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 September 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 Logo.jpg

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 102,572,925 ordinary shares outstanding at October 27, 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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PART I - FINANCIAL INFORMATION

PART II - OTHER INFORMATION

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

FTAI AVIATION LTD.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

	Notes	(Unaudited) September 30, 2025	December 31, 2024
Assets			
Current Assets			
Cash and cash equivalents	2	**$ 509,945**	$ 115,116
Accounts receivable, net [1]	2	**214,889**	150,823
Inventory, net	2	**897,216**	551,156
Other current assets [2]	2	**412,779**	408,923
Total current assets		**2,034,829**	1,226,018
Leasing equipment, net	4	**1,669,634**	2,373,730
Property, plant, and equipment, net	2	**113,951**	107,451
Investments	5	**164,346**	19,048
Intangible assets, net	6	**18,682**	42,205
Goodwill	3	**83,012**	61,070
Other non-current assets	2	**155,746**	208,430
Total assets		**$ 4,240,200**	$ 4,037,952
Liabilities			
Current Liabilities			
Accounts payable		**$ 147,350**	$ 69,119
Accrued liabilities		**128,936**	96,910
Current maintenance deposits	2	**14,650**	62,552
Current security deposits		**16,012**	18,100
Other current liabilities	2	**41,285**	100,565
Total current liabilities		**348,233**	347,246
Long-term debt, net	7	**3,446,733**	3,440,478
Non-current maintenance deposits	2	**49,982**	44,179
Non-current security deposits	2	**15,991**	26,830
Other non-current liabilities		**126,797**	97,851
Total liabilities		**$ 3,987,736**	$ 3,956,584
Commitments and contingencies	14		
Equity			
Ordinary shares ($0.01 par value per share; 2,000,000,000 shares authorized; 102,572,000 and 102,550,975 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively)		**$ 1,026**	$ 1,026
Preferred shares ($0.01 par value per share; 200,000,000 shares authorized; 6,800,000 and 11,740,000 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively)		**68**	117
Additional paid in capital		**(26,549)**	153,328
Retained earnings (accumulated deficit)		**277,919**	(73,103)
Shareholders' equity		**252,464**	81,368
Total liabilities and equity		**$ 4,240,200**	$ 4,037,952

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[1] Includes accounts receivable from the 2025 Partnership of $50,856 and $0 as of September 30, 2025 and December 31, 2024, respectively.

[2] Includes receivables from the 2025 Partnership of $17,585 and $0 as of September 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 September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Revenues					
Aerospace products revenue	2	**$ 459,206**	$ 303,469	**$ 1,144,317**	$ 737,726
MRE Contract revenue	2, 11	**58,663**	—	**228,886**	—
Lease income	2	**55,072**	65,450	**185,951**	189,365
Maintenance revenue	2	**52,370**	59,917	**175,081**	156,894
Asset sales revenue	2	**38,461**	34,953	**105,315**	145,993
Other revenue [(1)]		**3,292**	2,005	**5,831**	6,104
Total revenues	12	**667,064**	465,794	**1,845,381**	1,236,082
Expenses					
Cost of sales		**362,922**	219,496	**980,894**	568,157
Operating expenses	2	**39,092**	26,858	**105,858**	81,274
General and administrative		**1,829**	4,045	**7,387**	10,697
Acquisition and transaction expenses		**7,066**	9,341	**18,847**	23,539
Management fees and incentive allocation to affiliate	11	**—**	—	**—**	8,449
Internalization fee to affiliate	15	**—**	—	**—**	300,000
Depreciation and amortization	4, 6	**55,278**	56,775	**170,076**	163,386
Asset impairment		**—**	—	**—**	962
Total expenses		**466,187**	316,515	**1,283,062**	1,156,464
Other (expense) income					
Interest expense		**(60,784)**	(57,937)	**(186,789)**	(160,840)
Loss on extinguishment of debt		**—**	—	**—**	(13,920)
Equity in losses of unconsolidated entities [(2)]	5	**(4,224)**	(438)	**(16,841)**	(1,799)
Gain on sale to the 2025 Partnership		**4,609**	—	**50,083**	—
Other income		**3,570**	2,909	**63,797**	3,045
Total other expense		**(56,829)**	(55,466)	**(89,750)**	(173,514)
Income (loss) before income taxes		**144,048**	93,813	**472,569**	(93,896)
Provision for (benefit from) income taxes	10	**26,330**	7,331	**87,067**	(130)
Net income (loss)		**117,718**	86,482	**385,502**	(93,766)
Less: Dividends on preferred shares		**3,709**	8,335	**13,533**	25,005
Less: Loss on redemption of preferred shares		**—**	—	**6,327**	—
Net income (loss) attributable to shareholders		**$ 114,009**	$ 78,147	**$ 365,642**	$ (118,771)
Earnings (loss) per share:	13				
Basic		**$ 1.11**	$ 0.76	**$ 3.57**	$ (1.17)
Diluted		**$ 1.10**	$ 0.76	**$ 3.52**	$ (1.17)
Weighted average shares outstanding:					
Basic		102,569,415	102,380,659	102,560,285	101,199,356
Diluted		103,966,650	103,395,348	103,951,713	101,199,356

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(1) Includes servicing fees of $3,035 and $5,635 for the three and nine months ended September 30, 2025, respectively, from the 2025 Partnership.

(2) Includes the profit elimination of $(3,908) and $(15,793) for the three and nine months ended September 30, 2025, 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 Nine Months Ended September 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)	$ 81,368
Net income				267,784	**267,784**
Total comprehensive income				**267,784**	**267,784**
Redemption of preferred shares		**(49)**	**(117,791)**		**(117,840)**
Loss on redemption of preferred shares			**(6,327)**		**(6,327)**
Issuance of ordinary shares			**913**		**913**
Dividends declared - ordinary shares			**(61,534)**		**(61,534)**
Dividends declared - preferred shares			**(9,824)**		**(9,824)**
Equity-based compensation			**10,404**		**10,404**
Equity - June 30, 2025	**$ 1,026**	**$ 68**	**$ (30,831)**	**$ 194,681**	**$ 164,944**
Net income				**117,718**	**117,718**
Total comprehensive income				**117,718**	**117,718**
Issuance of ordinary shares			**124**		**124**
Dividends declared - ordinary shares				**(30,771)**	**(30,771)**
Dividends declared - preferred shares				**(3,709)**	**(3,709)**
Equity-based compensation			**5,655**		**5,655**
Net settlement on vesting of equity awards			**(1,497)**		**(1,497)**
Equity - September 30, 2025	**$ 1,026**	**$ 68**	**$ (26,549)**	**$ 277,919**	**$ 252,464**

See accompanying notes to consolidated financial statements.

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

	Three and Nine Months Ended September 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 loss				(180,248)		(180,248)
Total comprehensive income				(180,248)		(180,248)
Purchase of non-controlling interest					$ (534)	(534)
Dividends declared - ordinary shares			(60,148)			(60,148)
Dividends declared - preferred shares			(16,670)			(16,670)
Issuance of ordinary shares	20		150,116			150,136
Equity-based compensation			1,148			1,148
Equity - June 30, 2024	$ 1,022	$ 159	$ 330,419	$ (262,033)	$ —	$ 69,567
Net income				86,482		86,482
Total comprehensive income				86,482		86,482
Dividends declared - ordinary shares			(30,661)			(30,661)
Dividends declared - preferred shares			(8,335)			(8,335)
Issuance of ordinary shares	3		46			49
Equity-based compensation			1,430			1,430
Equity - September 30, 2024	$ 1,025	$ 159	$ 292,899	$ (175,551)	$ —	$ 118,532

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	$ 385,502	$ (93,766)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Equity in losses of unconsolidated entities [1]	16,841	1,799
Gain on sale of assets	(294,761)	(244,353)
Gain on sale of assets to the 2025 Partnership	(50,083)	—
Gain on insurance recoveries	(54,325)	—
Security deposits and maintenance claims included in earnings	(24,919)	(13,437)
Loss on extinguishment of debt	—	13,920
Equity-based compensation	16,059	2,578
Non-cash termination fee to affiliate	—	150,000
Depreciation and amortization	170,076	163,386
Asset impairment	—	962
Deferred income taxes	77,559	(2,470)
Change in fair value of guarantees	2,460	1,340
Amortization of lease intangibles and incentives	31,843	30,998
Amortization of deferred financing costs	8,772	7,996
Provision for credit losses	276	2,784
Other	710	(158)
Change in:		
Accounts receivable	(38,968)	(31,234)
Inventory	(391,908)	(163,900)
Other assets	(64,011)	(16,769)
Accounts payable and accrued liabilities	100,739	50,630
Management fees payable to affiliate	(960)	(3,967)
Other liabilities	(22,568)	(2,492)
Net cash used in operating activities	(131,666)	(146,153)
Cash flows from investing activities:		
Investment in unconsolidated entities	(188,698)	—
Return of capital from unconsolidated entities	27,113	—
Principal collections on finance leases	1,580	1,872
Principal collections on notes receivable	4,328	3,874
Acquisition of business, net of cash acquired	(37,133)	(143,634)
Acquisition of leasing equipment	(489,781)	(622,366)
Investments in financing receivables	(2,764)	(63,857)
Acquisition of property, plant and equipment	(17,511)	(2,968)
Acquisition of lease intangibles	2,757	1,174
Deposits for acquisition of leasing equipment [2]	(58,646)	(162,708)
Proceeds from sale of assets	890,434	542,938
Proceeds from sale of assets to the 2025 Partnership	485,108	—
Proceeds from settlement of insurance claims	54,325	—
Proceeds from deposits on sale of leasing equipment	6,405	2,414
Return of deposits for acquisition of leasing equipment [2]	45,151	530
Net cash provided by (used in) investing activities	$ 722,668	$ (442,731)

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from financing activities:		
Proceeds from debt	**$ 430,000**	$ 2,069,250
Repayment of debt	**(430,000)**	(1,367,304)
Payment of deferred financing costs	**(524)**	(10,825)
Receipt of security deposits under operating lease agreements	**4,490**	6,120
Return of security deposits under operating lease agreements	**(3,469)**	—
Receipt of maintenance deposits under operating lease agreements	**40,284**	35,583
Release of maintenance deposits under operating lease agreements	**(5,452)**	(6,460)
Capital contributions from non-controlling interests	**—**	(534)
Settlement of equity-based compensation	**(1,497)**	—
Redemption of preferred shares	**(124,167)**	—
Cash dividends - ordinary shares	**(92,305)**	(90,809)
Cash dividends - preferred shares	**(13,533)**	(25,005)
Net cash (used in) provided by financing activities	**$ (196,173)**	$ 610,016
Net increase in cash and cash equivalents and restricted cash	**394,829**	21,132
Cash and cash equivalents and restricted cash, beginning of period	**115,266**	90,906
Cash and cash equivalents and restricted cash, end of period	**$ 510,095**	$ 112,038
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	**$ 32,996**	$ 69,826
Acquisition of leasing equipment in accrued liabilities	**(22,634)**	(11,772)
Receipt of leasing equipment in settlement of accounts receivable	**(5,118)**	—
Purchase deposits reclassified to leasing equipment from other assets upon acquisition	**(52,817)**	(19,608)
Decrease in leasing equipment for engines provided to aircraft lessees in lieu of cash reimbursements of maintenance deposits	**2,199**	—
Accounts receivable settled with security deposits	**(2,110)**	(4,365)
Accounts receivable settled with maintenance deposits	**(23,883)**	(38,795)

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(1) Includes the profit elimination of $(15,793) for the nine months ended September 30, 2025, 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 for the nine months ended September 30, 2025, and return of deposits for the acquisition of leasing equipment reimbursed from the 2025 Partnership of $42,813 for the nine months ended September 30, 2025.

See accompanying notes to consolidated financial statements.

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

(Dollars in tables in thousands, unless otherwise noted)

1. ORGANIZATION

This report on Form 10-Q should be read in conjunction with the FTAI Aviation Ltd.("FTAI", "FTAI Aviation" or "the Company") Annual Report on Form 10-K for the fiscal year ended December 31, 2024 ("Form 10-K").

FTAI Aviation 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. The Company owns and leases aircraft and engines to airlines and asset owners globally. Additionally, the Company repairs and sells refurbished engines and aftermarket components of engines as well as develops and manufactures Parts Manufacturer Approval ("PMA") parts through a joint venture. The Company has two reportable segments, (i) Aviation Leasing and (ii) Aerospace Products (see Note 12).

The Company conducts engine maintenance at its 100% owned facilities in Montréal, Miami, and Orange, as well as through its 50% equity ownership in QuickTurn Europe, located in Rome. Collectively, these facilities span over 950,000 square feet and are equipped with advanced tooling, engine test cells, and engineering capabilities to support a wide range of component repairs and service requirements. In addition, the Company also supports global operations through exclusive arrangements and strategic partnerships at key locations worldwide. The Company's principal corporate location is in New York City, and has a global presence through offices in Cardiff, Dubai, Dublin and Singapore, in addition to Montréal, Miami, Orange and Rome.

The majority of FTAI's 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.

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 the Company and its subsidiaries.

Principles of Consolidation—The Company consolidates all entities in which it has 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.

The Company uses the equity method of accounting for investments in entities in which it exercises significant influence but does not meet the requirements for consolidation. Under the equity method, the Company records its 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, the Company encounters 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 the Company operates, which could adversely impact the pricing of the services offered by the Company 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 the Company's leasing equipment or operating assets. Capital market risk is the risk that the Company is unable to obtain capital at reasonable rates to fund the growth of its business or to refinance existing debt facilities. The Company, through our subsidiaries, also conducts operations outside of the United States; such international operations are subject to the same risks as those associated with the Company's 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. The Company does not have significant exposure to foreign currency risk as all of its leasing arrangements are denominated in U.S. dollars.

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

Inventory, net—The Company holds 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 the Company's Consolidated Balance Sheets.

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

(Dollars in tables in thousands, unless otherwise noted)

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

Operating Leases—The Company leases 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 the Company's 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 the Company's 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 the Company is 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, the Company is not required to return any unused maintenance payments to the lessee.

Maintenance payments received for which the Company expects to repay to the lessee are presented as current and non-current Maintenance deposits in its Consolidated Balance Sheets. All excess maintenance payments received that the Company does not expect to repay to the lessee are recorded as Maintenance revenue on its 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 the Company enters 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.

Asset sales revenue—Asset sales revenue primarily consists of the transaction price related to the sale of aircraft and aircraft engines from the Company's 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. The Company routinely sells leasing equipment to customers, and such transactions are considered recurring and ordinary in nature to its 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.

Maintenance, Repair and Exchange ("MRE") Contract revenue—MRE Contract revenue consists of the transaction price related to the sale of CFM56-5B, CFM56-7B and V2500 commercial aircraft engines and related modules to, and subsequent exchange of unserviceable engines and modules from, the special purpose entities (the "SPVs") of the first partnership of the strategic capital initiative (the "2025 Partnership"). MRE Contract revenue is recognized under ASC 606 when a performance obligation is satisfied by transferring control of the serviceable engine or module to the 2025 Partnership, along with corresponding costs of sales. Refer to Note 11 "Affiliate Transactions and Former Management Agreement" for additional information on the 2025 Partnership and the strategic capital initiative.

Other Income—The 2025 Partnership committed to acquire 45 on-lease narrowbody aircraft from the Company (the "Seed Assets") and has signed an agreement through which the Company's MRE business will provide replacement aircraft engines and modules for the life of the 2025 Partnership.

During the three and nine months ended September 30, 2025, 8 and 45 of the aircraft were sold for a gain of $4.6 million and $50.1 million, respectively, which was recognized within gain on sale to the 2025 Partnership. The aircraft sales 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.

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During the three and nine months ended September 30, 2025, the Company received $0.0 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—The Company is subject to concentrations of credit risk with respect to amounts due from customers and lessees. The Company attempts to limit its credit risk by performing ongoing credit evaluations. The Company earned 16% and 11% of its revenue from two customers in the Aerospace Products segment during the three months ended September 30, 2025. The Company earned 12% of its revenue from one customer in the Aerospace Products segment during the nine months ended September 30, 2025. No single customer accounted for greater than 10% of total revenue during the three and nine months ended September 30, 2024.

As of September 30, 2025, there were two customers in the Aerospace Products segment that represented 25% and 11% of total accounts receivable, net. As of December 31, 2024, no single customer accounted for greater than 10% of total accounts receivable, net.

The Company maintains cash and restricted cash balances, which generally exceed federally insured limits, and subject the Company to credit risk, in high credit quality financial institutions. The Company monitors the financial condition of these institutions and has not experienced any losses associated with these accounts.

Allowance for Doubtful Accounts—The Company determines the allowance for doubtful accounts based on its assessment of the collectability of its leasing receivables, notes receivables and inventory sales. In assessing the allowance, the Company considers past collection history and specific risks identified among uncollected accounts. The assessment of collectability of its leasing receivables, notes receivables and inventory sales is done on a customer-by-customer basis. The allowance for doubtful accounts was $28.4 million and $74.9 million as of September 30, 2025 and December 31, 2024, respectively. There was a provision for credit losses of $0.1 million and $0.3 million for the three and nine months ended September 30, 2025, respectively, and $2.7 million and $2.8 million for the three and nine months ended September 30, 2024, respectively. The provision for credit losses is included in the Company's operating expenses. Receivables are written off after all reasonable means to collect the full amount have been exhausted. For the three and nine months ended September 30, 2025, the Company recorded write-offs and recoveries, net, of its allowance for doubtful accounts of $0.1 million and $46.8 million, respectively.

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

	September 30, 2025 (unaudited)	December 31, 2024
Notes receivable	**$ 269,360**	$ 165,338
Financing receivable resulting from failed sale-leaseback transactions	**36,008**	32,486
Prepaid expenses including prepayments for maintenance that has not yet been incurred	**40,353**	87,323
Purchase deposits	**13,471**	83,229
Maintenance right assets	**18,716**	—
Tax assets	**7,506**	31,622
Contract asset from the 2025 Partnership	**17,585**	—
Other	**9,780**	8,925
Other current assets	**$ 412,779**	$ 408,923

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

	September 30, 2025 (unaudited)	December 31, 2024
Lease incentives	**$ 47,320**	$ 56,812
Deferred tax assets	**27,225**	42,893
Operating lease assets	**30,906**	28,729
Financing receivable resulting from failed sale-leaseback transactions	**22,728**	28,412
Maintenance right assets	**4,624**	25,907
Engine management contract assets	**10,292**	7,162
Other	**12,651**	18,515
Other non-current assets	**$ 155,746**	$ 208,430

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

	September 30, 2025 (unaudited)	December 31, 2024
Deposits on sales of leasing equipment	**37,551**	$ 87,296
Other	**3,734**	13,269
Other current liabilities	**$ 41,285**	$ 100,565

Dividends—Dividends are recorded if and when declared by the Board of Directors. For the three and nine months ended September 30, 2025, the Board of Directors declared cash dividends of $0.35 and $0.95 per ordinary share, respectively. For the three and nine months ended September 30, 2024, the Board of Directors declared cash dividends of $0.30 and $0.90 per ordinary share, respectively.

Additionally, in the three months ended September 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 nine months ended September 30, 2025 and 2024 are detailed below (unaudited):

	Nine Months Ended September 30,	
(in thousands)	**2025**	**2024**
Cost of modules and parts sold sourced from engines originally within leasing equipment	**$ 22,429**	$ 33,663
Transfers of engines from leasing equipment to inventory for manufacturing and sale	**219,732**	143,678
Transfers of inventory to leasing equipment for rebuilding and sale of engines	**(228,691)**	(159,876)
Total outflows related to manufacturing modules and parts - included in net cash used in operating activities	**(478,642)**	(270,679)
Cash received for assets sold sourced from leasing equipment - inflow included in net cash used in operating activities	**54,853**	56,670
Cash received for sales of leasing equipment that include components sourced from inventory - inflow included in net cash provided by investing activities	**635,865**	276,699
Cash paid for engine and aircraft inventory - outflow included in net cash used in operating activities	**(127,260)**	—

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. The adoption of ASU 2023-05 did not have a material impact on the Company's consolidated financial statements.

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In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets,* which provides a practical expedient in developing reasonable and supportable forecasts as apart of estimating expected credit losses, allowing entities to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments in ASU 2025-05 are effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. The Company is currently evaluating the impact of this update 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, the Company continues 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. The Company is currently evaluating the impact these standards may have on its 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. The Company acquired LMCES to further enhance its MRE business and establish permanent engine and module manufacturing capabilities in Canada. The facility operates within its 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 nine months ended September 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:

	Estimated useful life in years	Estimated Fair value
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 the Company believes 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.

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Total revenue	$ 479,277	$ 1,283,520
Net income attributable to shareholders	$ 83,727	$ (122,542)

4. LEASING EQUIPMENT, NET

Leasing equipment, net is summarized as follows:

	September 30, 2025 (unaudited)	December 31, 2024
Leasing equipment	**$ 2,169,514**	$ 2,963,452
Less: Accumulated depreciation	**(499,880)**	(589,722)
Leasing equipment, net	**$ 1,669,634**	$ 2,373,730

The Company identified certain assets in its leasing equipment portfolio with indicators of impairment. During the three and nine months ended September 30, 2025, the Company did not record any transactional impairment charges. In comparison, for the three and nine months ended September 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):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Depreciation expense for leasing equipment	**$ 51,050**	$ 55,376	**158,185**	159,936

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(Dollars in tables in thousands, unless otherwise noted)

5. INVESTMENTS

The following table presents the ownership interests and carrying values of the Company's investments:

			Carrying Value	
	Investment	Ownership Percentage	September 30, 2025 (unaudited)	December 31, 2024
Advanced Engine Repair JV	Equity method	25%	**$ 20,623**	$ 19,048
2025 Partnership	Equity method	20%	**133,171**	—
QuickTurn Europe	Equity method	50%	**10,552**	—
			$ 164,346	$ 19,048

The Company did not recognize any other-than-temporary impairments for the three and nine months ended September 30, 2025 and 2024.

The following table presents the Company's proportionate share of equity in (losses) earnings (unaudited):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Advanced Engine Repair JV	**$ 668**	$ (438)	**$ 1,576**	$ (1,592)
2025 Partnership [(1)]	**(4,992)**	—	**(18,436)**	—
Falcon MSN 177 LLC [(2)]	**—**	—	**—**	(207)
QuickTurn Europe	**100**	—	**19**	—
Total	**$ (4,224)**	$ (438)	**$ (16,841)**	$ (1,799)

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(1) Includes the profit elimination of $(3,908) and $(15,793) for the three and nine months ended September 30, 2025, respectively, for sales to the 2025 Partnership.

(2) On May 3, 2024, the Company purchased the remaining interest of Falcon MSN 177 LLC ("Falcon"). As a result, Falcon became a consolidated subsidiary, and is no longer accounted for as an equity method investment.

Equity Method Investments

Advanced Engine Repair JV

In December 2016, the Company 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, the Company expanded the scope of our joint venture and invested an additional $13.5 million and maintained a 25% interest. The Company exercises significant influence over this investment and accounts for this investment as an equity method investment.

Falcon MSN 177 LLC

Since November 2021, the Company 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. The Company accounted for its investment in Falcon as an equity method investment as it had significant influence through its interest.

On May 3, 2024, the Company 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 the nine months ended September 30, 2025, the Company invested $151.6 million in the 2025 Partnership, an investment focused on acquiring 737NG and A320ceo on-lease narrowbody aircraft, for which the Company is the Servicer and holds a 20% limited partner ownership. The Company exercises significant influence over this investment and accounts for it using the equity method. As the Servicer, The Company is 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.

(Dollars in tables in thousands, unless otherwise noted)

QuickTurn Europe

On June 5, 2025, the Company 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 the Company's global engine maintenance capabilities and meet increasing demand for MRE services. The Company accounts for its investment in QuickTurn Europe as an equity method investment as it has significant influence through its interest.

6. INTANGIBLE ASSETS AND LIABILITIES, NET

Intangible assets and liabilities, net are summarized as follows:

	September 30, 2025 (unaudited)	December 31, 2024
Intangible assets		
Acquired favorable lease intangibles	**$ 20,184**	$ 70,375
Less: Accumulated amortization	**(10,710)**	(29,664)
Acquired favorable lease intangibles, net	**9,474**	40,711
Acquired customer relationships	**9,907**	1,907
Less: Accumulated amortization	**(699)**	(413)
Acquired customer relationships, net	**9,208**	1,494
Total intangible assets, net	**$ 18,682**	$ 42,205
Intangible liabilities		
Acquired unfavorable lease intangibles	**$ 9,911**	$ 13,767
Less: Accumulated amortization	**(2,062)**	(1,259)
Acquired unfavorable lease intangibles, net	**$ 7,849**	$ 12,508

The weighted average amortization period of intangible assets acquired during the nine months ended September 30, 2025 is as follows:

	Weighted Average Amortization Period
Lease intangibles	3.5 years
Customer relationships	12.3 years
Total intangible assets	8.0 years

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 September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
Lease intangibles	Lease income	**$ 534**	$ 3,720	**$ 5,893**	$ 11,482
Customer relationships	Depreciation and amortization	**95**	95	**314**	307
Total		**$ 629**	3,815	**$ 6,207**	11,789

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

Remainder of 2025	$ 1,026
2026	1,568
2027	1,081
2028	1,645
2029	683
Thereafter	4,830
Total	$ 10,833

7. DEBT, NET

The Company's debt, net is summarized as follows:

	September 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]	**1,001,094**	5.50%	5/1/28	1,001,382
Senior Notes due 2030 [3]	**497,367**	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]	**497,724**	5.88%	4/15/33	497,551
Total bonds payable	**3,496,185**			3,496,004
Debt	**3,496,185**			3,496,004
Less: Debt issuance costs	**(49,452)**			(55,526)
Total debt, net	**$ 3,446,733**			$ 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 $1,094 and $1,382 at September 30, 2025 and December 31, 2024, respectively.

[3] Includes an unamortized discount of $2,633 and $2,929 at September 30, 2025 and December 31, 2024, respectively.

[4] Includes an unamortized discount of $2,276 and $2,449 at September 30, 2025 and December 31, 2024, respectively.

We were in compliance with all debt covenants as of September 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 the Company to develop its own assumptions about how market participants price the asset or liability.

(Dollars in tables in thousands, unless otherwise noted)

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).

The Company's 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.

Except as discussed below, the Company's 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 the Company's bonds payable are presented in the table below and classified as Level 2 within the fair value hierarchy:

	September 30, 2025 (unaudited)	December 31, 2024
Senior Notes due 2028	**$ 1,001,570**	$ 980,140
Senior Notes due 2030	**532,765**	526,380
Senior Notes due 2031	**733,474**	713,923
Senior Notes due 2032	**838,352**	816,904
Senior Notes due 2033	**503,560**	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 $11.4 million and $8.9 million as of September 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 nine months ended September 30, 2025, the Company recorded increases related to the change in fair value of $0.4 million and $2.5 million, respectively, which are recorded in Asset sales revenue. During the three and nine months ended September 30, 2024, the Company recorded increases related to the change in fair value of $0.3 million and $1.3 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 7 years, the maximum potential amount of undiscounted future payments that could be required under the guarantees at September 30, 2025 was $43.0 million, which is not reasonably expected.

The Company measures 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. The Company records 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 the Company's assumptions as to future cash flows from operation of the leasing and sale of assets.

9. EQUITY-BASED COMPENSATION

The Company has 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 the Company, each as determined by the Compensation Committee of the Board of Directors.

As of September 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.

(Dollars in tables in thousands, unless otherwise noted)

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

	Three Months Ended September 30,		Nine Months Ended September 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**	$ 128	**$ 381**	$ 170	**$ 1,397**	**7.9 years**
Performance shares	**3,502**	—	**10,265**	—	**40,260**	**3.1 years**
Restricted Shares	**2,026**	1,302	**5,413**	2,408	**15,747**	**1.9 years**
Total	**$ 5,655**	$ 1,430	**$ 16,059**	$ 2,578	**$ 57,404**	

Options

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

During the nine months ended September 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 nine months ended September 30, 2025, the Company 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 nine months ended September 30, 2025, the Company 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, the Company 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 nine months ended September 30, 2024, the Company issued the following restricted shares of the Company to select employees and officers of the Company:

In May 2024, the Company issued restricted shares to (i) select officers with a grant date fair value of $5.5 million, vesting over 3.0 years and (ii) select employees with a grant date fair value of $5.7 million, vesting over 4.0 years.

In September 2024, the Company issued restricted shares to select employees and officers with a grant date fair value of $0.8 million, vesting over 3.0 years.

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Current:				
Cayman Islands	$ —	$ —	$ —	$ —
Bermuda	—	—	—	—
United States:				
Federal	(7,859)	(296)	—	888
State and local	1,518	(72)	3,063	217
Other Non-U.S. including Pillar Two top-up tax	2,911	446	6,445	1,235
Total current provision (benefit)	(3,430)	78	9,508	2,340
Deferred:				
Cayman Islands	—	—	—	—
Bermuda	8,053	4,738	18,689	(3,088)
United States:				
Federal	7,092	1,422	12,524	2,733
State and local	(1,496)	317	950	584
Other Non-U.S.	16,111	776	45,396	(2,699)
Total deferred provision (benefit)	29,760	7,253	77,559	(2,470)
Total provision for (benefit from) income taxes	$ 26,330	$ 7,331	$ 87,067	$ (130)

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 its shareholders. Taxable income or loss generated by the Company's corporate subsidiaries is subject to U.S. federal, state and foreign corporate income tax in locations where they conduct business.

The Company's effective tax rate differs from the Cayman Islands statutory rate of 0% primarily due to a significant portion of the Company's income being subject to tax in jurisdictions where it operates.

As of and for the nine months ended September 30, 2025, the Company had not established a liability for uncertain tax positions as no such positions existed. In general, the Company's tax returns and the tax returns of its corporate subsidiaries are subject to U.S. federal, state, local and foreign income tax examinations by tax authorities. Generally, the Company is not subject to examination by taxing authorities for tax years prior to 2021. The Company does 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 the SPVs of the 2025 Partnership would 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 nine months ended September 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 September 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 a 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 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. During the three and nine months ended September 30, 2025, the Company recorded $58.7 million and $228.9 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 through 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 the Company on various aspects of its business, formulating its investment strategies, arranging for the acquisition and disposition of assets, arranging for financing, monitoring performance, and managing its 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 the Company's behalf, including the costs of legal, accounting and other administrative activities. Additionally, the Company 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 the Company's 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 the Company's 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 the Company's pro rata share of cumulative realized gains from the date of the IPO through the end of the applicable calendar year, net of the Company's 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 September 30, 2024	Nine Months Ended September 30, 2024
Management fees	$ —	$ 993
Income incentive allocation	—	7,456
Total	$ —	$ 8,449

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

The Company 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; the Company did not reimburse the Former Manager for these expenses.

The following table summarizes the Company's reimbursements to the Former Manager (unaudited):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Classification in the Consolidated Statements of Operations:				
General and administrative	**$ (82)**	$ 2,557	**$ 247**	$ 6,115
Acquisition and transaction expenses	**(53)**	967	**122**	1,654
Total	**$ (135)**	$ 3,524	**$ 369**	$ 7,769

Upon the successful completion of an offering of the Company's ordinary shares or other equity securities (including securities issued as consideration in an acquisition), the Company 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 the Company's 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 the Company's 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 the Company's internal operations and the nature of its products and services. The Company's 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 the Company's 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 results from an offshore energy business, which consists of equipment that support offshore oil and gas activities and production. The Company previously owned two offshore vessels that were sold in the fourth quarter of 2024.

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. The Company's Chief

(Dollars in tables in thousands, unless otherwise noted)

Executive Officer is its Chief Operating Decision Maker ("CODM"). Segment information is presented in the same manner that the 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 the 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 September 30, 2025

	Three Months Ended September 30, 2025				
	Aviation Leasing	Aerospace Products	Corporate and Other	Eliminations	Total
Revenues					
Aerospace products revenue	$ —	$ 459,206	$ —	$ —	$ 459,206
MRE Contract revenue	—	58,663	—	—	58,663
Lease income	55,072	—	—	—	55,072
Maintenance revenue	52,370	—	—	—	52,370
Asset sales revenue	38,461	—	—	—	38,461
Other revenue [(1)]	3,292	—	—	—	3,292
Total revenues	149,195	517,869	—	—	667,064
Expenses					
Cost of sales	34,769	328,153	—	—	362,922
Operating expenses	10,146	10,545	18,401	—	39,092
General and administrative	—	—	1,829	—	1,829
Acquisition and transaction expenses	3,571	599	2,896	—	7,066
Depreciation and amortization	50,226	3,930	1,122	—	55,278
Total expenses	98,712	343,227	24,248	—	466,187
Other income (expense)					
Interest expense	—	—	(60,784)	—	(60,784)
Equity in (losses) earnings of unconsolidated entities [(2)]	(1,083)	767	—	(3,908)	(4,224)
Gain on sale to the 2025 Partnership	4,609	—	—	—	4,609
Other income	2,103	—	1,467	—	3,570
Total other income (expense)	5,629	767	(59,317)	(3,908)	(56,829)
Income (loss) before income taxes	56,112	175,409	(83,565)	(3,908)	144,048
Provision for (benefit from) income taxes	14,500	26,815	(14,985)	—	26,330
Net income (loss)	41,612	148,594	(68,580)	(3,908)	117,718
Less: Dividends on preferred shares	—	—	3,709	—	3,709
Net income (loss) attributable to shareholders	$ 41,612	$ 148,594	$ (72,289)	$ (3,908)	$ 114,009

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(1) Includes servicing fees of $3,035 for the three months ended September 30, 2025 from the 2025 Partnership.

(2) Includes the profit elimination of $(3,908) for the three months ended September 30, 2025 for sales to the 2025 Partnership within the Aerospace Products segment.

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

(Dollars in tables in thousands, unless otherwise noted)

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

	Three Months Ended September 30, 2025			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Africa	$ 7,919	$ 25,720	$ —	$ 33,639
Asia	43,658	98,644	—	142,302
Europe	48,295	97,302	—	145,597
North America	41,803	286,006	—	327,809
South America	7,520	10,197	—	17,717
Total revenues [(1)]	$ 149,195	$ 517,869	$ —	$ 667,064

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[(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 the Company's customers and lessees. No other country represents more than 10% of total revenues.

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

II. For the Nine Months Ended September 30, 2025

	Nine Months Ended September 30, 2025				
	Aviation Leasing	Aerospace Products	Corporate and Other	Eliminations	Total
Revenues					
Aerospace products revenue	$ —	$ 1,144,317	$ —	$ —	$ 1,144,317
MRE Contract revenue	—	228,886	—	—	228,886
Lease income	185,951	—	—	—	185,951
Maintenance revenue	175,081	—	—	—	175,081
Asset sales revenue	105,315	—	—	—	105,315
Other revenue [(1)]	5,827	—	4	—	5,831
Total revenues	472,174	1,373,203	4	—	1,845,381
Expenses					
Cost of sales	106,517	874,377	—	—	980,894
Operating expenses	28,661	25,221	51,976	—	105,858
General and administrative	—	—	7,387	—	7,387
Acquisition and transaction expenses	7,053	3,145	8,649	—	18,847
Depreciation and amortization	155,710	11,218	3,148	—	170,076
Total expenses	297,941	913,961	71,160	—	1,283,062
Other income (expense)					
Interest expense	—	—	(186,789)	—	(186,789)
Equity in (losses) earnings of unconsolidated entities [(2)]	(2,642)	1,594	—	(15,793)	(16,841)
Gain on sale to the 2025 Partnership	50,083	—	—	—	50,083
Other income	61,696	—	2,101	—	63,797
Total other income (expense)	109,137	1,594	(184,688)	(15,793)	(89,750)
Income (loss) before income taxes	283,370	460,836	(255,844)	(15,793)	472,569
Provision for (benefit from) income taxes	58,301	72,017	(43,251)	—	87,067
Net income (loss)	225,069	388,819	(212,593)	(15,793)	385,502
Less: Dividends on preferred shares	—	—	13,533	—	13,533
Less: Loss on redemption of preferred shares	—	—	6,327	—	6,327
Net income (loss) attributable to shareholders	$ 225,069	$ 388,819	$ (232,453)	$ (15,793)	$ 365,642

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(1) Includes servicing fees of $5,635 for the nine months ended September 30, 2025 from the 2025 Partnership.

(2) Includes the profit elimination of $(15,793) for the nine months ended September 30, 2025 for sales to the 2025 Partnership within the Aerospace Products segment.

(Dollars in tables in thousands, unless otherwise noted)

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

	Nine Months Ended September 30, 2025			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Africa	$ 18,713	$ 52,202	$ —	$ 70,915
Asia	130,010	180,930	4	310,944
Europe	205,596	320,618	—	526,214
North America	91,668	791,477	—	883,145
South America	26,187	27,976	—	54,163
Total revenues [1]	$ 472,174	$ 1,373,203	$ 4	$ 1,845,381

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[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 customers and 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 September 30, 2025:

	Operating Leases
Remainder of 2025	$ 49,496
2026	156,142
2027	132,618
2028	111,509
2029	81,037
Thereafter	145,045
Total	$ 675,847

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

III. For the Three Months Ended September 30, 2024

	Three Months Ended September 30, 2024			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Aerospace products revenue	$ —	$ 303,469	$ —	$ 303,469
Lease income	57,322	—	8,128	65,450
Maintenance revenue	59,917	—	—	59,917
Asset sales revenue	34,953	—	—	34,953
Other revenue	74	—	1,931	2,005
Total revenues	152,266	303,469	10,059	465,794
Expenses				
Cost of sales	20,684	198,812	—	219,496
Operating expenses	9,995	2,617	14,246	26,858
General and administrative	—	—	4,045	4,045
Acquisition and transaction expenses	2,620	2,100	4,621	9,341
Depreciation and amortization	52,455	1,306	3,014	56,775
Total expenses	85,754	204,835	25,926	316,515
Other expense				
Interest expense	—	—	(57,937)	(57,937)
Equity in losses of unconsolidated entities	—	(438)	—	(438)
Other income	1,982	—	927	2,909
Total other expense	1,982	(438)	(57,010)	(55,466)
Income (loss) before income taxes	68,494	98,196	(72,877)	93,813
Provision for (benefit from) income taxes	8,898	4,408	(5,975)	7,331
Net income (loss)	59,596	93,788	(66,902)	86,482
Less: Dividends on preferred shares	—	—	8,335	8,335
Net income (loss) attributable to shareholders	$ 59,596	$ 93,788	$ (75,237)	$ 78,147

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

	Three Months Ended September 30, 2024			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Africa	$ 1,266	$ —	$ —	$ 1,266
Asia	46,459	65,714	10,059	122,232
Europe	56,750	84,136	—	140,886
North America	34,700	149,530	—	184,230
South America	13,091	4,089	—	17,180
Total revenues [(1)]	$ 152,266	$ 303,469	$ 10,059	$ 465,794

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(1) The United States, included in North America, and Ireland, included in Europe, represent 35% and 15% of total revenues, respectively, based on the location of the Company's customers and lessees. No other country represents more than 10% of total revenues.

(Dollars in tables in thousands, unless otherwise noted)

IV. For the Nine Months Ended September 30, 2024

	Nine Months Ended September 30, 2024			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Aerospace products revenue	$ —	$ 737,726	$ —	$ 737,726
Lease income	168,927	—	20,438	189,365
Maintenance revenue	156,894	—	—	156,894
Asset sales revenue	145,993	—	—	145,993
Other revenue	199	—	5,905	6,104
Total revenues	472,013	737,726	26,343	1,236,082
Expenses				
Cost of sales	111,542	456,615	—	568,157
Operating expenses	26,984	16,510	37,780	81,274
General and administrative	—	—	10,697	10,697
Acquisition and transaction expenses	7,350	2,871	13,318	23,539
Management fees and incentive allocation to affiliate	—	—	8,449	8,449
Internalization fee to affiliate	—	—	300,000	300,000
Depreciation and amortization	151,211	3,177	8,998	163,386
Asset impairment	962	—	—	962
Total expenses	298,049	479,173	379,242	1,156,464
Other expense				
Interest expense	—	—	(160,840)	(160,840)
Loss on extinguishment of debt	—	—	(13,920)	(13,920)
Equity in losses of unconsolidated entities	(207)	(1,592)	—	(1,799)
Other income	1,440	—	1,605	3,045
Total other expense	1,233	(1,592)	(173,155)	(173,514)
Income (loss) before income taxes	175,197	256,961	(526,054)	(93,896)
Provision for (benefit from) income taxes	20,224	11,865	(32,219)	(130)
Net income (loss)	154,973	245,096	(493,835)	(93,766)
Less: Dividends on preferred shares	—	—	25,005	25,005
Net income (loss) attributable to shareholders	$ 154,973	$ 245,096	$ (518,840)	$ (118,771)

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

	Nine Months Ended September 30, 2024			
	Aviation Leasing	Aerospace Products	Corporate and Other	Total
Revenues				
Africa	$ 3,389	$ 8,271	$ —	$ 11,660
Asia	105,220	122,744	26,343	254,307
Europe	235,367	256,752	—	492,119
North America	81,709	336,672	—	418,381
South America	46,328	13,287	—	59,615
Total revenues [(1)]	$ 472,013	$ 737,726	$ 26,343	$ 1,236,082

[(1)] The United States, included in North America, and Ireland, included in Europe, represent 32% and 18% of total revenues, respectively, based on the location of the Company's customers and lessees. No other country represents more than 10% of total revenues.

V. Location of Long-Lived Assets

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

	September 30, 2025 (unaudited)	December 31, 2024
Property, plant and equipment and leasing equipment, net		
Africa	**$ 18,171**	$ 37,369
Asia	**404,171**	596,547
Europe	**596,938**	1,038,176
North America	**544,037**	592,675
South America	**220,268**	216,414
Total property, plant and equipment and leasing equipment, net [(1)]	**$ 1,783,585**	$ 2,481,181

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(1) The United States, included in North America, represents 24% of property, plant and equipment and leasing equipment, net as of September 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 September 30,		Nine Months Ended September 30,	
(in thousands, except share and per share data)	2025	2024	2025	2024
Net income (loss)	**$ 117,718**	$ 86,482	**$ 385,502**	$ (93,766)
Less: Dividends on preferred shares	**3,709**	8,335	**13,533**	25,005
Less: Loss on redemption of preferred shares	**—**	—	**6,327**	—
Net income (loss) attributable to shareholders	**$ 114,009**	$ 78,147	**$ 365,642**	$ (118,771)
Weighted Average Ordinary Shares Outstanding - Basic	102,569,415	102,380,659	102,560,285	101,199,356
Weighted Average Ordinary Shares Outstanding - Diluted	103,966,650	103,395,348	103,951,713	101,199,356
Earnings (loss) per share:				
Basic	**$ 1.11**	$ 0.76	**$ 3.57**	$ (1.17)
Diluted	**$ 1.10**	$ 0.76	**$ 3.52**	$ (1.17)

For the three months ended September 30, 2025 and 2024, no shares were excluded from the calculation of Diluted EPS. For the nine months ended September 30, 2025 and 2024, 0 and 859,940 shares, respectively, were excluded from the calculation of Diluted EPS due to their anti-dilutive impact.

For the three months ended September 30, 2025 and 2024, the Company issued 835 and 482 ordinary shares, respectively, and for the nine months ended September 30, 2025 and 2024, issued 1,511 and 4,852 ordinary shares, respectively, 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 the Company's offshore energy business, a lessee did not fulfill its obligation under its charter arrangement, therefore the Company is pursuing rights afforded to it under the charter and the range of potential losses against the obligation is $0.0 million to $3.3 million. The Company believes the risk of loss in connection with such arrangements is remote.

15. RESTRUCTURING CHARGES

On May 28, 2024, 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 nine months ended September 30, 2024. There were no restructuring charges recorded for the three and nine months ended September 30, 2025.

16. SUBSEQUENT EVENTS

Dividends

On October 27, 2025, the Company’s Board of Directors declared a cash dividend on its ordinary shares and eligible participating securities of $0.35 per share for the three months ended September 30, 2025, payable on November 19, 2025 to the holders of record on November 10, 2025.

Additionally, on October 27, 2025, the Company’s 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 December 15, 2025 to the holders of record on December 1, 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 September 30, 2025, we had total consolidated assets of $4.2 billion and total equity of $252.5 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 September 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 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 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.

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.

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.

Results of Operations

Comparison of the three and nine months ended September 30, 2025 and 2024

The following table presents our consolidated results of operations:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Revenues						
Aerospace products revenue	**$ 459,206**	$ 303,469	$ 155,737	**$ 1,144,317**	$ 737,726	$ 406,591
MRE Contract revenue	**58,663**	—	58,663	**228,886**	—	228,886
Lease income	**55,072**	65,450	(10,378)	**185,951**	189,365	(3,414)
Maintenance revenue	**52,370**	59,917	(7,547)	**175,081**	156,894	18,187
Asset sales revenue	**38,461**	34,953	3,508	**105,315**	145,993	(40,678)
Other revenue [(1)]	**3,292**	2,005	1,287	**5,831**	6,104	(273)
Total revenues	**667,064**	465,794	201,270	**1,845,381**	1,236,082	609,299
Expenses						
Cost of sales	**362,922**	219,496	143,426	**980,894**	568,157	412,737
Operating expenses	**39,092**	26,858	12,234	**105,858**	81,274	24,584
General and administrative	**1,829**	4,045	(2,216)	**7,387**	10,697	(3,310)
Acquisition and transaction expenses	**7,066**	9,341	(2,275)	**18,847**	23,539	(4,692)
Management fees and incentive allocation to affiliate	**—**	—	—	**—**	8,449	(8,449)
Internalization fee to affiliate	**—**	—	—	**—**	300,000	(300,000)
Depreciation and amortization	**55,278**	56,775	(1,497)	**170,076**	163,386	6,690
Asset impairment	**—**	—	—	**—**	962	(962)
Total expenses	**466,187**	316,515	149,672	**1,283,062**	1,156,464	126,598
Other (expense) income						
Interest expense	**(60,784)**	(57,937)	(2,847)	**(186,789)**	(160,840)	(25,949)
Equity in losses of unconsolidated entities [(2)]	**(4,224)**	(438)	(3,786)	**(16,841)**	(1,799)	(15,042)
Loss on extinguishment of debt	**—**	—	—	**—**	(13,920)	13,920
Gain on sale to the 2025 Partnership	**4,609**	—	4,609	**50,083**	—	50,083
Other income	**3,570**	2,909	661	**63,797**	3,045	60,752
Total other expense	**(56,829)**	(55,466)	(1,363)	**(89,750)**	(173,514)	83,764
Income (loss) from before income taxes	**144,048**	93,813	50,235	**472,569**	(93,896)	566,465
Provision for (benefit from) income taxes	**26,330**	7,331	18,999	**87,067**	(130)	87,197
Net income (loss)	**117,718**	86,482	31,236	**385,502**	(93,766)	479,268
Less: Dividends on preferred shares	**3,709**	8,335	(4,626)	**13,533**	25,005	(11,472)
Less: Loss on redemption of preferred shares	**—**	—	—	**6,327**	—	6,327
Net income (loss) attributable to shareholders	**$ 114,009**	$ 78,147	$ 35,862	**$ 365,642**	$ (118,771)	$ 484,413

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(1) Includes servicing fees of $3,035 and $5,635 for the three and nine months ended September 30, 2025, respectively, from the 2025 Partnership.

(2) Includes the profit elimination of $(3,908) and $(15,793) for the three and nine months ended September 30, 2025, 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 September 30, 2025	Three Months Ended September 30, 2024	Change	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024	Change
Net income (loss) attributable to shareholders	**$ 114,009**	$ 78,147	$ 35,862	**$ 365,642**	$ (118,771)	$ 484,413
Add: Provision for (benefit from) income taxes	**26,330**	7,331	18,999	**87,067**	(130)	87,197
Add: Equity-based compensation expense	**5,655**	1,430	4,225	**16,059**	2,578	13,481
Add: Acquisition and transaction expenses	**7,066**	9,341	(2,275)	**18,847**	23,539	(4,692)
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	**—**	—	—	**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	**—**	—	—	**—**	7,456	(7,456)
Add: Depreciation and amortization expense (1)	**67,855**	69,453	(1,598)	**201,919**	194,384	7,535
Add: Interest expense and dividends on preferred shares	**64,493**	66,272	(1,779)	**200,322**	185,845	14,477
Add: Internalization fee to affiliate	**—**	—	—	**—**	300,000	(300,000)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities (2)	**11,657**	(382)	12,039	**16,513**	(1,547)	18,060
Less: Equity in losses (earnings) of unconsolidated entities (3)	**316**	438	(122)	**1,048**	1,799	(751)
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	**—**	—	—
Adjusted EBITDA (non-GAAP)	**$ 297,381**	$ 232,030	$ 65,351	**$ 913,744**	$ 610,035	$ 303,709

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(1) Includes the following items for the three months ended September 30, 2025 and 2024: (i) depreciation and amortization expense of $55,278 and $56,775, (ii) lease intangible amortization of $534 and $3,720 and (iii) amortization for lease incentives of $12,043 and $8,958, respectively. Includes the following items for the nine months ended September 30, 2025 and 2024: (i) depreciation and amortization expense of $170,076 and $163,386, (ii) lease intangible amortization of $5,893 and $11,482 and (iii) amortization for lease incentives of $25,950 and $19,516, respectively.

(2) Includes the following items for the three months ended September 30, 2025 and 2024: (i) net loss of $316 and $438, (ii) interest expense of $2,629 and $0, (iii) depreciation and amortization expense of $9,449 and $56, and (iv) tax benefit of $105 and $0, respectively. Includes the following items for the nine months ended September 30, 2025 and 2024: (i) net loss of $1,048 and $1,799, (ii) interest expense of $4,119 and $0, (iii) depreciation and amortization expense of $13,077 and $252, (iv) acquisition and transaction expenses of $470 and $0, and (v) tax benefit of $105 and $0 respectively.

(3) Excludes the profit elimination of $3,908 and $15,793 for the three and nine months ended September 30, 2025, for sales to the 2025 Partnership.

Revenues

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

Total revenues increased by $201.3 million, driven by the following:

- Aerospace products revenue increased by $155.7 million, primarily due to a $145.7 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a $7.4 million increase in other maintenance service revenues.
- MRE Contract revenue increased by $58.7 million, primarily due to an increase in engine and module sales made to the 2025 Partnership.
- Lease income decreased by $10.4 million, primarily due to a decrease of $8.1 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 $9.0 million driven by the sale of Seed Assets to the 2025 Partnership. This was partially offset by an increase in engine lease revenue of $6.6 million.

Comparison of the nine months ended September 30, 2025 and 2024

Total revenues increased by $609.3 million, driven by the following:

- Aerospace products revenue increased $406.6 million, primarily due to a $382.7 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a $19.3 million increase in other maintenance service revenues.

- MRE Contract revenue increased by $228.9 million, primarily due to an increase in engine and module sales made to the 2025 Partnership.
- Maintenance revenue increased by $18.2 million, primarily due to an increase in aircraft maintenance revenue of $17.7 million driven by higher end-of-lease return compensation and an increase in the recognition of maintenance deposits due to aircraft redelivery, partially offset by a decrease in utilization and number of aircraft on lease.
- Asset sales revenue decreased by $40.7 million, primarily due to change in product mix of assets sold in the current period as compared to the prior period. Specifically, while the number of total assets sold in the current period was higher than prior period, the number of engines sold in the prior period was higher than the current period.

Expenses

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

Total expenses increased by $149.7 million, driven by the following:

- Cost of sales increased by $143.4 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.

Comparison of the nine months ended September 30, 2025 and 2024

Total expenses increased by $126.6 million, driven by the following:

- Cost of sales increased by $412.7 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.
- Internalization fee to affiliate decreased by $300.0 million relating to the Internalization effective May 28, 2024.

Other (expense) income

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

Total other expense increased by $1.4 million driven by the following:

- Gain on sale to the 2025 Partnership increased by $4.6 million, resulting from the sale of 8 aircraft to the 2025 Partnership within the Aviation Leasing Segment.
- Interest expense increased by $2.8 million, reflecting an increase in interest expense of $7.3 million on the 5.875% Senior Notes due 2033, which were issued in October 2024, partially offset by decreases in interest expense in (i) the 9.75% Senior Notes due 2027, which were redeemed in October 2024, of $3.2 million and (ii) the Revolving Credit Facility of $1.5 million, driven by the increase in average debt outstanding of $66.7 million.
- Equity in losses of unconsolidated entities increased by $3.8 million, primarily driven by the profit elimination of $3.9 million for sales to the 2025 Partnership.

Comparison of the nine months ended September 30, 2025 and 2024

Total other expense decreased by $83.8 million driven by the following:

- Other income increased by $60.8 million, primarily due to a $54.3 million insurance settlement and a $5.3 million increase in interest income earned on financing receivables within our Aviation Leasing Segment.
- Gain on sale to the 2025 Partnership increased by $50.1 million, resulting from the sale of 45 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 by $25.9 million, reflecting increases in interest expense in (i) the 7.00% Senior Notes due 2032 of $26.0 million, (ii) the 5.875% Senior Notes due 2033 of $22.0 million, and (iii) the 7.00% Senior Notes due 2031 of $13.8 million. These were partially offset by decreases in interest expense in (i) the 9.75% senior notes due 2027 of $22.0 million, and (ii) the 6.5% senior notes due 2025 of 13.0 million.
- Equity in losses of unconsolidated entities increased by $15.0 million, primarily driven by the profit elimination of $15.8 million for sales to the 2025 Partnership.

Provision for (benefit from) income taxes

The provision for income taxes increased $19.0 million and $87.2 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily driven by the higher income generated in the Aerospace Products segment within taxable jurisdictions for both the three and nine months ended September 30, 2025, and the higher income generated in the Aviation Leasing segment within taxable jurisdictions for the nine months ended September 30, 2025.

Net income (loss)

Net income increased by $31.2 million and $479.3 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased by $65.4 million and $303.7 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily due to the changes noted above.

Aviation Leasing Segment

As of September 30, 2025, in our Aviation Leasing segment, we own and manage 323 aviation assets, consisting of 48 commercial aircraft and 275 engines, including eight aircraft and seventeen engines that were still located in Russia.

As of September 30, 2025, 39 of our commercial aircraft and 167 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 76% utilized during the three months ended September 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 47 months, and our engines currently on-lease have an average remaining lease term of 35 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	—	17	17
Sales	—	(45)	(45)
Transfers	—	(33)	(33)
Assets at September 30, 2025	**5**	**43**	**48**
Engines			
Assets at January 1, 2025	**23**	**289**	**312**
Purchases	—	70	70
Sales	(5)	—	(5)
Transfers	—	(102)	(102)
Assets at September 30, 2025	**18**	**257**	**275**

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Revenues						
Lease income	**$ 55,072**	$ 57,322	$ (2,250)	**$ 185,951**	$ 168,927	$ 17,024
Maintenance revenue	**52,370**	59,917	(7,547)	**175,081**	156,894	18,187
Asset sales revenue	**38,461**	34,953	3,508	**105,315**	145,993	(40,678)
Other revenue [(1)]	**3,292**	74	3,218	**5,827**	199	5,628
Total revenues	**149,195**	152,266	(3,071)	**472,174**	472,013	161
Expenses						
Cost of sales	**34,769**	20,684	14,085	**106,517**	111,542	(5,025)
Operating expenses	**10,146**	9,995	151	**28,661**	26,984	1,677
Acquisition and transaction expenses	**3,571**	2,620	951	**7,053**	7,350	(297)
Depreciation and amortization	**50,226**	52,455	(2,229)	**155,710**	151,211	4,499
Asset impairment	**—**	—	—	**—**	962	(962)
Total expenses	**98,712**	85,754	12,958	**297,941**	298,049	(108)
Other income (expense)						
Equity in losses of unconsolidated entities	**(1,083)**	—	(1,083)	**(2,642)**	(207)	(2,435)
Gain on sale to the 2025 Partnership	**4,609**	—	4,609	**50,083**	—	50,083
Other income	**2,103**	1,982	121	**61,696**	1,440	60,256
Total other income	**5,629**	1,982	3,647	**109,137**	1,233	107,904
Income before income taxes	**56,112**	68,494	(12,382)	**283,370**	175,197	108,173
Provision for income taxes	**14,500**	8,898	5,602	**58,301**	20,224	38,077
Net income attributable to shareholders	**$ 41,612**	$ 59,596	$ (17,984)	**$ 225,069**	$ 154,973	$ 70,096

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[(1)] Includes servicing fees of $3,035 and $5,635 for the three and nine months ended September 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 September 30, 2025	Three Months Ended September 30, 2024	Change	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024	Change
Net income attributable to shareholders	**$ 41,612**	$ 59,596	$ (17,984)	**$ 225,069**	$ 154,973	$ 70,096
Add: Provision for income taxes	**14,500**	8,898	5,602	**58,301**	20,224	38,077
Add: Equity-based compensation expense	**264**	176	88	**703**	409	294
Add: Acquisition and transaction expenses	**3,571**	2,620	951	**7,053**	7,350	(297)
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]	**62,803**	65,133	(2,330)	**187,553**	182,209	5,344
Add: Interest expense and dividends on preferred shares	**—**	—	—	**—**	—	—
Add: Internalization fee to affiliate	**—**	—	—	**—**	—	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [2]	**10,575**	—	10,575	**14,379**	(123)	14,502
Less: Equity in losses of unconsolidated entities	**1,083**	—	1,083	**2,642**	207	2,435
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	**—**	—	—
Adjusted EBITDA (non-GAAP)	**$ 134,408**	$ 136,423	$ (2,015)	**$ 495,700**	$ 366,211	$ 129,489

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[1] Includes the following items for the three months ended September 30, 2025 and 2024: (i) depreciation expense of $50,226 and $52,455, (ii) lease intangible amortization of $534 and $3,720 and (iii) amortization for lease incentives of $12,043 and $8,958, respectively. Includes the following items for the nine months ended September 30, 2025 and 2024: (i) depreciation expense of $155,710 and $151,211, (ii) lease intangible amortization of $5,893 and $11,482 and (iii) amortization for lease incentives of $25,950 and $19,516, respectively.

[2] Includes the following items for the three months ended September 30, 2025 and 2024: (i) net loss of $1,083 and $0, (ii) interest expense of $2,629 and $0, and (iii) depreciation and amortization of $9,029 and $0, respectively. Includes the following items for the nine months ended September 30, 2025 and 2024: (i) net loss of $2,642 and $207, (ii) interest expense of $4,119 and $0, (iii) depreciation and amortization of $12,432 and $84 and (iv) acquisition and transaction expenses of $470 and $0, respectively.

Revenues

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

Total revenue decreased by $3.1 million, driven by the following:

- Maintenance revenue decreased by $7.5 million, primarily due to a decrease in aircraft maintenance revenue of $7.0 million, driven by the sale of Seed Assets to the 2025 Partnership, as well as a decrease in utilization.
- Lease income decreased by $2.3 million due to a decrease in aircraft lease revenue of $9.0 million, driven by the sale of Seed Assets to the 2025 Partnership, partially offset by an increase in engine lease revenue of $6.6 million.
- Asset sales revenue increased by $3.5 million, primarily due to an overall increase in the number of sales transactions of commercial aircraft and engines in the current period as compared to the prior period.
- Other revenue increased by $3.2 million as a result of servicing fees earned in our capacity as the Servicer to the 2025 Partnership.

Comparison of the nine months ended September 30, 2025 and 2024

Total revenue increased $0.2 million, driven by the following:

- Maintenance revenue increased by $18.2 million, primarily due to an increase in aircraft maintenance revenue of $17.7 million driven by higher end-of-lease return compensation and an increase in the recognition of maintenance deposits due to aircraft redelivery, partially offset by the sale of Seed Assets to the 2025 Partnership, as well as a decrease in utilization.
- Lease income increased by $17.0 million, primarily due to an increase in engine lease revenue of $16.9 million, driven by an increased number of engines on lease in addition to higher rental rates.

- Other revenue increased by $5.6 million as a result of servicing fees earned in our capacity as the Servicer to the 2025 Partnership.
- Asset sales revenue decreased by $40.7 million, primarily due to change in product mix of assets sold in the current period as compared to the prior period. Specifically, while the number of total assets sold in the current period was higher than prior period, the number of engines sold in the prior period was higher than the current period.

Expenses

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

Total expenses increased by $13.0 million, driven by the following:

- Cost of sales increased by $14.1 million, primarily due to an increase in asset sales as compared to the prior period.
- Depreciation and amortization expense decreased by $2.2 million, primarily driven by the sale of Seed Assets to the 2025 Partnership.

Comparison of the nine months ended September 30, 2025 and 2024

Total expenses decreased by $0.1 million, driven by the following:

- Cost of sales decreased by $5.0 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 $4.5 million, primarily driven by a higher average book value of engines on lease, partially offset by the sale of Seed Assets to the 2025 Partnership during the period.

Other income (expense)

Total other income increased by $3.6 million and $107.9 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily due to (i) gains on sale to the 2025 Partnership of $4.6 million and $50.1 million, respectively, (ii) a $0.8 million and $5.3 million increase in interest income earned on financing receivables during 2025, respectively, and (iii) an insurance settlement of $54.3 million in the nine months ended September 30, 2025.

Provision for income taxes

The provision for income taxes increased by $5.6 million and $38.1 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily due to the respective changes in income discussed above from leasing activities in jurisdictions subject to taxes.

Net income

Net income decreased by $18.0 million and increased by $70.1 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA decreased by $2.0 million and increased by $129.5 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, 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.

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” in our “Notes to Consolidated Financial Statements” for additional information.

We entered into an agreement within our MRE business to supply replacement aircraft engines and modules for the life of the 2025 Partnership.

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:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Revenues						
Aerospace products revenue	**$ 459,206**	$ 303,469	$ 155,737	**$ 1,144,317**	$ 737,726	$ 406,591
MRE Contract revenue	**58,663**	—	58,663	**228,886**	—	228,886
Total revenues	**517,869**	303,469	214,400	**1,373,203**	737,726	635,477
Expenses						
Cost of sales	**328,153**	198,812	129,341	**874,377**	456,615	417,762
Operating expenses	**10,545**	2,617	7,928	**25,221**	16,510	8,711
Acquisition and transaction expenses	**599**	2,100	(1,501)	**3,145**	2,871	274
Depreciation and amortization	**3,930**	1,306	2,624	**11,218**	3,177	8,041
Total expenses	**343,227**	204,835	138,392	**913,961**	479,173	434,788
Other income (expense)						
Equity in earnings (losses) of unconsolidated entities	**767**	(438)	1,205	**1,594**	(1,592)	3,186
Total other income (expense)	**767**	(438)	1,205	**1,594**	(1,592)	3,186
Income before income taxes	**175,409**	98,196	77,213	**460,836**	256,961	203,875
Provision for income taxes	**26,815**	4,408	22,407	**72,017**	11,865	60,152
Net income attributable to shareholders	**$ 148,594**	$ 93,788	$ 54,806	**$ 388,819**	$ 245,096	$ 143,723

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

(in thousands)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Change	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024	Change
Net income attributable to shareholders	**$ 148,594**	$ 93,788	$ 54,806	**$ 388,819**	$ 245,096	$ 143,723
Add: Provision for income taxes	**26,815**	4,408	22,407	**72,017**	11,865	60,152
Add: Equity-based compensation expense	**168**	156	12	**491**	154	337
Add: Acquisition and transaction expenses	**599**	2,100	(1,501)	**3,145**	2,871	274
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	**3,930**	1,306	2,624	**11,218**	3,177	8,041
Add: Interest expense and dividends on preferred shares	**—**	—	—	**—**	—	—
Add: Internalization fee to affiliate	**—**	—	—	**—**	—	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [(1)]	**1,082**	(382)	1,464	**2,134**	(1,424)	3,558
Less: Equity in (earnings) losses of unconsolidated entities	**(767)**	438	(1,205)	**(1,594)**	1,592	(3,186)
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	**—**	—	—
Adjusted EBITDA (non-GAAP)	**$ 180,421**	$ 101,814	$ 78,607	**$ 476,230**	$ 263,331	$ 212,899

[(1)] Includes the following items for the three months ended September 30, 2025 and 2024: (i) net income of $767 and net loss of $438, (ii) depreciation and amortization expense of $420 and $56, and (iii) tax benefit of $105 and $0, respectively. Includes the following items for the nine months ended September 30, 2025 and 2024: (i) net income of $1,594 and net loss of $1,592, (ii) depreciation and amortization expense of $645 and $168, and (iii) tax benefit of $105 and $0, respectively.

Revenues

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

Total revenues increased by $214.4 million, due to the following:

- Aerospace Products revenue increased by $155.7 million, primarily due to a $145.7 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a $7.4 million increase in other maintenance service revenues.
- MRE Contract revenue increased by $58.7 million, primarily due to an increase in engine and module sales made to the 2025 Partnership.

Comparison of the nine months ended September 30, 2025 and 2024

Total revenues increased by $635.5 million, due to the following:

- Aerospace Products revenue increased by $406.6 million, primarily due to a $382.7 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a $19.3 million increase in other maintenance service revenues.
- MRE Contract revenue increased by $228.9 million, primarily due to an increase in engine and module sales made to the 2025 Partnership.

Expenses

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

Total expenses increased by $138.4 million, due to the following:

- Cost of sales increased by $129.3 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.
- Operating expenses increased by $7.9 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 nine months ended September 30, 2025 and 2024

Total expenses increased by $434.8 million, due to the following:

- Cost of sales increased by $417.8 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 $8.7 million, primarily due to higher compensation and benefits expense due to the acquisition of LMCES.
- Depreciation and amortization increased by $8.0 million due to the acquisition of LMCES in the third quarter of 2024.

Provision for income taxes

The provision for income taxes increased by $22.4 million and $60.2 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily due to the increase in income discussed above from Aerospace Products activities in jurisdictions subject to taxes.

Net income

Net income increased $54.8 million and $143.7 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased $78.6 million and $212.9 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily due to the changes noted above.

Corporate and Other

The following table presents our results of operations:

(in thousands)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Change	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024	Change
Revenues						
Lease income	**$ —**	$ 8,128	$ (8,128)	**$ —**	$ 20,438	$ (20,438)
Other revenue	**—**	1,931	$ (1,931)	**4**	5,905	$ (5,901)
Total revenues	**—**	10,059	(10,059)	**4**	26,343	(26,339)
Expenses						
Operating expenses	**18,401**	14,246	4,155	**51,976**	37,780	14,196
General and administrative	**1,829**	4,045	(2,216)	**7,387**	10,697	(3,310)
Acquisition and transaction expenses	**2,896**	4,621	(1,725)	**8,649**	13,318	(4,669)
Management fees and incentive allocation to affiliate	**—**	—	—	**—**	8,449	(8,449)
Internalization fee to affiliate	**—**	—	—	**—**	300,000	(300,000)
Depreciation and amortization	**1,122**	3,014	(1,892)	**3,148**	8,998	(5,850)
Total expenses	**24,248**	25,926	(1,678)	**71,160**	379,242	(308,082)
Other income (expense)						
Interest expense	**(60,784)**	(57,937)	(2,847)	**(186,789)**	(160,840)	(25,949)
Loss on extinguishment of debt	**—**	—	—	**—**	(13,920)	13,920
Other income	**1,467**	927	540	**2,101**	1,605	496
Total other expense	**(59,317)**	(57,010)	(2,307)	**(184,688)**	(173,155)	(11,533)
Loss before income taxes	**(83,565)**	(72,877)	(10,688)	**(255,844)**	(526,054)	270,210
Benefit from income taxes	**(14,985)**	(5,975)	(9,010)	**(43,251)**	(32,219)	(11,032)
Net loss	**(68,580)**	(66,902)	(1,678)	**(212,593)**	(493,835)	281,242
Less: Dividends on preferred shares	**3,709**	8,335	(4,626)	**13,533**	25,005	(11,472)
Less: Loss on redemption of preferred shares	**—**	—	—	**6,327**	—	6,327
Net loss attributable to shareholders	**$ (72,289)**	$ (75,237)	$ 2,948	**$ (232,453)**	$ (518,840)	$ 286,387

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

(in thousands)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Change	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024	Change
Net loss attributable to shareholders	**$ (72,289)**	$ (75,237)	$ 2,948	**$ (232,453)**	$ (518,840)	$ 286,387
Add: Benefit from income taxes	**(14,985)**	(5,975)	(9,010)	**(43,251)**	(32,219)	(11,032)
Add: Equity-based compensation expense	**5,223**	1,098	4,125	**14,865**	2,015	12,850
Add: Acquisition and transaction expenses	**2,896**	4,621	(1,725)	**8,649**	13,318	(4,669)
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	**—**	—	—	**6,327**	13,920	(7,593)
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	—	—
Add: Asset impairment charges	**—**	—	—	**—**	—	—
Add: Incentive allocations	**—**	—	—	**—**	7,456	(7,456)
Add: Depreciation and amortization expense	**1,122**	3,014	(1,892)	**3,148**	8,998	(5,850)
Add: Interest expense and dividends on preferred shares	**64,493**	66,272	(1,779)	**200,322**	185,845	14,477
Add: Internalization fee to affiliate	**—**	—	—	**—**	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)	**$ (13,540)**	$ (6,207)	$ (7,333)	**$ (42,393)**	$ (19,507)	$ (22,886)

Revenues

Total revenues decreased $10.1 million and $26.3 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior period, 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 September 30, 2025 and 2024

Total expenses decreased by $1.7 million, due to the following:

- Acquisition and transaction expense decreased $1.7 million, primarily due to lower professional fees associated with the Internalization.
- Depreciation and amortization decreased by $1.9 million, due to the sale of the two vessels within the Offshore Energy business during the fourth quarter of 2024.
- General and administrative decreased by $2.2 million, primarily due higher expenses in the comparative period related to the Internalization effective May 28, 2024.
- Operating expenses increased $4.2 million, primarily due to higher compensation and benefits expense due to an increase in employee headcount and increased overall compensation.

Comparison of the nine months ended September 30, 2025 and 2024

Total expenses decreased by $308.1 million, primarily due to the Internalization effective May 28, 2024, which resulted in an internalization fee to affiliate of $300.0 million in the comparative period.

Other income (expense)

Total other expense increased by $2.3 million for the three months ended September 30, 2025, as compared to the prior period, due to the following:

- Interest expense increased by $2.8 million, reflecting an increase in interest expense of $7.3 million on the 5.875% Senior Notes due 2033, which were issued in October 2024, partially offset by decreases in interest expense in (i) the 9.75% Senior Notes due 2027, which were redeemed in October 2024, of $3.2 million and (ii) the Revolving Credit Facility of $1.5 million, driven by the decrease in average debt outstanding of $66.7 million.

Total other expense increased by $11.5 million for the nine months ended September 30, 2025, as compared to the prior period, due to the following:

- Interest expense increased by $25.9 million, reflecting increases in interest expense in (i) the 7.00% Senior Notes due 2032 of $26.0 million, (ii) the 5.875% Senior Notes due 2033 of $22.0 million, and (iii) the 7.00% Senior Notes due 2031 of $13.8 million. These were partially offset by decreases in interest expense in (i) the 9.75% senior notes due 2027 of $22.0 million, and (ii) the 6.5% senior notes due 2025 of $13.0 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 increased by $9.0 million and $11.0 million for the three and nine months ended September 30, 2025, as compared to the prior period. The increase was mainly driven by higher corporate overhead expenses deductible for 2025 tax purposes.

Net loss

Net loss increased by $1.7 million and decreased by $281.2 million during the three and nine months ended September 30, 2025, respectively, as compared to the prior period, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA decreased by $7.3 million and $22.9 million during the three and nine months ended September 30, 2025, respectively, as compared to the prior period, 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, focuses on acquiring 737NG and A320ceo aircraft. The Strategic Capital Initiative, and its related partnerships, allows 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 $757.4 million and $1.0 billion during the nine months ended September 30, 2025 and 2024, respectively.
- Distributions to shareholders, including cash dividends, were $105.8 million and $115.8 million during the nine months ended September 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 $89.8 million and $108.7 million during the nine months ended September 30, 2025 and 2024, respectively.
- During the nine months ended September 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 nine months ended September 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 $590.0 million and total principal repayments were made of (i) $650.0 million related to the Senior Notes due 2025, (ii) $440.0 million relating to the Revolving Credit Facility and (iii) $269.5 million related to the Senior Notes due 2027.
- Proceeds from the sale of assets were $1,375.5 million and $542.9 million during the nine months ended September 30, 2025 and 2024, respectively.

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 nine months ended September 30, 2025 and 2024

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

	Nine Months Ended September 30,	
(in thousands)	**2025**	**2024**
Cash Flow Data:		
Net cash used in operating activities	**$ (131,666)**	$ (146,153)
Net cash provided by (used in) investing activities	**722,668**	(442,731)
Net cash (used in) provided by financing activities	**(196,173)**	610,016

Net cash used in operating activities decreased $14.5 million, primarily reflecting an increase in our Net income of $479.3 million and certain adjustments to reconcile net income to cash used in operating activities, including an:

- increase in Deferred income taxes of $80.0 million; partially offset by
- decrease in Changes in net working capital of $249.9 million,
- decrease in Non-cash termination fee to affiliate of $150.0 million,
- increase in Gain on insurance recoveries of $54.3 million,
- increase in Gain on sale of assets of $50.4 million,
- increase in Gain on sale of assets to the 2025 Partnership of $50.1 million.

Net cash provided by investing activities increased $1.2 billion, primarily due to an:

- increase in Proceeds from the sale of assets to the 2025 partnership of $485.1 million,
- increase in Proceeds from the sale of assets of $347.5 million,
- decrease in Acquisition of leasing equipment of $132.6 million,
- decrease in Acquisition of business, net of cash acquired of $106.5 million,
- decrease in Deposits for acquisition of leasing equipment of $104.1 million; partially offset by
- increase in Investment in unconsolidated entities of $188.7 million.

Net cash used in financing activities increased $806.2 million, primarily due to a:

- decrease in Proceeds from debt of $1.6 billion, and
- increase in Redemption of preferred shares of $124.2 million; partially offset by
- decrease in Repayment of debt of $937.3 million.

Contractual Obligations

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

Debt Obligations—As of September 30, 2025, we had outstanding principal and interest payment obligations of $3.5 billion and $1.2 billion, respectively, of which only interest payments of $228.8 million are due in the next twelve months. Refer to Note 7, “Debt” in our “Notes to Consolidated Financial Statements” for additional information about our debt obligations.

Lease Obligations—As of September 30, 2025, we had outstanding operating and finance lease obligations of $41.0 million, of which $4.4 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 $123.1 million and $21.3 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, “Summary of Significant Accounting Policies” in our “Notes to 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 September 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 September 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. 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*. 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 in-creases 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 certain provisions of the One Big Beautiful Bill Act, Pub. L. No. 119-21 (the "OBBA") may provide to us a current cash tax benefit, we currently do not otherwise expect the enactment of the OBBA, nor the recent tariff policies of the U.S. federal government, to have a material impact on our financial statements. The ultimate effects of the OBBA and these tariff 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 Shore 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 September 30, 2025, rights relating to 5,741,097 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 5.50% senior unsecured notes due 2028. (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. (incorporated in Exhibit 10.13 of the Company's Quarterly Report on Form 10-Q, filed on July 31, 2025).
*#	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 September 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)

† *Management contracts and compensatory plans or arrangements.*

* *Certain schedules or similar attachments to this exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K.*

\# *Certain portions of this exhibit have been omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K.*

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:	October 29, 2025
By:	/s/ Eun (Angela) Nam Eun (Angela) Nam Chief Financial Officer and Chief Accounting Officer	Date:	October 29, 2025