Q3'22	Q4'22
Corporate Revolver	\$0.0	\$150.0
Corporate Bonds	\$2,050.0	\$2,050.0
Other ⁽¹⁾	(\$25.5)	(\$24.3)
Total Corporate Debt	\$2,024.5	\$2,175.7
Interest Expense	\$40.2	\$37.0

Historical Corporate & Other Performance

(\$s in millions)

Statement of Operations	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
Total Revenue	\$5.3	\$6.7	\$3.1	\$12.1	\$5.0
Total Expenses	(\$55.3)	(\$58.5)	(\$65.8)	(\$61.5)	(\$59.6)
Other ⁽²⁾	(\$6.8)	(\$7.2)	(\$4.9)	(\$28.4)	(\$6.4)
Net Loss Attributable to Shareholders	(\$56.8)	(\$59.0)	(\$67.6)	(\$77.8)	(\$61.0)
Adjusted EBITDA⁽³⁾	(\$3.4)	(\$3.6)	(\$8.6)	(\$5.7)	(\$8.5)

Q4'22 Highlights

- Lower number of on-hire days generated
- Offshore vessel revenue of \$5.0mm in Q4'22
- Lower average corporate debt balance resulting in decreased interest expense in Q4'22.

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

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

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

Illustrative 2023 Free Cashflow⁽¹⁾

- Strong Free Cashflow position for acquisition activity
- Assumes approximately ~\$90 million of engine maintenance capex for 2023:

Illustrative Free Cashflow		Engine Maintenance	
(\$s in millions)	2023E	(\$s in millions)	2023E
Adj. EBITDA ^(1,2)	\$575	Average # of Engines	250
Interest Payments	(\$130)	W.A. Utilization Rate	65%
Corporate G&A	(\$30)	Shop Visit Interval	5 Years
Maintenance Capex	(\$90)	Average Cost per Shop Visit ^(1,3)	\$2.75
Preferred Dividends	(\$28)		
Total Available	\$297	Maintenance Capex	\$90
Dividends Run-Rate	(\$120)		
Cash Available	\$177		

1) Forward looking statement. See “Disclaimers” at the beginning of the Presentation.

2) Assumes 2023 Adjusted EBITDA is 16% higher than Q4'22 Run-Rate Adjusted EBITDA of \$494mm primarily due to a combination of anticipated acquisitions of aviation leasing assets, expected higher weighted utilization of FTAI's leasing portfolio and growth in sales of Aerospace Products.

3) Assumes cost reductions from The Module Factory™ swaps, recycling of Used Serviceable Material and incremental efficiencies realized upon PMA approval will reduce average engine maintenance capex to \$2.75mm.

FTAI ESG Initiatives

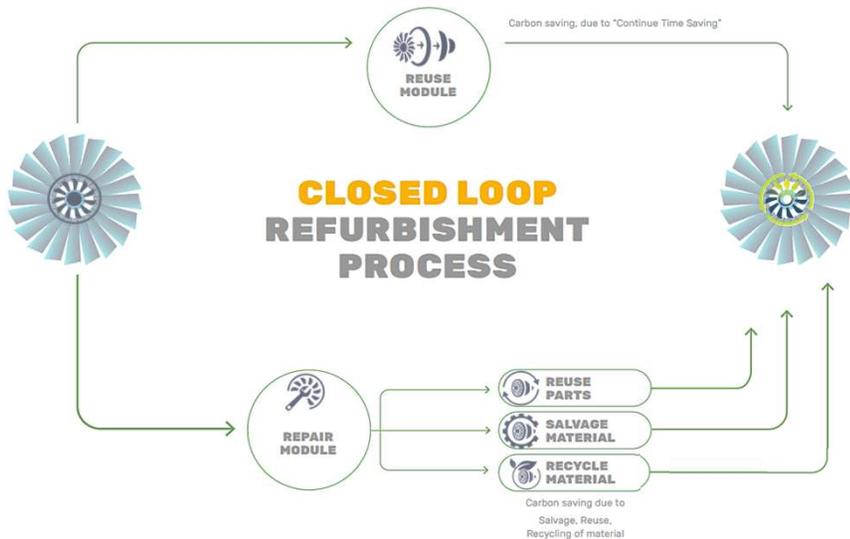
Environmental Dilemma: Jet Engine Maintenance

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

Our Commitment and Program: FTAI ESG

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

Our Efficient Approach to Maintenance



ESG Updates

- Signed carbon offset programs with airlines, MROs and lessors
- Active Program: USM & Modules program targets to contribute 1% of sales to purchase and granting of carbon offsets⁽³⁾
- Repaired over 70 modules resulting in the avoidance of scrapping and replacing material

1) Per KPMG Study
 2) Carbon Offsetting and Reduction Scheme for International Aviation.
 3) Forward looking statement. See "Disclaimers" at the beginning of the Presentation.

Appendix:

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

Statement of Operations by Segment

Statement of Operations by Segment (unaudited)

For the Three Months Ended December 31, 2022

(\$ in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Revenues	\$ 209,919	\$ 59,339	\$ 5,033	\$ 274,291
Expenses				
Cost of sales	94,635	33,611	—	128,246
Operating expenses	9,097	3,873	11,097	24,067
General and administrative	—	—	2,343	2,343
Acquisition and transaction expenses	1,299	228	3,340	4,867
Management fees and incentive allocation to affiliate	—	—	3,558	3,558
Depreciation and amortization	35,111	80	2,265	37,456
Asset impairment	9,048	—	—	9,048
Interest expense	—	—	36,997	36,997
Total expenses	\$ 149,190	\$ 37,792	\$ 59,600	\$ 246,582
Other (expense) income				
Equity in losses of unconsolidated entities	(13)	(231)	—	(244)
Loss on sale of assets, net	(2,722)	—	—	(2,722)
Loss on extinguishment of debt	—	—	2	2
Other income	1	—	(2)	(1)
Total other (expense) income	\$ (2,734)	\$ (231)	\$ —	\$ (2,965)
Net Income (loss) from continuing operations before income taxes	57,995	21,316	(54,567)	24,744
Provision for (benefit from) income taxes	386	(2,094)	(349)	(2,057)
Net income (loss) from continuing operations	\$ 57,609	\$ 23,410	\$ (54,218)	\$ 26,801
Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—
Less: Dividends on preferred shares	—	—	6,791	6,791
Net income (loss) attributable to shareholders from continuing operations	\$ 57,609	\$ 23,410	\$ (61,009)	\$ 20,010
Adjusted EBITDA⁽¹⁾	\$ 110,337	\$ 21,680	\$ (8,478)	\$ 123,539

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

Statement of Operations by Segment (unaudited)

For the Three Months Ended December 31, 2021

(\$ in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Revenues	\$ 82,923	\$ 10,017	\$ 5,291	\$ 98,231
Expenses				
Cost of sales	—	5,731	—	5,731
Operating expenses	18,580	1,910	4,934	25,424
General and administrative	—	—	3,831	3,831
Acquisition and transaction expenses	178	—	5,107	5,285
Management fees and incentive allocation to affiliate	—	—	(21)	(21)
Depreciation and amortization	39,297	26	2,043	41,366
Asset impairment	7,415	—	—	7,415
Interest expense	—	—	39,419	39,419
Total expenses	\$ 65,470	\$ 7,667	\$ 55,313	\$ 128,450
Other income				
Equity in losses of unconsolidated entities	—	(353)	—	(353)
Gain on sale of assets, net	13,347	18,201	—	31,548
Other income	190	—	37	227
Total other income	\$ 13,537	\$ 17,848	\$ 37	\$ 31,422
Net income (loss) from continuing operations before income taxes	30,990	20,198	(49,985)	1,203
Provision for (benefit from) income taxes	1,164	1,146	(8)	2,302
Net income (loss) from continuing operations	\$ 29,826	\$ 19,052	\$ (49,977)	\$ (1,099)
Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—
Less: Dividends on preferred shares	—	—	6,791	6,791
Net income (loss) attributable to shareholders from continuing operations	\$ 29,826	\$ 19,052	\$ (56,768)	\$ (7,890)
Adjusted EBITDA⁽¹⁾	\$ 84,509	\$ 20,280	\$ (3,416)	\$ 101,373

Statement of Operations by Segment (unaudited)

Year Ended December 31, 2022

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Revenues	\$ 527,913	\$ 153,550	\$ 26,948	\$ 708,411
Expenses				
Cost of sales	159,490	88,895	—	248,385
Operating expenses	81,232	11,967	39,065	132,264
General and administrative	—	—	14,164	14,164
Acquisition and transaction expenses	1,923	243	11,041	13,207
Management fees and incentive allocation to affiliate	—	—	3,562	3,562
Depreciation and amortization	144,258	258	8,401	152,917
Asset impairment	137,219	—	—	137,219
Interest expense	—	—	169,194	169,194
Total expenses	\$ 524,122	\$ 101,363	\$ 245,427	\$ 870,912
Other (expense) income				
Equity in earnings (losses) of unconsolidated entities	740	(1,109)	—	(369)
Gain on sale of assets, net	58,649	18,562	—	77,211
Loss on extinguishment of debt	—	—	(19,859)	(19,859)
Other income (expense)	246	—	(39)	207
Total other income (expense)	\$ 59,635	\$ 17,453	\$ (19,898)	\$ 57,190
Net income (loss) from continuing operations before income taxes	63,426	69,640	(238,377)	(105,311)
Provision for (benefit from) income taxes	2,502	2,961	(163)	5,300
Net income (loss) from continuing operations	\$ 60,924	\$ 66,679	\$ (238,214)	\$ (110,611)
Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—
Less: Dividends on preferred shares	—	—	27,164	27,164
Net income (loss) attributable to shareholders from continuing operations	\$ 60,924	\$ 66,679	\$ (265,378)	\$ (137,775)
Adjusted EBITDA⁽¹⁾	\$ 384,125	\$ 70,365	\$ (26,393)	\$ 428,097

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

Statement of Operations by Segment (unaudited)

Year Ended December 31, 2021

(\$ in thousands)

Revenues

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues	\$ 298,121	\$ 23,301	\$ 14,161	\$ 335,583

Expenses

Cost of sales	—	14,308	—	14,308
Operating expenses	32,757	5,429	21,429	59,615
General and administrative	—	—	13,448	13,448
Acquisition and transaction expenses	982	—	16,929	17,911
Management fees and incentive allocation to affiliate	—	—	684	684
Depreciation and amortization	139,678	66	7,996	147,740
Asset impairment	10,463	—	—	10,463
Interest expense	—	—	155,017	155,017
Total expenses	\$ 183,880	\$ 19,803	\$ 215,503	\$ 419,186

Other income (expense)

Equity in losses of unconsolidated entities	—	(1,403)	—	(1,403)
Gain on sale of assets, net	29,098	19,917	—	49,015
Loss on extinguishment of debt	—	—	(3,254)	(3,254)
Other (expense) income	(527)	—	37	(490)
Total other income (expense)	\$ 28,571	\$ 18,514	\$ (3,217)	\$ 43,868

Net income (loss) from continuing operations before income taxes	142,812	22,012	(204,559)	(39,735)
Provision for (benefit from) income taxes	2,073	1,135	(82)	3,126
Net income (loss) from continuing operations	\$ 140,739	\$ 20,877	\$ (204,477)	\$ (42,861)

Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries

Dividends on preferred shares	—	—	24,758	24,758
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Net income (loss) attributable to shareholders from continuing operations	\$ 140,739	\$ 20,877	\$ (229,235)	\$ (67,619)
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Adjusted EBITDA⁽⁴⁾	\$ 321,913	\$ 22,278	\$ (21,363)	\$ 322,828
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Comparative Statements of Operations

Consolidated - Comparative Statements of Operations (unaudited)

(\$s in thousands)	Three Months Ended				12/31/2022
	12/31/2021	3/31/2022	6/30/2022	9/30/2022	
Revenues					
Revenues	\$ 98,231	\$ 91,691	\$ 112,064	\$ 230,365	274,291
Expenses					
Cost of sales	5,731	9,050	15,141	95,948	128,246
Operating expenses	25,424	61,799	19,005	27,393	24,067
General and administrative	3,831	4,561	3,906	3,354	2,343
Acquisition and transaction expenses	5,285	2,273	3,219	2,848	4,867
Management fees and incentive allocation to affiliate	(21)	3	(3)	4	3,558
Depreciation and amortization	41,366	41,305	39,303	34,853	37,456
Asset impairment	7,415	122,790	886	4,495	9,048
Interest expense	39,419	44,139	47,887	40,171	36,997
Total expenses	\$ 128,450	\$ 285,920	\$ 129,344	\$ 209,066	246,582
Other income (expense)					
Equity in (losses) earnings of unconsolidated entities	(353)	198	35	(358)	(244)
Gain (loss) on sale of assets, net	31,548	16,288	63,645	—	(2,722)
Loss on extinguishment of debt	—	—	—	(19,861)	2
Other income (expense)	227	128	1,118	(1,038)	(1)
Total other income (expense)	\$ 31,422	\$ 16,614	\$ 64,798	\$ (21,257)	\$ (2,965)
Net income (loss) from continuing operations before income taxes	1,203	(177,615)	47,518	42	24,744
Provision for (benefit from) income taxes	2,302	1,339	1,829	4,189	(2,057)
Net (loss) income from continuing operations	\$ (1,099)	\$ (178,954)	\$ 45,689	\$ (4,147)	\$ 26,801
Less: Dividends on preferred shares	6,791	6,791	6,791	6,791	6,791
Net (loss) income attributable to shareholders from continuing operations	\$ (7,890)	\$ (185,745)	\$ 38,898	\$ (10,938)	\$ 20,010
Adjusted EBITDA⁽¹⁾	\$ 101,373	\$ 44,960	\$ 150,735	\$ 108,863	\$ 123,539

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

Aviation Leasing - Comparative Statements of Operations (unaudited)

(\$s in thousands)	Three Months Ended				
	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Revenues					
Lease income	\$ 41,596	\$ 33,847	\$ 37,196	\$ 40,273	\$ 47,312
Maintenance revenue	41,056	36,732	39,932	35,507	36,675
Finance lease income	462	111	102	119	108
Asset sales revenue	—	—	—	85,488	123,012
Other revenue	(191)	22	5,204	3,461	2,812
Total revenues	\$ 82,923	\$ 70,712	\$ 82,434	\$ 164,848	\$ 209,919
Expenses					
Cost of sales	—	—	—	64,855	94,635
Operating expenses	18,580	54,472	7,130	10,533	9,097
Acquisition and transaction expenses	178	209	168	247	1,299
Depreciation and amortization	39,297	39,228	37,191	32,728	35,111
Asset impairment	7,415	122,790	886	4,495	9,048
Total expenses	\$ 65,470	\$ 216,699	\$ 45,375	\$ 112,858	\$ 149,190
Other income (expense)					
Equity in earnings (losses) of unconsolidated entities	—	552	246	(45)	(13)
Gain (loss) on sale of assets, net	13,347	6,587	54,784	—	(2,722)
Other income	190	165	38	42	1
Total other income (expense)	\$ 13,537	\$ 7,304	\$ 55,068	\$ (3)	\$ (2,734)
Income (loss) before income taxes	30,990	(138,683)	92,127	51,987	57,995
Provision for (benefit from) income taxes	1,164	475	715	926	386
Net income (loss)	\$ 29,826	\$ (139,158)	\$ 91,412	\$ 51,061	\$ 57,609
Less: Net income attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—	—
Net income (loss) attributable to shareholders	\$ 29,826	\$ (139,158)	\$ 91,412	\$ 51,061	\$ 57,609
Adjusted EBITDA⁽¹⁾	\$ 84,509	\$ 35,556	\$ 142,238	\$ 95,994	\$ 110,337

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

Aerospace Products - Comparative Statements of Operations (unaudited)

(\$s in thousands)	Three Months Ended				12/31/2022
	12/31/2021	3/31/2022	6/30/2022	9/30/2022	
Revenues					
Aerospace products revenue	\$ 10,017	\$ 14,313	\$ 26,497	\$ 53,401	59,339
Total revenues	\$ 10,017	\$ 14,313	\$ 26,497	\$ 53,401	\$ 59,339
Expenses					
Cost of sales	5,731	9,050	15,141	31,093	33,611
Operating expenses	1,910	1,623	2,980	3,491	3,873
Acquisition and transaction expenses	—	—	—	15	228
Depreciation and amortization	26	34	67	77	80
Total expenses	\$ 7,667	\$ 10,707	\$ 18,188	\$ 34,676	\$ 37,792
Other income (expense)					
Equity in losses of unconsolidated entities	(353)	(354)	(211)	(313)	(231)
Gain on sale of assets, net	18,201	9,701	8,861	—	—
Total other income (expense)	\$ 17,848	\$ 9,347	\$ 8,650	\$ (313)	\$ (231)
Income before income taxes	20,198	12,953	16,959	18,412	21,316
Provision for (benefit from) income taxes	1,146	582	1,887	2,586	(2,094)
Net income	\$ 19,052	\$ 12,371	\$ 15,072	\$ 15,826	\$ 23,410
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—	—
Net income attributable to shareholders	\$ 19,052	\$ 12,371	\$ 15,072	\$ 15,826	\$ 23,410
Adjusted EBITDA⁽¹⁾	\$ 20,280	\$ 13,043	\$ 17,082	\$ 18,560	\$ 21,680

Corporate and Other - Comparative Statements of Operations (unaudited)

(\$ in thousands)	Three Months Ended				12/31/2022
	12/31/2021	3/31/2022	6/30/2022	9/30/2022	
Revenues					
Equipment leasing revenues					
Lease income	\$ 4,613	\$ 5,367	\$ 2,341	\$ 9,806	\$ 2,732
Other revenue	678	1,299	792	2,310	2,301
Total revenues	\$ 5,291	\$ 6,666	\$ 3,133	\$ 12,116	\$ 5,033
Expenses					
Operating expenses	4,934	5,704	8,895	13,369	11,097
General and administrative	3,831	4,561	3,906	3,354	2,343
Acquisition and transaction expenses	5,107	2,064	3,051	2,586	3,340
Management fees and incentive allocation to affiliate	(21)	3	(3)	4	3,558
Depreciation and amortization	2,043	2,043	2,045	2,048	2,265
Interest expense	39,419	44,139	47,887	40,171	36,997
Total expenses	\$ 55,313	\$ 58,514	\$ 65,781	\$ 61,532	\$ 59,600
Other (expense) income					
Loss on extinguishment of debt	—	—	—	(19,861)	2
Other income (expense)	37	(37)	1,080	(1,080)	(2)
Total other income (expense)	\$ 37	\$ (37)	\$ 1,080	\$ (20,941)	\$ —
Loss before income taxes	(49,985)	(51,885)	(61,568)	(70,357)	(54,567)
(Benefit from) provision for income taxes	(8)	282	(773)	677	(349)
Net loss	\$ (49,977)	\$ (52,167)	\$ (60,795)	\$ (71,034)	\$ (54,218)
Dividends on preferred shares	6,791	6,791	6,791	6,791	6,791
Net loss attributable to shareholders	\$ (56,768)	\$ (58,958)	\$ (67,586)	\$ (77,825)	\$ (61,009)
Adjusted EBITDA⁽¹⁾	\$ (3,416)	\$ (3,639)	\$ (8,585)	\$ (5,691)	\$ (8,478)

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

Condensed Balance Sheets

Condensed Balance Sheets

(\$s in thousands)

Gross Property, Plant and Equipment (PP&E)

Accumulated Depreciation on PP&E

Net PP&E

Gross Leasing Equipment

Accumulated Depreciation on Leasing Equipment

Net Leasing Equipment

Intangible Assets, net

Assets of discontinued operations

All Other Assets

Total Assets

Debt, net

Liabilities of discontinued operations

All Other Liabilities

Total Liabilities

Shareholders' equity

Non-controlling interest in equity of consolidated subsidiaries

Total Equity

Total Liabilities and Equity

	December 31,	
	2022	2021
	\$ 10,974	\$ 38,684
	(960)	(421)
Net PP&E	\$ 10,014	\$ 38,263
	2,413,230	2,312,040
	(499,677)	(456,403)
Net Leasing Equipment	\$ 1,913,553	\$ 1,855,637
	41,955	30,962
	—	2,442,301
	464,055	496,691
Total Assets	\$ 2,429,577	\$ 4,863,854
	2,175,727	2,501,587
	—	980,255
	234,448	257,912
Total Liabilities	\$ 2,410,175	\$ 3,739,754
	18,878	1,124,292
	524	(192)
Total Equity	\$ 19,402	\$ 1,124,100
Total Liabilities and Equity	\$ 2,429,577	\$ 4,863,854

Reconciliation of Non-GAAP Measures

Adjusted EBITDA Reconciliation by Segment (unaudited)

For the Three Months Ended December 31, 2022

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Net income (loss) attributable to shareholders from continuing operations	\$ 57,609	\$ 23,410	\$ (61,009)	\$ 20,010
Add: Provision for (benefit from) income taxes	386	(2,094)	(349)	(2,057)
Add: Equity-based compensation expense	—	—	—	—
Add: Acquisition and transaction expenses	1,299	228	3,340	4,867
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	(2)	(2)
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—
Add: Asset impairment charges	9,048	—	—	9,048
Add: Incentive allocations	—	—	3,489	3,489
Add: Depreciation & amortization expense ⁽¹⁾	41,932	80	2,265	44,277
Add: Interest expense and dividends on preferred shares	—	—	43,788	43,788
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽²⁾	50	(175)	—	(125)
Less: Equity in losses of unconsolidated entities	13	231	—	244
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—
Adjusted EBITDA	\$ 110,337	\$ 21,680	\$ (8,478)	\$ 123,539

For the Three Months Ended December 31, 2021

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Net income (loss) attributable to shareholders from continuing operations	\$ 29,826	\$ 19,052	\$ (56,768)	\$ (7,890)
Add: Provision for (benefit from) income taxes	1,164	1,146	(8)	2,302
Add: Equity-based compensation expense	—	—	—	—
Add: Acquisition and transaction expenses	178	—	5,107	5,285
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—
Add: Asset impairment charges	7,415	—	—	7,415
Add: Incentive allocations	—	—	—	—
Add: Depreciation & amortization expense ⁽¹⁾	45,926	26	2,043	47,995
Add: Interest expense and dividends on preferred shares	—	—	46,210	46,210
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽²⁾	—	(297)	—	(297)
Less: Equity in losses of unconsolidated entities	—	353	—	353
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—
Adjusted EBITDA	\$ 84,509	\$ 20,280	\$ (3,416)	\$ 101,373

Adjusted EBITDA Reconciliation by Segment (unaudited)

For the Year Ended December 31, 2022

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Net income (loss) attributable to shareholders from continuing operations	\$ 60,924	\$ 66,679	\$ (265,378)	\$ (137,775)
Add: Provision for (benefit from) income taxes	2,502	2,961	(163)	5,300
Add: Equity-based compensation expense	—	—	—	—
Add: Acquisition and transaction expenses	1,923	243	11,041	13,207
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	19,859	19,859
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—
Add: Asset impairment charges	137,219	—	—	137,219
Add: Incentive allocations	—	—	3,489	3,489
Add: Depreciation & amortization expense ⁽¹⁾	181,372	258	8,401	190,031
Add: Interest expense and dividends on preferred shares	—	—	196,358	196,358
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽²⁾	925	(885)	—	40
Less: Equity in (earnings) losses of unconsolidated entities	(740)	1,109	—	369
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—
Adjusted EBITDA	\$ 384,125	\$ 70,365	\$ (26,393)	\$ 428,097

For the Year Ended December 31, 2021

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Net income (loss) attributable to shareholders from continuing operations	\$ 140,739	\$ 20,877	\$ (229,235)	\$ (67,619)
Add: Provision for (benefit from) income taxes	2,073	1,135	(82)	3,126
Add: Equity-based compensation expense	—	—	—	—
Add: Acquisition and transaction expenses	982	—	16,929	17,911
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	3,254	3,254
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—
Add: Asset impairment charges	10,463	—	—	10,463
Add: Incentive allocations	—	—	—	—
Add: Depreciation & amortization expense ⁽¹⁾	167,656	66	7,996	175,718
Add: Interest expense and dividends on preferred shares	—	—	179,775	179,775
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽²⁾	—	(1,203)	—	(1,203)
Less: Equity in losses of unconsolidated entities	—	1,403	—	1,403
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—
Adjusted EBITDA	\$ 321,913	\$ 22,278	\$ (21,363)	\$ 322,828

Notes to Non-GAAP Reconciliations - Adjusted EBITDA

(\$s in thousands)

⁽¹⁾ Total

Includes the following items for the three months ended December 31, 2022 and 2021: (i) depreciation and amortization expense of \$37,456 and \$41,366, (ii) lease intangible amortization of \$3,654 and \$1,777 and (iii) amortization for lease incentives of \$3,167 and \$4,852, respectively.

Includes the following items for the years ended December 31, 2022 and 2021: (i) depreciation and amortization expense of \$152,917 and \$147,740, (ii) lease intangible amortization of \$13,913 and \$4,993 and (iii) amortization for lease incentives of \$23,201 and \$22,985, respectively.

Aviation Leasing

Includes the following items for the three months ended December 31, 2022 and 2021: (i) depreciation and amortization expense of \$35,111 and \$39,297, (ii) lease intangible amortization of \$3,654 and \$1,777 and (iii) amortization for lease incentives of \$3,167 and \$4,852, respectively.

Includes the following items for the years ended December 31, 2022 and 2021: (i) depreciation expense of \$144,258 and \$139,678, (ii) lease intangible amortization of \$13,913 and \$4,993 and (iii) amortization for lease incentives of \$23,201 and \$22,985, respectively.

⁽²⁾ Total

Includes the following items for the three months ended December 31, 2022 and 2021: (i) net loss of \$244 and \$353 and (ii) depreciation and amortization expense of \$119 and \$56, respectively.

Includes the following items for the years ended December 31, 2022 and 2021: (i) net loss of \$369 and \$1,403 and (ii) depreciation and amortization expense of \$409 and \$200, respectively.

Aviation Leasing

Includes the following items for the three months ended December 31, 2022 and 2021: (i) net loss of \$13 and \$0 and (ii) depreciation and amortization of \$63 and \$0, respectively.

Includes the following items for the years ended December 31, 2022 and 2021: (i) net income of \$740 and \$0 and (ii) depreciation and amortization of \$185 and \$0, respectively.

Aerospace Products

Includes the following items for the three months ended December 31, 2022 and 2021: (i) net loss of \$231 and \$353 and (ii) depreciation and amortization of \$56 and \$56, respectively.

Includes the following items for the years ended December 31, 2022 and 2021: (i) net loss of \$1,109 and \$1,403 and (ii) depreciation and amortization of \$224 and \$200, respectively.

Glossary

Adjusted EBITDA

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

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