

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

FORM 10-K

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from ____ to ____

Commission file number **001-37386**



FTAI AVIATION LTD.

(Exact name of registrant as specified in its charter)

Cayman Islands

98-1420784

(State or other jurisdiction of incorporation or organization)

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

405 West 13th Street, 3rd Floor

New York

NY

10014

(Address of principal executive offices)

(Zip Code)

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

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

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

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting ordinary equity of FTAI Aviation Ltd. held by non-affiliates as of the close of business as of June 30, 2025 was approximately \$11.7 billion.

There were 102,573,283 ordinary shares outstanding at February 25, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the registrant's 2026 annual meeting, to be filed within 120 days after the close of the registrant's fiscal year, are incorporated by reference into Part III of this Annual Report on Form 10-K.

**FTAI AVIATION LTD.
INDEX TO FORM 10-K**

PART I

	Forward-Looking Statements	4
Item 1.	Business	5
Item 1A.	Risk Factors	8
Item 1B.	Unresolved Staff Comments	24
Item 1C.	Cybersecurity	24
Item 2.	Properties	24
Item 3.	Legal Proceedings	24
Item 4.	Mine Safety Disclosures	24

PART II

Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	25
Item 6.	[Reserved]	27
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	27
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	46
Item 8.	Consolidated Financial Statements of FTAI Aviation Ltd.:	47
	Reports of Independent Registered Public Accounting Firms	48
	Consolidated Balance Sheets as of December 31, 2025 and 2024	51
	Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023	52
	Consolidated Statements of Comprehensive Income for the years ended December 31, 2025, 2024 and 2023	53
	Consolidated Statement of Changes in Equity for the years ended December 31, 2025, 2024 and 2023	54
	Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023	55
	Notes to Consolidated Financial Statements	57
	Note 1: Organization	57
	Note 2: Summary of Significant Accounting Policies	57
	Note 3: Acquisition of Lockheed Martin Commercial Engine Solutions	65
	Note 4: Acquisition of QuickTurn	67
	Note 5: Leasing Equipment, net	68
	Note 6: Investments	68
	Note 7: Intangible Assets and Liabilities, net	69
	Note 8: Debt, net	71
	Note 9: Fair Value Measurements	72
	Note 10: Equity-Based Compensation	80
	Note 11: Income Taxes	75
	Note 12: Affiliate Transactions	79
	Note 13: Segment Information	81
	Note 14: Earnings per Share and Equity	87
	Note 15: Commitments and Contingencies	87
	Note 16: Restructuring Charges	88
	Note 17: Subsequent Events	88
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	89
Item 9A.	Controls and Procedures	89
Item 9B.	Other Information	90
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	90

PART III

Item 10.	Directors, Executive Officers and Corporate Governance	90
Item 11.	Executive Compensation	90
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	90
Item 13.	Certain Relationships and Related Transactions, and Director Independence	90
Item 14.	Principal Accountant Fees and Services	90

PART IV

Item 16.	Form 10-K Summary	93
	Signatures	93

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 I, 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;
- risks involving our Strategic Capital Initiative
- 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's entry 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.

PART I

Item 1. Business

Our Company

FTAI Aviation Ltd. (Nasdaq: FTAI) is a Cayman Islands exempted company. Except as otherwise specified, "we", "us", "our", "FTAI", "FTAI Aviation" or "the Company" refer to us and our consolidated subsidiaries.

We are a leading independent engine maintenance platform focused on the CFM56-5B, CFM56-7B and V2500 aircraft engines which power the 737NG and A320ceo aircraft. We repair and rebuild engines in our maintenance facilities and with our joint venture partners, and sell or lease the engines to airlines and asset owners around the world. Our primary business model is to sell or lease engines via exchange through our proprietary Maintenance, Repair and Exchange ("MRE") model which is reported under our Aerospace Products segment.

We also own and manage a portfolio of on- and off-lease aircraft and engines through our Aviation Leasing segment. While historically these investment activities have been primarily held on balance sheet, at the end of 2024, we launched our Strategic Capital Initiative, which consists of an asset management business that manages third-party capital to invest in on-lease aircraft and engines. We expect our primary investment activities to be through our Strategic Capital Initiative going forward.

As of December 31, 2025, we had total consolidated assets of \$4.4 billion and total equity of \$334.2 million.

Our Strategy

In general, we seek to own a diverse mix of high-quality aviation assets and equipment that generate predictable cash flows through their use in our maintenance platform or through leasing activities. We believe that by investing in a diverse mix of assets, we can select from among the best risk-adjusted investment opportunities.

Our management has significant prior experience, as well as a network of industry relationships, that we believe positions us well to make successful acquisitions and to actively manage and improve operations and cash flows of our existing and newly acquired assets. These relationships include senior executives at lessors and operators, end users of aviation assets, as well as banks, lenders and other asset owners.

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. In connection with the termination of the Management Agreement, the Company (i) paid the Former Manager (for itself and on behalf of the Master GP, as applicable) \$150.0 million (the "Cash Consideration"), the compensation accrued and payable, but not yet paid, under the Management Agreement, and the expenses that were reimbursable, but not yet reimbursed, under the Management Agreement; (ii) issued to the Former Manager (for itself and on behalf of the Master GP, as applicable) 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.

Please refer to Note 12 of our consolidated financial statements included in Part II, Item 8 in this Annual Report on Form 10-K for further details regarding our Affiliate Transactions.

Our Portfolio

We own and acquire high quality aviation equipment that is essential for the transportation of goods and people globally. We currently invest across two market sectors: aerospace products and aviation leasing. We target assets that, on a combined basis, generate strong and stable cash flows with the potential for earnings growth and asset appreciation.

Aerospace Products

The Aerospace Products segment, through our maintenance facilities and joint ventures, among other investments, develops and manufactures, repairs/refurbishes and sells aircraft engines and aftermarket components primarily for the CFM56-7B, CFM56-5B 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 CFM56-7B and CFM56-5B engines. In addition, other serviceable used modules and parts are sold through our exclusive partnership, who is responsible for the teardown, repair, marketing and sales of parts from our CFM56 engine pool. We also hold a 25% interest in the Advanced Engine Repair JV which focuses on developing new cost savings programs for engine repairs. On December 30, 2025, the Company announced the launch of FTAI Power, a platform focused on converting CFM56 engines to power turbines.

Aviation Leasing

As of December 31, 2025, in our Aviation Leasing segment, we own and manage 290 aviation assets, consisting of 47 commercial aircraft and 243 engines, including eight aircraft and seventeen engines that were still located in Russia.

As of December 31, 2025, 37 of our commercial aircraft and 143 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 77% utilized during the three months ended December 31, 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 44 months, and our engines currently on-lease have an average remaining lease term of 38 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
<i>Aircraft</i>			
Assets at January 1, 2025	5	104	109
Purchases	—	28	28
Sales	—	(47)	(47)
Transfers	—	(43)	(43)
Assets at December 31, 2025	5	42	47
<i>Engines</i>			
Assets at January 1, 2025	23	289	312
Purchases	—	113	113
Sales	(5)	(216)	(221)
Transfers	—	39	39
Assets at December 31, 2025	18	225	243

On December 30, 2024, we announced the launch of a Strategic Capital Initiative in collaboration with third-party institutional investors. The Strategic Capital Initiative, and its related partnerships, allows us to maintain an asset-light business model while the partnerships actively acquire on-lease narrowbody aircraft at scale. The first partnership under the initiative (the "2025 Partnership") focuses on acquiring 737NG and A320ceo aircraft. The 2025 Partnership completed its fundraise in October 2025 with \$2.0 billion of equity commitments.

The 2025 Partnership, and follow-on partnerships, is the primary buyer of all future on-lease 737NG and A320ceo aircraft. In addition, the 2025 Partnership agreed to acquire 45 on-lease narrowbody aircraft from us for an estimated net purchase price of \$549 million and signed an agreement through which our Maintenance, Repair and Exchange ("MRE") business exclusively provides replacement aircraft engines and modules for the life of the partnership. We provide aircraft management services to the 2025 Partnership, and the Company receives customary, market-based compensation for providing such services. 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.

Asset Management

The Company actively manages and monitors our portfolios of assets on an ongoing basis. Our Company frequently reviews the status of all of our assets, and in the case that any are returning from lease or undergoing repair, outlines our options, which may include the re-lease or sale of that asset. Our Company plays a central role in developing and executing operational, finance and business development strategies. On a periodic basis, our Company discusses the status of our acquired assets with our board of directors.

We maintain relationships with operators worldwide and, through these relationships, hold direct conversations as to leasing needs and opportunities.

While we expect to hold our assets for extended periods of time, we continually review our assets to assess whether we should sell or otherwise monetize them. Aspects that will factor into this process include relevant market conditions, the asset's age, lease profile, relative concentration or remaining expected useful life.

Credit Process

We monitor the credit quality of our customers and lessees on an ongoing basis. This monitoring includes interacting with our customers and lessees regularly to monitor collections, review periodic financial statements and discuss their operating performance. Most of our lease agreements are written with conditions that require reporting on the part of our lessees, and we actively reach out to our lessees to maintain contact and monitor their liquidity positions. Furthermore, many of our leases and contractual arrangements include credit enhancement elements that provide us with additional collateral or credit support to strengthen our credit position.

We are subject to concentrations of credit risk with respect to amounts due from customers and lessees. We attempt to limit credit risk by performing ongoing credit evaluations. See "Customers and Lessees."

Customers and Lessees

Our customers and lessees primarily consist of global operators of transportation networks and global industrial companies, including airlines. We maintain ongoing relationships and discussions with our customers and lessees and seek to have consistent dialogue. In addition to helping us monitor the needs and quality of our customers and lessees, we believe these relationships help source additional opportunities and gain insight into attractive opportunities in the aviation sector. A substantial portion of our revenue has historically been derived from a small number of customers and lessees. As of and for the year ended December 31, 2025, there was one customer representing 23% of total accounts receivable, net, and we earned 13% and 10% of total revenue from two customers in the Aerospace Products segment. We derive a significant percentage of our revenue within specific sectors from a limited number of customers and lessees. However, we do not think that we are dependent upon any particular customer or lessee, or that the loss of one or more of them would have a material adverse effect on our business or the relevant segment, because of our ability to re-lease or resell assets at similar terms following the loss of any such lessee or customer. See "Risk Factors-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."

Competition

The business of acquiring, managing and marketing aviation assets is highly competitive. Market competition for acquisition opportunities includes traditional aviation 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.

Additionally, the markets for our products and services are competitive, and we face competition from a number of sources. These competitors include engine and aircraft parts manufacturers, aircraft and aircraft engine lessors, airline and aircraft services and repair companies, and aircraft spare parts distributors.

Governmental Regulations

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. 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 or natural resource 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 current or historical operations. 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 aviation industry, including as a result of executive actions or policies, 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.

Sustainability

As part of our strategy, we are focused on supporting the transition to a low-carbon economy and aim to provide sustainable aviation solutions by leveraging our Company's expertise and business and financing relationships, as well as our access to capital. Certain of our current sustainability solutions and investments are highlighted below, and we expect to continue to explore additional sustainability-related opportunities.

Human Capital Management

We had 985 full-time employees and independent contractors as of December 31, 2025. Approximately 71% of our 494 full-time employees in Canada are covered by collective bargaining agreements. We have not encountered any significant union-related work stoppages and maintain satisfactory relationships with our employees and labor unions. We value our relationship with our employees and place significant emphasis on employee engagement. We have invested substantial time and resources in building our team. Our human capital management objectives include identifying, recruiting, retaining, incentivizing and integrating both existing and new employees. To attract and retain talent, we strive to create an inclusive and safe workplace, offering opportunities for career growth and development, supported by strong compensation and benefits programs.

Insurance

Our leases generally require that our lessees carry physical damage and liability insurance providing primary insurance coverage for loss and damage to our assets as well as for related cargo and third parties while the assets are on lease. In addition, in certain cases, we maintain contingent liability coverage for any claims or losses on our assets while they are on lease or otherwise in the possession of a third-party. Finally, we procure insurance for our assets when they are not on lease or are otherwise under our control.

Conflicts of Interest

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. See "Risks Related to Our Business-Our Strategic Capital Initiative involves certain risks which could adversely affect our business, prospects, financial condition, results of operations and cash flows."

Where Readers Can Find Additional Information

FTAI Aviation Ltd. is a Cayman Islands exempted company. Our principal executive offices are located at 405 West 13th Street, 3rd Floor, New York, New York 10014. FTAI Aviation Ltd. files annual, quarterly and current reports, proxy statements and other information required by the Exchange Act, with the SEC. Our SEC filings are available to the public from the SEC's internet site at <http://www.sec.gov>.

Our internet site is <http://www.ftaiaaviation.com>. We will make available free of charge through our internet site our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and Forms 3, 4 and 5 filed on behalf of directors and executive officers and any amendments to those reports filed or furnished pursuant to the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Also posted on our website in the "Investor Center - Corporate Governance" section are charters for our Audit Committee, Compensation Committee, Nominating Committee, as well as our Corporate Governance Guidelines, Code of Ethics for our officers, and our Code of Business Conduct and Ethics governing our directors, officers and employees. Investors and others should note that we use our website to communicate with our investors and the public about the Company, and from time to time we may announce material information through our website. Therefore, we encourage investors, the media and others interested in the Company to monitor and review the information we make available on our website. Information on, or accessible through, our website is not a part of, and is not incorporated into, this report.

Item 1A. Risk Factors

You should carefully consider the following risks and other information in this Form 10-K 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"), Transport Canada, and European Union Aviation Safety Agency, 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 CFM-56-5B, 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 CFM-56-5B, 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 December 31, 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, is the primary buyer of all future 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 capital commitment and will make additional commitments 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 servicing fees and profit participation distributions, 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, is the primary buyer of all future 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 capital commitment and will make additional commitments 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 will receive servicing fees and profit participation distributions 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 effect on our results of operations and cash flows.

- *Regulatory Risk.* Tariffs, sanctions and other restrictions imposed by the U.S. government, and the potential for further regulatory changes, may create regulatory uncertainty and adversely affect the investment strategies and the profitability of the 2025 Partnership and future partnerships. In addition, changes in laws or regulations could affect our ability to continue to execute on our Strategic Capital Initiative in a manner that does not require us or any of our subsidiaries to register as an investment company under the Investment Company Act or as an investment adviser under the Investment Advisers Act.
- *Diligence Risk.* The due diligence process that our Strategic Capital Initiative undertakes in connection with its investments may not reveal all facts that may be relevant in connection with making an investment.
- *Hedging and Risk Management.* Risk management activities may materially adversely affect the return on our Strategic Capital Initiative's investments. When managing our Strategic Capital Initiative's exposure to market risks, we expect to use hedging strategies, and if our risk management processes and systems are ineffective, we may be exposed to material unanticipated losses.

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

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

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

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

Our business is affected by the availability and price of the component parts that we use to maintain or repair our engines or for our partners to manufacture products. Our ability to manage inventory and meet delivery requirements may be constrained by our suppliers' ability to adjust delivery of long-lead time products during times of volatile demand. The supply chains for our business could also be disrupted by external events such as natural disasters, extreme weather events, pandemics, labor disputes, governmental actions such as tariffs and legislative or regulatory changes. As a result, our suppliers may fail to perform according to specifications when required and we may be unable to identify alternate suppliers or to otherwise mitigate the consequences of their non-performance.

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

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

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

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

failed to achieve previously announced initiatives or goals or to accurately disclose our progress on such initiatives or goals, our reputation, business, financial condition and results of operations could be adversely impacted.

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

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

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

Our customers and lessees operate in highly regulated industries such as aviation. A number of our contractual arrangements - for example, our leasing of 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.

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, 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 government policies and 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, and increased adoption of artificial intelligence could heighten these risks.

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.

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”). Based on our analysis, the Company was not a PFIC for the taxable years ended December 31, 2024 and December 31, 2025, and do not currently expect it to be a PFIC thereafter, however, 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.

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 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.

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"), together with other countries comprising the membership of the "Inclusive Framework," established "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 has been subject to 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.

Risks Related to Our Shares

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

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

- a shift in our investor base;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our ordinary shares;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- prevailing interest rates or rates of return being paid by other comparable companies and the market for securities similar to our preferred shares;

- additional issuances of preferred shares;
- whether we declare distributions on our preferred shares;
- overall market fluctuations;
- general economic conditions; and
- developments in the markets and market sectors in which we participate.

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

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

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

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

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

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

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

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

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

Our board of directors has adopted the FTAI Aviation Ltd. 2025 Omnibus Incentive Plan (the "Incentive Plan"), which provides for the grant of equity-based awards, including restricted shares, stock options, stock appreciation rights, performance awards, restricted share units, and other equity-based and non-equity based awards, to the directors, officers, employees, service providers, consultants and advisors who performed services for us, and to our directors, officers, employees, service providers, consultants and advisors. We initially reserved 5,750,000 ordinary shares for issuance under the Incentive Plan. As of December 31, 2025, rights relating to 5,738,844 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 1B. Unresolved Staff Comments

We have no unresolved staff comments.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company's cybersecurity is overseen by the Chief Executive Officer, who receives reports directly from other officers and individuals who perform services for the Company, including, but not limited to, the Information Security Steering Committee ("ISSC"), employing a risk-based methodology designed to safeguard the security, confidentiality, integrity, and availability of its information. The ISSC is tasked with developing an effective cyber strategy, establishing policies, and managing cyber risks within the organization. The Chief Financial Officer and General Counsel, along with the SVP of Technology and virtual Chief Information Security Officer ("vCISO"), collaborate with officers and individuals at the Company to formulate, implement, and enforce these policies. They help ensure that the ISSC considers best practices in its decision-making, and convenes quarterly or as needed to assess cybersecurity issues and supervise matters related to information security, fraud, vendors, data protection, and privacy risks. The SVP of Technology and vCISO have extensive relevant knowledge and skills, and collectively bring decades of experience in the cybersecurity industry.

To help identify and assess risks, we engage third-party advisors, leveraging standards such as the National Institute of Standards and Technology security framework ("NIST"). The results of these assessments inform the development of cybersecurity controls and risk mitigation strategies, which are then implemented throughout the Company.

We have taken proactive measures intended to minimize the likelihood of successful cyberattacks, including the establishment of incident response procedures designed to address potential cyber threats that may arise. These response procedures are structured with the aim to identify, analyze, contain, and remediate any cyber incidents that occur. We also have risk management processes to oversee and help identify risks from cybersecurity threats associated with our use of third-party providers.

To date, cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected and we believe are not reasonably likely to affect the Company, including its business strategy, results of operations or financial condition. Refer to the risk factor captioned "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." in Part I, Item 1A. "Risk Factors" for additional description of cybersecurity risks and potential related impacts on the Company.

Governance

Material risks are identified and prioritized by management, and material risks are discussed periodically or as needed with the Board of Directors. The Board of Directors regularly reviews information regarding the Company's credit, liquidity and operations, including risks and contingencies associated with each area, including cybersecurity. In addition to the formal compliance program, the Board of Directors encourages management to promote a corporate culture that incorporates risk management into the Company's corporate strategy and day-to-day business operations.

Item 2. Properties

We lease space for our offices in New York, Florida, Dubai, Ireland, Singapore and Wales, respectively, and we own and/or lease maintenance facilities in Florida, California, Canada, and Portugal for our Aerospace Products business. We believe that our office facilities and properties are suitable and adequate for our business as it is contemplated to be conducted.

Item 3. 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 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our ordinary shares are listed on The Nasdaq Global Select Market under the ticker symbol "FTAI". As of February 25, 2026, there were approximately 5 record holders of our ordinary shares. This figure does not reflect the beneficial ownership of shares held in nominee name.

Although we currently intend to continue to pay regular quarterly dividends to holders of our ordinary shares, we may change our dividend policy at any time and no assurances can be given that any future dividends will be paid or, if paid, as to the amounts or timing. The declaration and payment of dividends to holders of our ordinary shares will be 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. In addition, our existing indebtedness does, and our future indebtedness may, limit our ability to pay dividends on our ordinary and preferred shares.

On February 24, 2026, our Board of Directors declared a cash dividend on our ordinary shares of \$0.40 per share for the quarter ended December 31, 2025, payable on March 23, 2026 to the holders of record on March 13, 2026.

Nonqualified Stock Option and Incentive Award Plan

In 2015, in connection with our IPO, we established a Nonqualified Stock Option and Incentive Award Plan referred to then as the Fortress Transportation and Infrastructure Investors LLC Nonqualified Stock Option and Incentive Award Plan, which provides for the ability to award equity compensation awards in the form of stock options, stock appreciation rights, restricted stock, and performance awards to eligible employees, consultants, directors, and other individuals who provide services to us, each as determined by the Compensation Committee of the Board of Directors. On November 10, 2022, in connection with the Merger, the Nonqualified Stock Option and Incentive Award Plan was assumed by FTAI Aviation Ltd. and renamed the FTAI Aviation Ltd. Nonqualified Stock Option and Incentive Award Plan, and on February 23, 2023, was amended to provide for the ability to award equity compensation awards in the form of restricted stock units in addition to the other forms of award described above. On May 29, 2025, we established the 2025 Omnibus Incentive Award Plan (the "Incentive Plan"), to replace the FTAI Aviation Ltd. Nonqualified Stock Option and Incentive Award Plan. The Incentive Plan provides for the ability to award compensation awards in the form of stock options to eligible employees, consultants, directors and other individuals who provide services to us, each as determined by the Compensation Committee of the Board of Directors. As of December 31, 2025, the Incentive Plan provides for the issuance of up to 5.7 million shares.

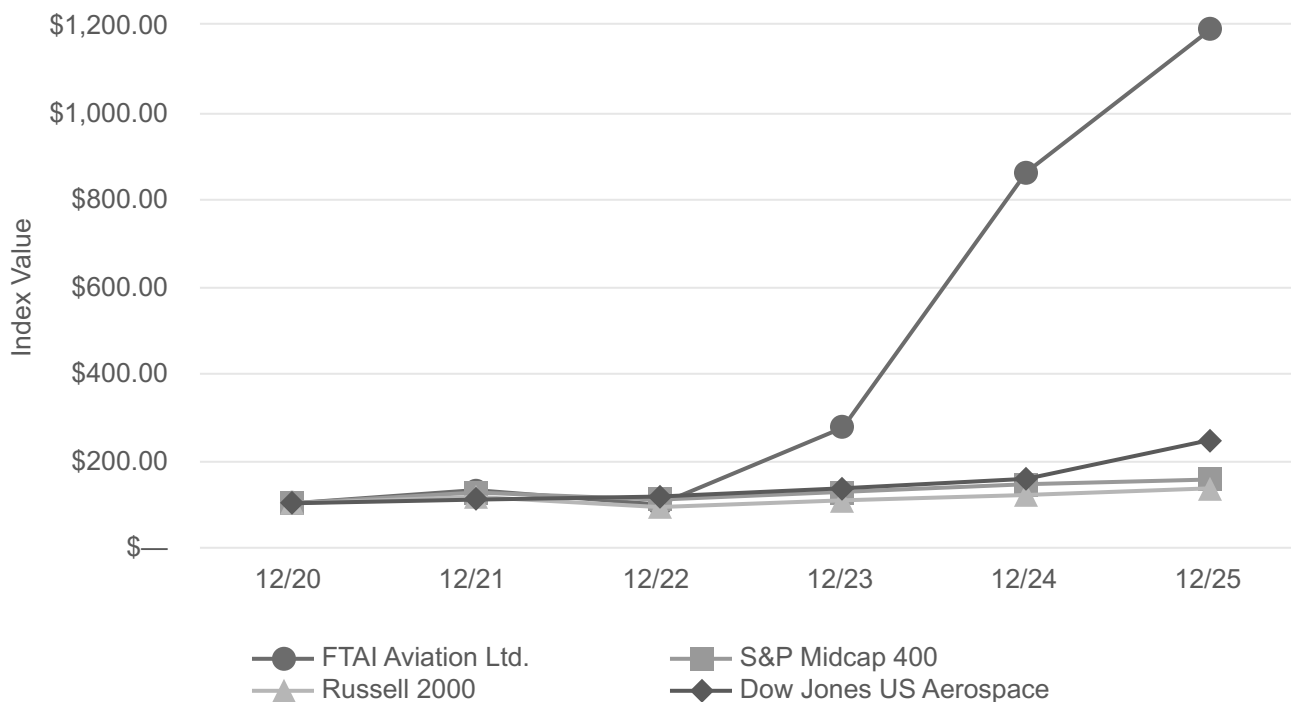
Performance Graph

The following graph compares the cumulative total return for our ordinary shares (share price change plus reinvested dividends) with the comparable return of the following indices: S&P Mid Cap 400, Russell 2000 and Dow Jones US Aerospace.

The graph assumes an investment of \$100 in our ordinary shares and in each of the indices on December 31, 2020, and that all dividends were reinvested. The past performance of our shares is not an indication of future performance.

COMPARISON OF CUMULATIVE TOTAL RETURN*

Among FTAI Aviation Ltd., the S&P Midcap 400 Index, the Russell 2000 Index and the Dow Jones US Aerospace



*\$100 each invested on December 31, 2020 in stock and index, including reinvestment of dividends. Fiscal year ending December 31.

(in whole dollars)

Index	December 31,					
	2020	2021	2022	2023	2024	2025
FTAI Aviation Ltd.	\$ 100.00	\$ 130.30	\$ 97.15	\$ 273.69	\$ 861.33	\$ 1188.52
S&P Midcap 400	100.00	124.76	108.47	126.29	143.88	154.68
Russell 2000	100.00	114.82	91.35	106.82	119.14	134.40
Dow Jones US Aerospace	100.00	108.47	115.48	134.53	156.28	245.45

Item 6. [Reserved]

Item 7. 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 consolidated financial statements and the accompanying notes, and with Part I, Item 1A, "Risk Factors" and "Forward-Looking Statements" included elsewhere in this Annual Report on Form 10-K.

A discussion of our cash flows for 2025 compared to 2024 is included in our Annual Report on Form 10-K for the year ended December 31, 2025, under Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

We are a leading independent engine maintenance platform focused on the CFM56-5B, CFM56-7B and V2500 aircraft engines which power the 737NG and A320ceo aircraft. We repair and rebuild engines in our maintenance facilities and with our joint venture partners, and sell or lease the engines to airlines and asset owners around the world. Our primary business model is to sell or lease engines via exchange through our proprietary Maintenance, Repair and Exchange ("MRE") model which is reported under our Aerospace Products segment.

We also own and manage a portfolio of on- and off-lease aircraft and engines through our Aviation Leasing segment. While historically these investment activities have been primarily held on balance sheet, at the end of 2024, we launched our Strategic Capital Initiative, which consists of an asset management business that manages third-party capital to invest in on-lease aircraft and engines. We expect our primary investment activities to be through our Strategic Capital Initiative going forward.

As of December 31, 2025, we had total consolidated assets of \$4.4 billion and total equity of \$334.2 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; 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 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 December 31, 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, we announced the launch of a Strategic Capital Initiative in collaboration with third-party institutional investors. The Strategic Capital Initiative, and its related partnerships, allows us to maintain an asset-light business model while the partnerships actively acquire on-lease narrowbody aircraft at scale. The first partnership under the initiative (the "2025 Partnership") focuses on acquiring 737NG and A320ceo aircraft. The 2025 Partnership completed its fundraising in October 2025 with \$2.0 billion of equity commitments.

The 2025 Partnership, and follow-on partnerships, is the primary buyer of all future on-lease 737NG and A320ceo aircraft. The Company, as the Servicer, provides aircraft management services to the 2025 Partnership, and the Company receives customary, market-based compensation for providing such services. 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) Aerospace Products and (ii) Aviation Leasing. The Aerospace Products segment, through our maintenance facilities and joint ventures, among other investments, develops and manufactures, repairs/refurbishes and sells aircraft engines and aftermarket components primarily for the CFM56-7B, CFM56-5B and V2500 commercial aircraft engines. 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.

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, 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, if any.

Results of Operations

The following table presents our consolidated results of operations:

(in thousands)	Year Ended December 31,			Change	
	2025	2024	2023	'25 vs '24	'24 vs '23
Revenues					
Aerospace products revenue	\$ 1,600,456	\$ 1,079,821	\$ 454,970	\$ 520,635	\$ 624,851
MRE Contract revenue	335,788	—	—	335,788	—
Lease income	235,210	255,338	207,936	(20,128)	47,402
Maintenance revenue	218,499	200,809	191,347	17,690	9,462
Asset sales revenue	106,945	192,176	303,141	(85,231)	(110,965)
Other revenue ⁽¹⁾	10,511	6,757	13,502	3,754	(6,745)
Total revenues	2,507,409	1,734,901	1,170,896	772,508	564,005
Expenses					
Cost of sales	1,349,719	825,884	502,132	523,835	323,752
Operating expenses	152,541	115,861	110,163	36,680	5,698
General and administrative	9,478	14,263	13,700	(4,785)	563
Acquisition and transaction expenses	28,587	32,296	15,194	(3,709)	17,102
Management fees and incentive allocation to affiliate	—	8,449	18,037	(8,449)	(9,588)
Internalization fee to affiliate	—	300,000	—	(300,000)	300,000
Depreciation and amortization	225,797	218,064	169,877	7,733	48,187
Asset impairment	—	962	2,121	(962)	(1,159)
Gain on sale of assets, net	—	(18,705)	—	18,705	(18,705)
Total expenses	1,766,122	1,497,074	831,224	269,048	665,850
Other income (expense)					
Interest expense	(247,751)	(221,721)	(161,639)	(26,030)	(60,082)
Loss on extinguishment of debt	—	(17,101)	—	17,101	(17,101)
Equity in losses of unconsolidated entities ⁽²⁾	(6,818)	(2,200)	(1,606)	(4,618)	(594)
Gain on sale to the 2025 Partnership	46,380	—	—	46,380	—
Other income	73,586	17,364	7,590	56,222	9,774
Total other expense	(134,603)	(223,658)	(155,655)	89,055	(68,003)
Income before income taxes	606,684	14,169	184,017	592,515	(169,848)
Provision for (benefit from) income taxes	105,620	5,487	(59,800)	100,133	65,287
Net income	501,064	8,682	243,817	492,382	(235,135)
Less: Dividends on preferred shares	17,243	32,763	31,795	(15,520)	968
Less: Loss on redemption of preferred shares	6,327	7,998	—	(1,671)	7,998
Net income (loss) attributable to shareholders	\$ 477,494	\$ (32,079)	\$ 212,022	\$ 509,573	\$ (244,101)

⁽¹⁾ Includes servicing fees of \$10,150 for the year ended December 31, 2025 from the 2025 Partnership.

⁽²⁾ Includes the profit elimination of \$(22,829) for the year ended December 31, 2025 for sales to the 2025 Partnership.

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

<i>(in thousands)</i>	Year Ended December 31,			Change	
	2025	2024	2023	'25 vs '24	'24 vs '23
Net income (loss) attributable to shareholders	\$ 477,494	\$ (32,079)	\$ 212,022	\$ 509,573	\$ (244,101)
Add: Provision for (benefit from) income taxes	105,620	5,487	(59,800)	100,133	65,287
Add: Equity-based compensation expense	21,733	6,006	1,638	15,727	4,368
Add: Acquisition and transaction expenses	28,587	32,296	15,194	(3,709)	17,102
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	6,327	25,099	—	(18,772)	25,099
Add: Asset impairment charges	—	962	2,121	(962)	(1,159)
Add: Incentive allocations	—	7,456	17,116	(7,456)	(9,660)
Add: Depreciation & amortization expense ⁽¹⁾	267,639	262,031	213,641	5,608	48,390
Add: Interest expense and dividends on preferred shares	264,994	254,484	193,434	10,510	61,050
Add: Internalization fee to affiliate	—	300,000	—	(300,000)	300,000
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽²⁾	34,539	(1,892)	310	36,431	(2,202)
Less: Equity in losses (earnings) of unconsolidated entities ⁽³⁾	(16,011)	2,200	1,606	(18,211)	594
Adjusted EBITDA (non-GAAP)	\$ 1,190,922	\$ 862,050	\$ 597,282	\$ 328,872	\$ 264,768

⁽¹⁾ Includes the following items for the years ended December 31, 2025, 2024 and 2023: (i) depreciation and amortization expense of \$225,797, \$218,064 and \$169,877, (ii) lease intangible amortization of \$6,710, \$15,597 and \$15,126 and (iii) amortization for lease incentives of \$35,132, \$28,370 and \$28,638, respectively.

⁽²⁾ Includes the following items for the years ended December 31, 2025, 2024 and 2023: (i) net income of \$16,011, net loss of \$2,200 and \$1,606, (ii) interest expense of \$6,899 \$0 and \$0, (iii) depreciation and amortization expense of \$10,932, \$308 and \$1,488, (iv) acquisition and transaction expense of \$769, \$0 and \$428 and (v) tax benefit of \$72, \$0 and \$0, respectively.

⁽³⁾ Excludes the profit elimination of \$22,829 for the year ended December 31, 2025 for sales to the 2025 Partnership.

Comparison of the years ended December 31, 2025 and 2024

Revenues

Total revenues increased by \$772.5 million, driven by the following:

- Aerospace products revenue increased by \$520.6 million, primarily due to a \$499.7 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a \$4.8 million increase in other maintenance service revenues.
- MRE Contract revenue increased by \$335.8 million, due to engine and module sales made to the 2025 Partnership.
- Asset sales revenue decreased by \$85.2 million, primarily due to change in product mix of assets sold in the current period as compared to the prior period. Specifically, the number of engines sold in the prior period was higher than the current period.

Expenses

Total expenses increased by \$269.0 million, driven by the following:

- Cost of sales increased by \$523.8 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 \$36.7 million, primarily due to higher compensation and benefits expense incurred during the current year.
- Internalization fee to affiliate decreased by \$300.0 million relating to the Internalization effective May 28, 2024.

Other expense

Total other expense increased by \$89.1 million due to the following:

- Other income increased by \$56.2 million, primarily due to a \$54.3 million insurance settlement related to aircraft and engines located in Russia.
- Gain on sale to the 2025 Partnership increased by \$46.4 million, primarily resulting from the sale of 45 aircraft to the 2025 Partnership within the Aviation Leasing Segment.

- Loss on debt extinguishment decreased by \$17.1 million, driven by the 2024 redemption of Senior Notes due 2025 and Senior Notes due 2027.
- Interest expense increased by \$26.0 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 \$22.7 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 \$22.3 million, and (ii) the 6.5% senior notes due 2025 of \$13.0 million.

Provision for (benefit from) income taxes

The Provision for income taxes increased \$100.1 million, primarily driven by the higher income generated in the Aerospace Products segment within taxable jurisdictions for the twelve months ended December 31, 2025, and the higher income generated in the Aviation Leasing segment within taxable jurisdictions for the twelve months ended December 31, 2025.

Net income (loss)

Net income increased by \$492.4 million, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased by \$328.9 million, primarily due to the changes noted above.

Comparison of the years ended December 31, 2024 and 2023

Total revenues increased by \$564.0 million, driven by the following:

- Aerospace products revenue increased by \$624.9 million, primarily due to a \$546.0 million increase in CFM56-7B, CFM56-5B and V2500 engine and module sales, a \$28.5 million increase in parts inventory sales, and other revenues of \$47.7 million from the QuickTurn and LMCES acquisitions.
- Lease income increased by \$47.4 million, primarily due to an increase in engine lease revenue of \$37.3 million and an increase in aircraft lease revenue of \$17.5 million, driven by an increased number of aircraft and engines on lease. This was partially offset by a decrease of \$7.3 million in the Offshore Energy business driven by one of our vessels having fewer days on-hire in 2024 compared to 2023, as well as the sale of the two vessels during 2024.
- Maintenance revenue increased by \$9.5 million. Engine maintenance revenue increased by \$43.2 million, driven by an increased number of engines on lease in 2024 as compared to 2023. This increase was partially offset by a decrease in aircraft maintenance revenue of \$32.7 million, primarily due to \$20.1 million of higher maintenance reserves taken into revenue in 2023, partially offset by an increased number of aircraft on lease in 2024.
- Asset sales revenue decreased by \$111.0 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines. Specifically, three aircraft and 14 engines were sold in 2024 as compared to 13 aircraft and 41 engines sold in 2023.
- Other revenue decreased by \$6.7 million, primarily due to a decrease in assets with end-of-lease redelivery compensation. During 2024, one aircraft and three engines had end-of-lease redelivery compensation, as compared to eight aircraft and four engines in 2023.

Expenses

Total expenses increased \$665.9 million, driven by the following:

- Cost of sales increased by \$323.8 million, primarily due to increases in CFM56-7B, CFM56-5B and V2500 engine and module sales, parts inventory sales, and directly corresponds to components of increases in Aerospace products revenue over the same period. This was partially offset by a decrease of \$69.9 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.
- Internalization fee to affiliate increased by \$300.0 million relating to the Internalization effective May 28, 2024.
- Depreciation and amortization increased by \$48.2 million, primarily driven by an increase in the number of assets owned and on lease, partially offset by an increase in the number of aircraft redelivered.
- Acquisition and transaction expenses increased by \$17.1 million, primarily due to higher professional fees incurred in evaluating and completing strategic transactions and fees associated with the Internalization and the acquisition of LMCES in Q3 2024.
- Operating expenses increased by \$5.7 million, primarily due to the acquisition of LMCES in Q3 2024.
- Gain on sale of assets, net increased \$18.7 million driven by the sale of two vessels within the Offshore Energy business during the fourth quarter of 2024.
- Management fees and incentive allocation to affiliate decreased by \$9.6 million, due to a decrease in management and incentive fees to the Former Manager during 2024, with the Internalization effective May 28, 2024.

Other income (expense)

Total other expense increased by \$68.0 million due to the following:

- Interest expense increased by \$60.1 million, reflecting an increase in the average debt outstanding of approximately \$779.3 million, primarily due to increases in (i) the Senior Notes due 2030 of \$414.1 million, issued in November 2023 (ii) Senior Notes due 2031 of \$525.0 million, issued in April 2024 (iii) Senior Notes due 2032 of \$466.7 million, issued in June 2024, (iv) Senior Notes due 2033 of \$124.4 million, issued in October 2024, partially offset by decreases in the (v) Senior Notes due 2025 of \$489.6 million, which were redeemed in April 2024, (vi) Senior Notes due 2027 of \$189.8 million, which were fully redeemed in October 2024, and the (vii) Revolving Credit Facility of \$70.4 million.
- Loss on extinguishment of debt increased by \$17.1 million, primarily due to the redemption of the Senior Notes due 2025 and Senior Notes due 2027.
- Other income increased by \$9.8 million, primarily driven by a \$10.8 million insurance settlement received within our Aviation Leasing Segment.

Provision for (benefit from) income taxes

The Provision for income taxes increased \$65.3 million, primarily due to the benefit from income taxes recorded in 2023 in connection with a tax law change in Bermuda as well as the increase in income from leasing and Aerospace Products activities in jurisdictions subject to taxes. As the company's operations in these areas grew, so did the corresponding tax obligations, resulting in a higher provision for income taxes. This increase was partially offset by the tax benefit from the Internalization fee paid to the affiliate.

Net income (loss) from continuing operations

Net income from continuing operations decreased by \$235.1 million, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased by \$264.8 million, primarily due to the changes noted above.

Aerospace Products Segment

The Aerospace Products segment, through our maintenance facilities and joint ventures, among other investments, develops and manufactures, repairs/refurbishes, and sells aircraft engines and aftermarket components primarily for the CFM56-7B, CFM56-5B, 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 CFM56-7B and CFM56-5B engines. In addition, 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 engine pool. On December 30, 2025, the Company announced the launch of FTAI Power, a platform focused on converting CFM56 engines to power turbines.

In 2023, we acquired the remaining interest in Quick Turn Engine Center LLC (“QuickTurn”), a dedicated hospital maintenance and testing facility specializing in the CFM56-7B and CFM56-5B engines.

In 2024, we acquired Lockheed Martin Commercial Engine Solutions (“LMCES”) to establish permanent engine and module manufacturing capabilities.

In 2025, we entered into an agreement within our MRE business to supply replacement aircraft engines and modules for the life of the 2025 Partnership. We also acquired Pacific Aerodynamic Inc. (“Pac Aero”), a specialist in CFM56 compressor blade and vane repairs, expanding our repair capabilities, and the MRE business of AerotechOPS (“ATOPS”), expanding our MRE business in Miami.

Additionally, we maintain a (i) 25% equity interest in the Advanced Engine Repair joint venture, which focuses on developing innovative cost-saving programs for engine repairs, and a (ii) 50% equity interest in QuickTurn Europe, which operates as a dedicated maintenance, repair, and overhaul facility for CFM56 engines.

The following table presents our results of operations:

<i>(in thousands)</i>	Year Ended December 31,			Change	
	2025	2024	2023	'25 vs '24	'24 vs '23
Revenues					
Aerospace products revenue	\$ 1,600,456	\$ 1,079,821	\$ 454,970	\$ 520,635	\$ 624,851
MRE Contract Revenue	335,788	—	—	335,788	—
Total Revenues	1,936,244	1,079,821	454,970	856,423	624,851
Expenses					
Cost of sales	1,240,368	673,907	280,280	566,461	393,627
Operating expenses	34,514	23,818	20,459	10,696	3,359
Acquisition and transaction expenses	3,198	4,906	1,722	(1,708)	3,184
Depreciation and amortization	15,764	6,630	661	9,134	5,969
Total expenses	1,293,844	709,261	303,122	584,583	406,139
Other income (expense)					
Equity in earnings (losses) of unconsolidated entities	2,896	(1,993)	(1,458)	4,889	(535)
Other income	5,441	—	5,347	5,441	(5,347)
Total other income (expense)	8,337	(1,993)	3,889	10,330	(5,882)
Income before income taxes	650,737	368,567	155,737	282,170	212,830
Provision for (benefit from) income taxes	102,391	22,221	(24,440)	80,170	46,661
Net income attributable to shareholders	\$ 548,346	\$ 346,346	\$ 180,177	\$ 202,000	\$ 166,169

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

(in thousands)	Year Ended December 31,			Change	
	2025	2024	2023	'25 vs '24	'24 vs '23
Net income attributable to shareholders	\$ 548,346	\$ 346,346	\$ 180,177	\$ 202,000	\$ 166,169
Add: Provision for (benefit from) income taxes	102,391	22,221	(24,440)	80,170	46,661
Add: Equity-based compensation expense	671	309	225	362	84
Add: Acquisition and transaction expenses	3,198	4,906	1,722	(1,708)	3,184
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	—	—	—	—	—
Add: Asset impairment charges	—	—	—	—	—
Add: Incentive allocations	—	—	—	—	—
Add: Depreciation and amortization expense	15,764	6,630	661	9,134	5,969
Add: Interest expense and dividends on preferred shares	—	—	—	—	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽¹⁾	3,778	(1,769)	206	5,547	(1,975)
Less: Equity in (earnings) losses of unconsolidated entities	(2,896)	1,993	1,458	(4,889)	535
Adjusted EBITDA (non-GAAP)	\$ 671,252	\$ 380,636	\$ 160,009	\$ 290,616	\$ 220,627

⁽¹⁾ Includes the following items for the years ended December 31, 2025, 2024 and 2023: (i) net income of \$2,896, net loss of \$1,993 and net loss of \$1,458 (ii) depreciation and amortization of \$954, \$224 and \$1,236 (iii) acquisition and transaction expense of \$0, \$0, and \$428 and (iv) tax benefit of \$72, \$0 and \$0, respectively.

Comparison of the years ended December 31, 2025 and 2024

Revenues

Total revenues increased by \$856.4 million, due to the following:

- Aerospace Products revenue increased by \$520.6 million, primarily due to a \$499.7 million increase in CFM56-5B, CFM56-7B and V2500 engine and module sales, as well as a \$4.8 million increase in other maintenance service revenues.
- MRE Contract revenue increased by \$335.8 million, primarily due to an increase in engine and module sales made to the 2025 Partnership.

Expenses

Total expenses increased by \$584.6 million, due to the following:

- Cost of sales increased by \$566.5 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 \$10.7 million, primarily due to higher compensation and benefits expense due to the acquisition of LMCES.
- Depreciation and amortization increased by \$9.1 million due to the acquisition of LMCES in the third quarter of 2024.

Provision for (benefit from) income taxes

The Provision for income taxes increased by \$80.2 million, primarily due to the increase in income discussed above from Aerospace Products activities in jurisdictions subject to taxes.

Net income

Net income increased by \$202.0 million, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased by \$290.6 million, primarily due to the changes noted above.

Comparison of the years ended December 31, 2024 and 2023

Revenues

Total Aerospace products revenue increased by \$624.9 million, primarily due to a \$546.0 million increase in CFM56-7B, CFM56-5B and V2500 engine and module sales, a \$28.5 million increase in parts inventory sales, and other revenues of \$47.7 million from the QuickTurn and LMCES acquisitions.

Expenses

Total expenses increased by \$406.1 million, due to the following:

- Cost of sales increased by \$393.6 million, primarily due to increases in CFM56-7B, CFM56-5B and V2500 engine and module sales, parts inventory sales, and directly corresponds to components of increases in Aerospace products revenue over the same period.
- Depreciation and amortization increased by \$6.0 million due to the acquisitions of LMCES in Q3 2024 and QuickTurn in Q4 2023.
- Operating expenses increased by \$3.4 million, primarily due to the acquisition of LMCES in Q3 2024.
- Acquisition and transaction expenses increased by \$3.2 million, primarily driven by higher professional fees incurred in evaluating and completing strategic transactions

Provision for (benefit from) income taxes

The Provision for income taxes increased by \$46.7 million, primarily due to the benefit from income taxes recorded in 2023 in connection with a tax law change in Bermuda as well as the increase in income from Aerospace Products activities in jurisdictions subject to taxes. As the company's operations in these areas grew, so did the corresponding tax obligations, resulting in a higher provision for income taxes.

Net income

Net income increased by \$166.2 million, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased by \$220.6 million, primarily due to the changes noted above.

Aviation Leasing Segment

As of December 31, 2025, in our Aviation Leasing segment, we own and manage 290 aviation assets, consisting of 47 commercial aircraft and 243 engines, including eight aircraft and seventeen engines that were still located in Russia.

As of December 31, 2025, 37 of our commercial aircraft and 143 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 77% utilized during the three months ended December 31, 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 44 months, and our engines currently on-lease have an average remaining lease term of 38 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
<i>Aircraft</i>			
Assets at January 1, 2025	5	104	109
Purchases	—	28	28
Sales	—	(47)	(47)
Transfers	—	(43)	(43)
Assets at December 31, 2025	5	42	47
<i>Engines</i>			
Assets at January 1, 2025	23	289	312
Purchases	—	113	113
Sales	(5)	(216)	(221)
Transfers	—	39	39
Assets at December 31, 2025	18	225	243

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

<i>(in thousands)</i>	Year Ended December 31,			Change	
	2025	2024	2023	'25 vs '24	'24 vs '23
Revenues					
Lease income	\$ 235,210	\$ 234,411	\$ 179,704	\$ 799	\$ 54,707
Maintenance revenue	218,499	200,809	191,347	17,690	9,462
Asset sales revenue	106,945	192,176	303,141	(85,231)	(110,965)
Other revenue ⁽¹⁾	10,507	1,041	7,419	9,466	(6,378)
Total revenues	571,161	628,437	681,611	(57,276)	(53,174)
Expenses					
Cost of sales	109,351	151,977	221,852	(42,626)	(69,875)
Operating expenses	37,307	35,495	37,876	1,812	(2,381)
Acquisition and transaction expenses	9,182	9,740	7,150	(558)	2,590
Depreciation and amortization	205,687	201,497	158,354	4,190	43,143
Asset impairment	—	962	2,121	(962)	(1,159)
Total expenses	361,527	399,671	427,353	(38,144)	(27,682)
Other income (expense)					
Equity in (losses) earnings of unconsolidated entities	13,115	(207)	(148)	13,322	(59)
Gain on sale to the 2025 Partnership	46,380	—	—	46,380	—
Other income	64,455	14,669	1,300	49,786	13,369
Total other income	123,950	14,462	1,152	109,488	13,310
Income before income taxes	333,584	243,228	255,410	90,356	(12,182)
Provision for (benefit from) income taxes	62,232	32,979	(36,193)	29,253	69,172
Net income attributable to shareholders	\$ 271,352	\$ 210,249	\$ 291,603	\$ 61,103	\$ (81,354)

⁽¹⁾ Includes servicing fees of \$10,150 for the year ended December 31, 2025 from the 2025 Partnership.

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

(in thousands)	Year Ended December 31,			Change	
	2025	2024	2023	'25 vs '24	'24 vs '23
Net income attributable to shareholders	\$ 271,352	\$ 210,249	\$ 291,603	\$ 61,103	\$ (81,354)
Add: Provision for (benefit from) income taxes	62,232	32,979	(36,193)	29,253	69,172
Add: Equity-based compensation expense	971	584	337	387	247
Add: Acquisition and transaction expenses	9,182	9,740	7,150	(558)	2,590
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	—	—	—	—	—
Add: Asset impairment charges	—	962	2,121	(962)	(1,159)
Add: Incentive allocations	—	—	—	—	—
Add: Depreciation and amortization expense ⁽¹⁾	247,529	245,464	202,118	2,065	43,346
Add: Interest expense and dividends on preferred shares	—	—	—	—	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽²⁾	30,761	(123)	104	30,884	(227)
Less: Equity in losses (earnings) of unconsolidated entities	(13,115)	207	148	(13,322)	59
Adjusted EBITDA (non-GAAP)	\$ 608,912	\$ 500,062	\$ 467,388	\$ 108,850	\$ 32,674

⁽¹⁾ Includes the following items for the years ended December 31, 2025, 2024 and 2023: (i) depreciation expense of \$205,687, \$201,497 and \$158,354, (ii) lease intangible amortization of \$6,710, \$15,597 and \$15,126 and (iii) amortization for lease incentives of \$35,132, \$28,370 and \$28,638, respectively.

⁽²⁾ Includes the following items for the years ended December 31, 2025, 2024 and 2023: (i) net income of \$13,115, net loss of \$207 and \$148 (ii) interest expense of \$6,899, \$0 and \$0 (iii) depreciation and amortization of \$9,978, \$84 and \$252 and (iv) acquisition and transaction expenses of \$769, \$0 and \$0, respectively.

Comparison of the years ended December 31, 2025 and 2024

Revenues

Total revenues decreased by \$57.3 million, driven by the following:

- Asset sales revenue decreased by \$85.2 million, primarily due to change in product mix of assets sold in the current period as compared to the prior period. Specifically, the number of engines sold in the prior period was higher than the current period.
- Maintenance revenue increased by \$17.7 million, primarily due to an increase in aircraft maintenance revenue of \$18.1 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.
- Other revenue increased by \$9.5 million, primarily as a result of servicing fees earned in our capacity as the Servicer to the 2025 Partnership.

Expenses

Total expenses decreased by \$38.1 million, driven by the following:

- Cost of sales decreased by \$42.6 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 \$4.2 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

Total other income increased by \$109.5 million, primarily due to the following:

- Gains on sale to the 2025 Partnership of \$46.4 million.
- Equity in earnings of unconsolidated entities increased by \$13.3 million, driven by net income realized by the 2025 Partnership in the current period.
- \$54.3 million from an insurance settlement in the current year, compared to \$10.8 million from an insurance settlement in the prior year.

Provision for (benefit from) income taxes

The Provision for income taxes increased by \$29.3 million, primarily due to the respective changes in income discussed above from leasing activities in jurisdictions subject to taxes.

Net income

Net income decreased by \$61.1 million, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased by \$108.9 million, primarily due to the changes noted above.

Comparison of the years ended December 31, 2024 and 2023

Revenues

Total revenues decreased by \$53.2 million, driven by the following:

- Asset sales revenue decreased by \$111.0 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines. Specifically, three aircraft and 14 engines were sold in 2024 as compared to 13 aircraft and 41 engines sold in 2023.
- Other revenue decreased by \$6.4 million, primarily due to a decrease in end-of-lease redelivery compensation. During 2024, one aircraft and three engines had end-of-lease redelivery compensation, as compared to eight aircraft and four engines in 2023.
- Lease income increased by \$54.7 million, due to an increase in engine lease revenue of \$37.3 million and an increase in aircraft lease revenue of \$17.5 million, driven by an increased number of engines and aircraft on lease.
- Maintenance revenue increased by \$9.5 million. Engine maintenance revenue increased by \$43.2 million, driven by an increased number of engines on lease in 2024 as compared to 2023. This increase was partially offset by a decrease in aircraft maintenance revenue of \$32.7 million, primarily due to \$20.1 million of higher maintenance reserves taken into revenue in 2023, partially offset by an increased number of aircraft on lease in 2024.

Expenses

Total expenses decreased by \$27.7 million, driven by the following:

- Cost of sales decreased by \$69.9 million, primarily due to an overall decrease in the number of sales transactions of commercial aircraft and engines and is in line with an overall decrease in the corresponding asset sales revenue. Specifically, three aircraft and 14 engines were sold in 2024 compared to 13 aircraft and 41 engines sold in 2023.
- Operating expenses decreased by \$2.4 million, primarily driven by a decrease in bad debt expense of \$5.9 million, partially offset by increases in legal fees of \$2.7 million and repairs and maintenance expense of \$1.0 million.
- Depreciation and amortization expense increased by \$43.1 million, driven by an increase in the number of assets owned and on lease, partially offset by an increase in the number of aircraft redelivered and parted out into our engine leasing pool.
- Acquisition and transaction expenses increased by \$2.6 million, primarily due to higher legal fees incurred in evaluating and completing strategic transactions.

Other income (expense)

Total other income increased by \$13.3 million primarily driven by a \$10.8 million insurance settlement as well as a \$3.9 million increase in interest income earned on financing receivables during 2024.

Provision for (benefit from) income taxes

The Provision for income taxes increased by \$69.2 million, primarily due to the benefit from income taxes recorded in 2023 in connection with a tax law change in Bermuda as well as the increase in income from leasing activities in jurisdictions subject to taxes. As the company's operations in these areas grew, so did the corresponding tax obligations, resulting in a higher provision for income taxes.

Net income

Net income decreased by \$81.4 million, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased by \$32.7 million, primarily due to the changes noted above.

Corporate and Other

The following table presents our results of operations:

(in thousands)	Year Ended December 31,			Change	
	2025	2024	2023	'25 vs '24	'24 vs '23
Revenues					
Lease income	\$ —	\$ 20,927	\$ 28,232	\$ (20,927)	\$ (7,305)
Other revenue	4	5,716	6,083	(5,712)	(367)
Total revenues	4	26,643	34,315	(26,639)	(7,672)
Expenses					
Operating expenses	80,720	56,548	51,828	24,172	4,720
General and administrative	9,478	14,263	13,700	(4,785)	563
Acquisition and transaction expenses	16,207	17,650	6,322	(1,443)	11,328
Management fees and incentive allocation to affiliate	—	8,449	18,037	(8,449)	(9,588)
Internalization fee to affiliate	—	300,000	—	(300,000)	300,000
Depreciation and amortization	4,346	9,937	10,862	(5,591)	(925)
Gain on sale of assets, net	—	(18,705)	—	18,705	(18,705)
Total expenses	110,751	388,142	100,749	(277,391)	287,393
Other income (expense)					
Loss on extinguishment of debt	—	(17,101)	—	17,101	(17,101)
Interest expense	(247,751)	(221,721)	(161,639)	(26,030)	(60,082)
Other income (expense)	3,690	2,695	943	995	1,752
Total other expense	(244,061)	(236,127)	(160,696)	(7,934)	(75,431)
Loss before income taxes	(354,808)	(597,626)	(227,130)	242,818	(370,496)
(Benefit from) provision for income taxes	(59,003)	(49,713)	833	(9,290)	(50,546)
Net loss	(295,805)	(547,913)	(227,963)	252,108	(319,950)
Less: Dividends on preferred shares	17,243	32,763	31,795	(15,520)	968
Less: Loss on redemption of preferred shares	6,327	7,998	—	(1,671)	7,998
Net loss attributable to shareholders	\$ (319,375)	\$ (588,674)	\$ (259,758)	\$ 269,299	\$ (328,916)

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

<i>(in thousands)</i>	Year Ended December 31,			Change	
	2025	2024	2023	'25 vs '24	'24 vs '23
Net loss attributable to shareholders	\$ (319,375)	\$ (588,674)	\$ (259,758)	\$ 269,299	\$ (328,916)
Add: (Benefit from) provision for income taxes	(59,003)	(49,713)	833	(9,290)	(50,546)
Add: Equity-based compensation expense	20,091	5,113	1,076	14,978	4,037
Add: Acquisition and transaction expenses	16,207	17,650	6,322	(1,443)	11,328
Add: Losses on the modification or extinguishment of debt and preferred shares and capital lease obligations	6,327	25,099	—	(18,772)	25,099
Add: Asset impairment charges	—	—	—	—	—
Add: Incentive allocations	—	7,456	17,116	(7,456)	(9,660)
Add: Depreciation and amortization expense	4,346	9,937	10,862	(5,591)	(925)
Add: Interest expense and dividends on preferred shares	264,994	254,484	193,434	10,510	61,050
Add: Internalization fee to affiliate	—	300,000	—	(300,000)	300,000
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities	—	—	—	—	—
Less: Equity in (earnings) losses of unconsolidated entities	—	—	—	—	—
Adjusted EBITDA (non-GAAP)	\$ (66,413)	\$ (18,648)	\$ (30,115)	\$ (47,765)	\$ 11,467

Comparison of the years ended December 31, 2025 and 2024

Revenues

Total revenues decreased by \$26.6 million, primarily due to the sale of the two vessels within the Offshore Energy business during the fourth quarter of 2024.

Expenses

Total expenses decreased by \$277.4 million, primarily due to the Internalization effective May 28, 2024, which resulted in an internalization fee to affiliate of \$300.0 million in 2024.

Other expense

Total other expense increased by \$7.9 million, due to the following:

- Interest expense increased by \$26.0 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 \$22.7 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 \$22.3 million, and (ii) the 6.5% senior notes due 2025 of \$13.0 million.
- Loss on extinguishment of debt decreased by \$17.1 million, driven by the 2024 redemption of Senior Notes due 2025 and Senior Notes due 2027.

(Benefit from) provision for income taxes

The benefit from income taxes increased by \$9.3 million. The increase was mainly driven by higher corporate overhead expenses deductible for 2025 tax purposes.

Net loss

Net loss decreased by \$252.1 million, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA decreased by \$47.8 million, primarily due to the changes noted above.

Comparison of the years ended December 31, 2024 and 2023

Revenues

Total revenues decreased by \$7.7 million, primarily due to a \$7.3 million decrease in the Lease income. Lease income declined primarily due to one of our vessels in the Offshore Energy business having fewer days on-hire in 2024 compared to 2023, as well as the sale of the two vessels during 2024.

Expenses

Total expenses increased by \$287.4 million, due to the following:

- Internalization fee to affiliate increased by \$300.0 million for the Internalization effective May 28, 2024.

- Acquisition and transaction expenses increased by \$11.3 million, primarily due to higher legal and other professional fees incurred for the Internalization on May 28, 2024 and the acquisition of LMCES on September 9, 2024.
- Gain on sale of assets, net, increased \$18.7 million due to the sale of the two vessels within the Offshore Energy business.
- Management fees and incentive allocation to affiliate decreased by \$9.6 million, due to a decrease in management and incentive fees to the Former Manager during 2024, with the Internalization effective May 28, 2024, as compared to fees paid during the year ended 2024 compared to 2023.

Other income (expense)

Total other expense increased by \$75.4 million, due to the following:

- Interest expense increased by \$60.1 million, reflecting an increase in the average debt outstanding of approximately \$779.3 million, primarily due to increases in (i) the Senior Notes due 2030 of \$414.1 million, issued in November 2023 (ii) Senior Notes due 2031 of \$525.0 million, issued in April 2024 (iii) Senior Notes due 2032 of \$466.7 million, issued in June 2024, (iv) Senior Notes due 2033 of \$124.4 million, issued in October 2024, partially offset by decreases in the (v) Senior Notes due 2025 of \$489.6 million, which were redeemed in April 2024, (vi) Senior Notes due 2027 of \$189.8 million, which were fully redeemed in October 2024, and the (vii) Revolving Credit Facility of \$70.4 million.
- Loss on extinguishment of debt increased by \$17.1 million, driven by the redemption of Senior Notes due 2025 and a redemption of Senior Notes due 2027.
- Other income increased by \$1.8 million, driven by interest income generated from the Company's investments in money market funds.

(Benefit from) provision for income taxes

The benefit from income taxes increased by \$50.5 million. This increase was primarily attributable to a substantial tax benefit arising from the Internalization fee paid to the affiliate. The fee provided a favorable impact on the company's overall tax position.

Net loss

Net loss increased by \$320.0 million, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased \$11.5 million, primarily due to the changes noted above.

Transactions with Affiliates and Affiliated Entities

Former Management Agreement

Prior to May 28, 2024, FTAI Aviation Ltd. operated under the Management Agreement with the Former Manager, and the Master GP, each an affiliate of Fortress. For their services, the Former Manager was entitled to management fees and the Master GP was entitled to certain incentive allocations, both defined in, and in accordance with the terms of, the Management Agreement. On May 28, 2024, the Company entered into the Internalization Agreement, pursuant to which the Management Agreement was terminated effective May 28, 2024 (the "Effective Date"), except that certain indemnification and other obligations survive, and the Company internalized its management functions (such transactions, the "Internalization"). As a result of the Internalization, the Company ceased to be externally managed and operates as an internally managed company. In connection with the termination of the Management Agreement, the Company (i) paid the Former Manager (for itself and on behalf of the Master GP, as applicable) \$150.0 million (the "Cash Consideration"), the compensation accrued and payable, but not yet paid, under the Management Agreement, and the expenses that were reimbursable, but not yet reimbursed, under the Management Agreement; (ii) issued to the Former Manager (for itself and on behalf of the Master GP, as applicable) 1,866,949 ordinary shares of the Company (the "Share Consideration"); and (iii) purchased from Master GP all of its partnership interests in FTAI Aviation Holdco Ltd., a subsidiary of the Company, in exchange for \$30 thousand. In addition, the Former Manager repaid to the Company certain annual bonus payments due to certain employees of the Former Manager or its affiliates who provide services to the Company with respect to the 2024 calendar year on a pro rata basis. The Company financed the cash payments through one or more debt financings, along with cash on hand. Following the Internalization, the Company no longer pays management fees or incentive distributions to the Former Manager and Master GP.

Strategic Capital Initiative

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. See "Risks Related to Our Business-Our Strategic Capital Initiative involves certain risks which could adversely affect our business, prospects, financial condition, results of operations and cash flows."

Geographic Information

Please refer to Note 13 of our consolidated financial statements included in Item 8 in this Annual Report on Form 10-K for a report, by geographic area for each segment, of revenues from our external customers and lessees, for the years ended December 31, 2025, 2024 and 2023, as well as a report of our total property, plant and equipment as of December 31, 2025 and 2024.

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 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 first partnership under the initiative, the 2025 Partnership, focuses on acquiring 737NG and A320ceo aircraft. The 2025 Partnership completed its fundraising in October 2025 with \$2.0 billion of equity commitments.

The 2025 Partnership, and follow-on partnerships, is the primary buyer of all future on-lease 737NG and A320ceo aircraft. The Company, as the Servicer, manages the aircraft in the 2025 Partnership, and the Company receives customary, market-based compensation for providing such services. 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.

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.

- Cash used for the purpose of making investments was \$1,130.3 million, \$1,526.2 million and \$861.5 million during the years ended December 31, 2025, 2024, and 2023, respectively.
- Distributions to shareholders, including cash dividends, were \$145.4 million, \$154.3 million and \$151.6 million during the years ended December 31, 2025, 2024 and 2023, 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 from operating activities, plus the principal collections on finance leases and maintenance reserve collections were \$(260.1) million, \$(136.5) million and \$163.0 million during the years ended December 31, 2025, 2024, and 2023, respectively.
- During the year ended December 31, 2025, additional borrowings and total principal repayments in connection with the Revolving Credit Facility were \$480.0 million and \$480.0 million, respectively.

During the year ended December 31, 2024, additional borrowings were obtained in connection with the (i) Senior Notes due 2033 of \$500.0 million, (ii) Senior Notes due 2032 of \$800.0 million, (iii) Senior Notes due 2031 of \$700.0 million and (iv) Revolving Credit Facility of \$745.0 million.

During the year ended December 31, 2023, additional borrowings were obtained in connection with the (i) Revolving Credit Facility of \$455.0 million and (ii) Senior Notes Due 2030 of \$500.0 million.

- Proceeds from the sale of assets were \$1,712.5 million, \$969.3 million and \$477.9 million during the years ended December 31, 2025, 2024, and 2023, respectively.
- Proceeds from the issuance of preferred shares, net of underwriters discount and issuance costs, were \$61.7 million during the year ended December 31, 2023. There were no issuances of preferred shares during the years ended December 31, 2025 and 2024.

On May 28, 2024, we entered into definitive agreements with the Former Manager and Master GP to internalize our management function. As part of the termination of the Management Agreement, we agreed to pay \$150.0 million to the Former Manager. Following the internalization of management on May 28, 2024, we no longer pay a management fee or incentive distribution to the Former Manager or Master GP. Consequently, we have assumed general and administrative, and compensation and benefit expenses directly. We anticipate a savings in operation costs as a result of the Internalization.

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

The following table presents our historical cash flow from both continuing and discontinued operations:

(in thousands)	Year Ended December 31,		
	2025	2024	2023
Cash flow data:			
Net cash (used in) provided by operating activities	\$ (310,745)	\$ (187,956)	\$ 128,982
Net cash provided by (used in) investing activities	723,314	(469,498)	(373,349)
Net cash (used in) provided by financing activities	(227,209)	681,814	282,208

Comparison of the years ended December 31, 2025 and 2024

Net cash used in operating activities increased \$122.8 million, primarily reflecting an increase in our Net income of \$492.4 million and certain adjustments to reconcile net income to cash used in operating activities, including an:

- increase in Deferred income taxes of \$75.8 million; partially offset by
- decrease in Changes in net working capital of \$448.1 million,
- decrease in Non-cash termination fee to affiliate of \$150.0 million,
- increase in Gain on insurance recoveries of \$54.3 million, and
- increase in Gain on sale of assets to the 2025 Partnership of \$46.4 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 \$530.0 million,
- increase in Proceeds from the sale of assets of \$213.2 million,
- decrease in Acquisition of leasing equipment of \$488.5 million,
- decrease in Acquisition of business, net of cash acquired of \$98.5 million,
- decrease in Deposits for acquisition of leasing equipment of \$92.4 million,
- decrease in Investments in financing receivables of \$64.1 million, and
- increase in Proceeds from settlement of insurance claims of \$54.3 million; partially offset by
- increase in Investment in unconsolidated entities of \$328.5 million.

Net cash used in financing activities increased \$909.0 million, primarily due to a:

- decrease in Proceeds from debt of \$2.1 billion, and
- increase in Redemption of preferred shares of \$18.8 million; partially offset by
- decrease in Repayment of debt of \$1.2 billion.

Contractual Obligations

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

Debt Obligations—As of December 31, 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 8, “Debt” in our “Notes to Consolidated Financial Statements” for additional information about our debt obligations.

Lease Obligations—As of December 31, 2025, we had outstanding operating and finance lease obligations of \$47.8 million, of which \$8.8 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 year ended December 31, 2025, we declared cash dividends of \$128.2 million and \$17.2 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

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. Note 2 to the consolidated financial statements describes the significant accounting policies and methods used in the preparation of our consolidated financial statements.

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

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

For purchase and lease back transactions, we account for the transaction as a single arrangement. We allocate the consideration paid based on the relative fair value of the aircraft and lease. The fair value of the lease may include a lease premium or discount, which is recorded as a favorable or unfavorable lease intangible.

Maintenance Payments—Typically, under an operating lease of aircraft, the lessee is responsible for performing all maintenance and is generally required to make maintenance payments to us for heavy maintenance, overhaul or replacement of certain high-value components of the aircraft or engine. These maintenance payments are based on hours or cycles of utilization or on calendar time, depending on the component, and are generally required to be made monthly in arrears. If a lessee is making monthly maintenance payments, we would typically be obligated to reimburse the lessee for costs they incur for heavy maintenance, overhaul or replacement of certain high-value components to the extent of maintenance payments received in respect of the specific maintenance event, usually shortly following the completion of the relevant work.

Maintenance payments received for which we expect to repay to the lessee are presented as current and non-current Maintenance Deposits in our Consolidated Balance Sheets. Excess maintenance payments received that we do not expect to repay to the lessee are recorded as Maintenance revenue on our Consolidated Statements of Operations. Estimates in recognizing revenue include mean time between removal for engines on leased aircraft, projected costs for engine maintenance, and forecasted utilization, 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. Reimbursements made to the lessee upon the receipt of evidence of qualifying maintenance work are recorded against the maintenance deposit liability.

In certain acquired leases, we or the lessee may be obligated to make a payment to the other party at lease termination based on redelivery conditions stipulated at the inception of the lease. When the lessee is required to return the aircraft in an improved maintenance condition, we record a maintenance right asset, as a component of other assets in the Consolidated Balance sheets, for the estimated value of the end-of-life maintenance payment at acquisition. We recognize payments received as end-of-lease compensation adjustments, within lease income or as a reduction to the maintenance right asset, when payment is received or collectability is assured. In the event we are required to make payments at the end of the lease for redelivery conditions, amounts are accrued as additional maintenance liability and expensed when we are obligated and can reasonably estimate such payments.

Leasing Equipment and Depreciation—Leasing equipment is stated at cost (inclusive of capitalized acquisition costs, where applicable) and depreciated using the straight-line method, over estimated useful lives, to estimated residual values which are summarized as follows:

Asset	Range of Estimated Useful Lives	Residual Value Estimates
Aircraft	25 years from date of manufacture	Generally not to exceed 15% of manufacturer's list price when new
Aircraft engines	2 - 6 years, based on maintenance adjusted service life	Sum of engine core salvage value plus the estimated fair value of life limited parts

In accounting for leasing equipment, the Company makes estimates about the expected useful lives, residual values and the fair value of acquired in-place leases and acquired maintenance liabilities (for aviation equipment). In making these estimates, the Company relies upon observable market data for the same or similar types of equipment and, in the case of aviation equipment, its own estimates with respect to a lessee's anticipated utilization of the aircraft or engine. When the Company acquires leasing equipment subject to an in-place lease, determining the fair value of the in-place lease requires the Company to make assumptions regarding the current fair values of leases for identical or similar equipment, in order to determine if the in-place lease is within a fair value range of current lease rates. If a lease is below or above the range of current lease rates, the resulting

lease discount or premium is recognized as a lease intangible and amortized into lease income over the remaining term of the lease.

Impairment of Long-Lived Assets—We perform a recoverability assessment of each of our long-lived assets whenever events or changes in circumstances, or indicators, indicate that the carrying amount or net book value of an asset may not be recoverable. Indicators may include, but are not limited to, a significant lease restructuring or early lease termination; significant traffic decline; a significant change in market conditions; or the introduction of newer technology and the length of time an asset is off lease related to leasing equipment, engines or for manufacturing equipment; a significant decrease in market value; adverse changes in use or condition; legal or regulatory changes; or cash flow reductions. When performing a recoverability assessment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its net book value. The undiscounted cash flows consist of cash flows from currently contracted leases and contracts, future projected leases, transition costs, estimated down time and estimated residual or scrap values for leasing equipment or operating cash flows for manufacturing equipment, and maintenance and operating costs. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge.

Management develops the assumptions used in the recoverability analysis based on its knowledge of active contracts, current and future expectations of the global demand for a particular asset and historical experience in the leasing markets, information received from third party industry sources, usage assumptions, asset lifespan for leasing equipment, and expected operating income and costs associated with operating and maintaining the manufacturing asset. The factors considered in estimating the undiscounted cash flows are impacted by changes in future periods due to changes in contracted lease rates, residual values, economic conditions, technology, demand for a particular asset type and other factors, expected income and operating costs, maintenance and repairs, capital expenditures, and duration of the cash flows.

Recoverability of Goodwill—Goodwill is not amortized but rather is tested at least annually during the fourth quarter for impairment, or more often if events or circumstances indicate the carrying value of an asset may not be recoverable.

We assess the recoverability of goodwill using a qualitative evaluation or a quantitative test to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. The determination of fair value requires management to make assumptions and to apply judgment to estimate industry and economic factors and the profitability of future business strategies. The Company conducts impairment testing based on current business strategy in light of present industry and economic conditions, as well as future expectations.

Recent Accounting Pronouncements

Please see Note 2 to our consolidated financial statements included elsewhere in this filing for recent accounting pronouncements.

Item 7A. 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.

Certain borrowing agreements of ours 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 December 31, 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 8. Financial Statements and Supplementary Data

Index to Financial Statements:

Consolidated Financial Statements of FTAI Aviation Ltd.:

Report of Independent Registered Public Accounting Firm (PCAOB ID: 185)	48
Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	50
Consolidated Balance Sheets as of December 31, 2025 and 2024	51
Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023	52
Consolidated Statements of Comprehensive Income for the years ended December 31, 2025, 2024 and 2023	53
Consolidated Statement of Changes in Equity for the years ended December 31, 2025, 2024 and 2023	54
Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023	55
Notes to Consolidated Financial Statements	57

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of FTAI Aviation Ltd.

Opinion on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheet of FTAI Aviation Ltd. and subsidiaries (the Company) as of December 31, 2025, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year ended December 31, 2025, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinion

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audit of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Recognition of maintenance revenue for aircraft leases

As discussed in Note 2 to the consolidated financial statements, excess maintenance payments received under aircraft lease agreements that the Company does not expect to repay to the lessee are recorded as maintenance revenue. Estimates in recognizing maintenance revenue for aircraft leases include mean time between removal for engines on leased aircraft (MTBR), projected costs for engine maintenance, and forecasted utilization, which are affected by historical usage patterns and overall industry, market and economic conditions. For the year ended December 31, 2025, maintenance revenue was \$218,499 thousand, a portion of which related to maintenance revenue for aircraft leases.

We identified the recognition of maintenance revenue for aircraft leases as a critical audit matter. Specifically, auditing maintenance revenue for aircraft leases was challenging due to the high degree of audit effort, including specialized knowledge and skills, and subjective auditor judgment involved in evaluating the MTBR.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the determination of the MTBR.

We evaluated the MTBR by comparing the Company's estimate to data provided by a third-party specialist. We also assessed the Company's retrospective review of the MTBR to actual results. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the knowledge, skill, and ability of the third-party specialist used in the Company's process and assessing the MTBR for reasonableness by comparing to relevant industry and market information.

/s/ KPMG LLP

We have served as the Company's auditor since 2025.

New York, New York

February 27, 2026

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of FTAI Aviation Ltd.

Opinion on the Financial Statements

We have audited the consolidated balance sheet of FTAI Aviation Ltd. (the Company) as of December 31, 2024, the related consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (the 2024 consolidated financial statements). In our opinion, the 2024 consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provided a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We served as the Company's auditor from 2016 to 2025.

New York, New York

March 3, 2025

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

	Notes	December 31,	
		2025	2024
Assets			
Current Assets			
Cash and cash equivalents	2	\$ 300,476	\$ 115,116
Accounts receivable, net ⁽¹⁾	2	209,907	150,823
Inventory, net	2	1,193,773	551,156
Other current assets ⁽²⁾	2	408,364	408,923
Total current assets		2,112,520	1,226,018
Leasing equipment, net	5	1,545,804	2,373,730
Property, plant, and equipment, net	2	120,068	107,451
Investments	6	314,156	19,048
Intangible assets, net	7	19,929	42,205
Goodwill	2, 3, 4	94,221	61,070
Other non-current assets	2	167,060	208,430
Total assets		\$ 4,373,758	\$ 4,037,952
Liabilities			
Current Liabilities			
Accounts payable		\$ 208,224	\$ 69,119
Accrued liabilities		90,009	96,910
Current maintenance deposits	2	25,439	62,552
Current security deposits	2	14,001	18,100
Other current liabilities	2	62,202	100,565
Total current liabilities		399,875	347,246
Long-term debt, net	8	3,448,891	3,440,478
Non-current maintenance deposits	2	46,237	44,179
Non-current security deposits	2	15,211	26,830
Other non-current liabilities		129,370	97,851
Total liabilities		\$ 4,039,584	\$ 3,956,584
Commitments and contingencies	15		
Equity			
Ordinary shares (\$0.01 par value per share; 2,000,000,000 shares authorized; 102,573,283 and 102,550,975 shares issued and outstanding as of December 31, 2025 and 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 December 31, 2025 and 2024, respectively)		68	117
Additional paid in capital		50,567	153,328
Retained Earnings (accumulated deficit)		282,513	(73,103)
Shareholders' equity		334,174	81,368
Total liabilities and equity		\$ 4,373,758	\$ 4,037,952

⁽¹⁾ Includes accounts receivable from the 2025 Partnership of \$47,294 and \$0 as of December 31, 2025 and December 31, 2024, respectively.

⁽²⁾ Includes receivables from the 2025 Partnership of \$20,681 and \$0 as of December 31, 2025 and December 31, 2024, respectively.

See accompanying notes to consolidated financial statements.

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

	Notes	Year Ended December 31,		
		2025	2024	2023
Revenues				
Aerospace products revenue	2	\$ 1,600,456	\$ 1,079,821	\$ 454,970
MRE Contract revenue	2, 12	335,788	—	—
Lease income	2	235,210	255,338	207,936
Maintenance revenue	2	218,499	200,809	191,347
Asset sales revenue	2	106,945	192,176	303,141
Other revenue ⁽¹⁾		10,511	6,757	13,502
Total revenues	13	2,507,409	1,734,901	1,170,896
Expenses				
Cost of sales		1,349,719	825,884	502,132
Operating expenses	2	152,541	115,861	110,163
General and administrative		9,478	14,263	13,700
Acquisition and transaction expenses		28,587	32,296	15,194
Management fees and incentive allocation to affiliate	12	—	8,449	18,037
Internalization fee to affiliate	16	—	300,000	—
Depreciation and amortization	5, 7	225,797	218,064	169,877
Asset impairment		—	962	2,121
Gain on sale of assets, net		—	(18,705)	—
Total expenses		1,766,122	1,497,074	831,224
Other (expense)				
Interest expense		(247,751)	(221,721)	(161,639)
Loss on extinguishment of debt		—	(17,101)	—
Equity in losses of unconsolidated entities ⁽²⁾	6	(6,818)	(2,200)	(1,606)
Gain on sale to the 2025 Partnership		46,380	—	—
Other income		73,586	17,364	7,590
Total other (expense)		(134,603)	(223,658)	(155,655)
Income before income taxes				
		606,684	14,169	184,017
Provision for (benefit from) income taxes	11	105,620	5,487	(59,800)
Net income		501,064	8,682	243,817
Less: Dividends on preferred shares		17,243	32,763	31,795
Less: Loss on redemption of preferred shares		6,327	7,998	—
Net income (loss) attributable to shareholders		\$ 477,494	\$ (32,079)	\$ 212,022
Earnings (Loss) earnings per share:				
	14			
Basic		\$ 4.66	\$ (0.32)	\$ 2.12
Diluted		\$ 4.60	\$ (0.32)	\$ 2.11
Weighted average shares outstanding:				
Basic		102,563,486	101,538,835	99,908,214
Diluted		103,846,914	101,538,835	100,425,777

⁽¹⁾ Includes servicing fees of \$10,150 for the year ended December 31, 2025, from the 2025 Partnership.

⁽²⁾ Includes the profit elimination of \$(22,829) for the year ended December 31, 2025, for sales to the 2025 Partnership.

See accompanying notes to consolidated financial statements.

FTAI AVIATION LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 501,064	\$ 8,682	\$ 243,817
Other comprehensive loss:			
Other comprehensive loss related to equity method investees, net in discontinued operations	—	—	—
Comprehensive income	501,064	8,682	243,817
Comprehensive loss attributable to non-controlling interest:			
Discontinued operations	—	—	—
Comprehensive income attributable to shareholders	\$ 501,064	\$ 8,682	\$ 243,817

See accompanying notes to consolidated financial statements.

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

	Ordinary Shares	Preferred Shares	Additional Paid In Capital	(Accumulated Deficit) Retained Earnings	Non- Controlling Interest in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2022	\$ 997	\$ 133	\$ 343,350	\$ (325,602)	\$ 524	\$ 19,402
Net income				243,817		243,817
Total comprehensive income				243,817	—	243,817
Contributions from non-controlling interest					10	10
Issuance of ordinary shares	5		924			929
Dividends declared - ordinary shares			(119,847)			(119,847)
Issuance of preferred shares		26	61,703			61,729
Dividends declared - preferred shares			(31,795)			(31,795)
Equity-based compensation			1,638			1,638
Equity - December 31, 2023	\$ 1,002	\$ 159	\$ 255,973	\$ (81,785)	\$ 534	\$ 175,883
Net income				8,682		8,682
Total comprehensive income				8,682		8,682
Purchase of non-controlling interest					(534)	(534)
Redemption of preferred shares		(42)	(97,313)			(97,355)
Loss on redemption of preferred shares			(7,998)			(7,998)
Dividends declared - ordinary shares			(121,577)			(121,577)
Dividends declared - preferred shares			(32,763)			(32,763)
Issuance of ordinary shares	24		151,000			151,024
Equity-based compensation			\$ 6,006			6,006
Equity - December 31, 2024	\$ 1,026	\$ 117	\$ 153,328	\$ (73,103)	\$ —	\$ 81,368
Net income				501,064	—	501,064
Total comprehensive income				501,064	—	501,064
Redemption of preferred shares		(49)	(117,791)			(117,840)
Loss on redemption of preferred shares			(6,327)			(6,327)
Dividends declared - ordinary shares				(128,205)		(128,205)
Dividends declared - preferred shares				(17,243)		(17,243)
Issuance of ordinary shares			1,121			1,121
Equity-based compensation			21,733			21,733
Net settlement on vesting of equity awards			(1,497)			(1,497)
Equity - December 31, 2025	\$ 1,026	\$ 68	\$ 50,567	\$ 282,513	\$ —	\$ 334,174

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net income	\$ 501,064	\$ 8,682	\$ 243,817
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Equity in losses of unconsolidated entities ⁽¹⁾	6,818	2,200	1,606
Gain on sale of assets	(377,540)	(377,909)	(160,742)
Gain on sale of assets to the 2025 Partnership	(46,380)	—	—
Gain on insurance recoveries	(54,325)	—	—
Security deposits and maintenance claims included in earnings	(20,881)	(16,783)	(40,535)
Loss on extinguishment of debt	—	17,101	—
Equity-based compensation	21,733	6,006	1,638
Non-cash termination fee to affiliate (issuance of ordinary shares)	—	150,000	—
Depreciation and amortization	225,797	218,064	169,877
Asset impairment	—	962	2,121
Deferred income taxes	73,956	(1,878)	(63,626)
Change in fair value of guarantees	3,114	2,086	(1,807)
Amortization of lease intangibles and incentives	41,842	43,967	43,764
Amortization of deferred financing costs	11,811	11,458	8,860
Provision for credit losses	574	2,784	6,583
Other	4,170	(273)	(6,646)
Change in:			
Accounts receivable	(42,425)	(41,196)	(40,357)
Inventory	(645,464)	(206,880)	(31,884)
Other assets	(136,784)	(14,372)	(5,627)
Accounts payable and accrued liabilities	122,779	15,886	1,254
Management fees payable to affiliate	(960)	(5,507)	1,683
Other liabilities	356	(2,354)	(997)
Net cash (used in) provided by operating activities	(310,745)	(187,956)	128,982
Cash flows from investing activities:			
Investment in unconsolidated entities	(328,546)	—	(19,500)
Return of capital from unconsolidated entities	27,113	—	—
Principal collections on finance leases	1,580	2,157	3,638
Principal collections on notes receivable	6,680	4,930	4,875
Acquisition of business, net of cash acquired	(49,085)	(147,624)	(29,632)
Acquisition of leasing equipment	(658,799)	(1,147,341)	(749,780)
Investments in financing receivables	(2,764)	(66,858)	—
Acquisition of property, plant and equipment	(27,712)	(9,220)	(6,148)
Acquisition of lease intangibles	2,509	3,168	(20,964)
Investment in promissory notes	(4,714)	—	(11,500)
Deposits for acquisitions of leasing equipment ⁽²⁾	(65,926)	(158,297)	(23,937)
Proceeds from sale of assets	1,182,495	969,280	477,886
Proceeds from sale of assets to the 2025 Partnership	529,970	—	—
Proceeds from settlement of insurance claims	54,325	—	—
Proceeds from deposits on sale of leasing equipment	7,285	79,777	1,413
Return of deposits for acquisition of leasing equipment ⁽²⁾	48,903	530	300
Net cash provided by (used in) investing activities	\$ 723,314	\$ (469,498)	\$ (373,349)

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2025	2024	2023
Cash flows from financing activities:			
Proceeds from debt	\$ 480,000	\$ 2,581,819	\$ 951,665
Repayment of debt	(480,000)	(1,672,304)	(605,000)
Payment of deferred financing costs	(524)	(17,356)	(12,180)
Receipt of security deposits under operating lease agreements	5,154	8,104	9,927
Return of security deposits under operating lease agreements	(4,265)	(421)	(2,385)
Receipt of maintenance deposits under operating lease agreements	49,075	49,333	30,354
Release of maintenance deposits under operating lease agreements	(5,537)	(7,134)	(275)
Proceeds from issuance of ordinary shares, net of underwriter's discount	—	—	5
Proceeds from issuance of preferred shares, net of underwriter's discount and issuance costs	—	—	61,729
Capital contributions from non-controlling interests	—	—	10
Settlement of equity-based compensation	(1,497)	—	—
Purchase of non-controlling interest shares	—	(534)	—
Redemption of preferred shares	(124,167)	(105,353)	—
Cash dividends - ordinary shares	(128,205)	(121,577)	(119,847)
Cash dividends - preferred shares	(17,243)	(32,763)	(31,795)
Net cash (used in) provided by financing activities	(227,209)	681,814	282,208
Net increase (decrease) in cash and cash equivalents and restricted cash	185,360	24,360	37,841
Cash and cash equivalents and restricted cash, beginning of period	115,266	90,906	53,065
Cash and cash equivalents and restricted cash, end of period	\$ 300,626	\$ 115,266	\$ 90,906

Supplemental disclosure of cash flow information:			
Cash paid for interest, net of capitalized interest	\$ 235,160	\$ 222,122	\$ 150,622
Cash paid for taxes	15,661	5,655	1,393

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	\$ 88,004	88,271	46,654
Acquisition of leasing equipment in accrued liabilities	(22,521)	(22,119)	(8,962)
Receipt of leasing equipment in settlement of accounts receivable	(5,075)	—	(14,250)
Purchase deposits reclassified to leasing equipment from other assets upon acquisition	(52,817)	(19,608)	(6,371)
Decrease in leasing equipment for engines provided to aircraft lessees in lieu of cash reimbursements of maintenance deposits	5,127	—	10,970
Accounts receivable settled with security deposits	(3,067)	(4,808)	(6,050)
Accounts receivable settled with maintenance deposits	(27,014)	(45,719)	(1,856)

⁽¹⁾ Includes the profit elimination of \$(22,829) for the year ended December 31, 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 \$26,370 for the year ended December 31, 2025, and return of deposits for the acquisition of leasing equipment reimbursed from the 2025 Partnership of \$45,710 for the year ended December 31, 2025.

See accompanying notes to consolidated financial statements.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

1. ORGANIZATION

FTAI Aviation Ltd. (“FTAI”, “FTAI Aviation” or “the Company”) is a Cayman Islands exempted company, which through its subsidiaries, is a leading independent engine maintenance platform focused on the CFM56-5B, CFM56-7B and V2500 aircraft engines which power the 737NG and A320ceo aircraft. The Company repairs and rebuilds engines and aftermarket components of engines as well as develops and manufactures Parts Manufacturer Approval (“PMA”) parts through a joint venture. Additionally, the Company owns and leases aircraft and engines to airlines and asset owners globally. The Company has two reportable segments, (i) Aerospace Products and (ii) Aviation Leasing (see Note 13).

The Company conducts engine maintenance at its 100% owned facilities in Montréal, Miami, Lisbon, 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, Lisbon 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 Company uses the equity method of accounting for investments in entities in which it exercises significant influence, but which 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.

Restructuring Charges—The termination of the Management Agreement in 2024 was a material change in the management structure of the business and is accounted for under ASC 420, *Exit or Disposal Cost Obligations*. The termination fee payment to the Former Manager under the Internalization Agreement is recorded within Internalization Fee to Affiliate. See Note 16 for additional discussion of the restructuring charges related to the Internalization.

Reclassifications—Certain amounts from prior periods in the Company’s consolidated financial statements and footnotes 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 its 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

(Dollars in tables in thousands, unless otherwise noted)

Property, Plant and Equipment, Leasing Equipment and Depreciation—Property, plant and equipment and leasing equipment are stated at cost (inclusive of capitalized acquisition costs, where applicable) and depreciated using the straight-line method, over its estimated useful lives, to estimated residual values which are summarized as follows:

Asset	Range of Estimated Useful Lives	Residual Value Estimates
Aircraft	25 years from date of manufacture	Generally not to exceed 15% of manufacturer's list price when new
Aircraft engines	2 - 6 years, based on maintenance adjusted service life	Sum of engine core salvage value plus the estimated fair value of life limited parts
Aviation tooling and equipment	3 - 6 years from date of purchase	Scrap value at end of useful life
Buildings and improvements	40 to 50 years	Scrap value at end of useful life
Machinery and equipment	6 - 23 years	Scrap value at end of useful life
Furniture and fixtures	3 - 6 years from date of purchase	None
Computer hardware and software	2 - 5 years from date of purchase	None
Land	N/A	N/A
Construction in progress	N/A	N/A
Other	5 - 7 years	N/A

Major improvements and modifications incurred in connection with the acquisition of property, plant and equipment and leasing equipment that are required to get the asset ready for initial service are capitalized and depreciated over the remaining life of the asset. Project costs of major additions and betterments, including capitalizable engineering costs and other costs directly related to the development or construction of a project, are capitalized and depreciation commences once it is placed into service for leasing equipment and once it is ready for service for property, plant and equipment. Interest costs directly related to and incurred during the construction period of property, plant and equipment are capitalized.

The Company reviews its depreciation policies on a regular basis to determine whether changes have taken place that would suggest that a change in its depreciation policies, useful lives of its equipment, or the assigned residual values is warranted.

For planned major maintenance or component overhaul activities for aviation equipment off lease, the cost of such major maintenance or component overhaul event is capitalized and depreciated on a straight-line basis over the period until the next maintenance or component overhaul event is required. Major maintenance and overhauls of the Company's maintenance repair facilities and related equipment that extend the life of the asset are capitalized and depreciated over the expected period until the next anticipated major maintenance or overhaul.

Upon retirement or disposal of property, plant and equipment, the cost and related accumulated depreciation are removed from the account, and the resulting gains or losses, if any, are recorded.

In accounting for leasing equipment, the Company makes estimates about the expected useful lives, residual values and the fair value of acquired in-place leases and acquired maintenance liabilities (for aviation equipment). In making these estimates, the Company relies upon observable market data for the same or similar types of equipment and, in the case of aviation equipment, its own estimates with respect to a lessee's anticipated utilization of the aircraft or engine. When the Company acquires leasing equipment subject to an in-place lease, determining the fair value of the in-place lease requires the Company to make assumptions regarding the current fair values of leases for identical or similar equipment, in order to determine if the in-place lease is within a fair value range of current lease rates. If a lease is below or above the range of current lease rates, the resulting lease discount or premium is recognized as a lease intangible and amortized into lease income over the remaining term of the lease.

Capitalized Interest—The interest cost associated with major development and construction projects are capitalized and included in the cost of the project. Interest capitalization ceases once a project is substantially complete or no longer undergoing construction activities to prepare it for its intended use. The Company capitalized interest of \$0.0 million, \$0.2 million and \$0.7 million during the years ended December 31, 2025, 2024 and 2023, respectively.

Repairs and Maintenance—Repair and maintenance costs that do not extend the lives of the assets are expensed as incurred. The Company's repairs and maintenance expense was \$3.2 million, \$9.8 million and \$7.7 million during the years ended December 31, 2025, 2024 and 2023, respectively, and are included in Operating expenses.

Impairment of Long-Lived Assets—The Company performs a recoverability assessment of each of its long-lived assets whenever events or changes in circumstances, or indicators, indicate that the carrying amount or net book value of an asset may not be recoverable. Indicators may include, but are not limited to, a significant lease restructuring or early lease termination; significant traffic decline; a significant change in market conditions; the introduction of newer technology and the length of time an asset is off lease related to leasing equipment, engines or for manufacturing equipment; a significant decrease in market value; adverse changes in use or condition; legal or regulatory changes; or cash flow reductions.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

If a quantitative recoverability assessment is determined to be needed, the Company measures whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its net book value. The undiscounted cash flows consist of cash flows of the asset or asset group. For long lived assets, the undiscounted cash flows consist of cash flows from currently contracted leases and contracts, future projected leases, transition costs, estimated down time and estimated residual or scrap values for leasing equipment or operating cash flows for manufacturing equipment, and maintenance and operating costs. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge.

Management develops the assumptions used in the recoverability analysis based on its knowledge of active contracts, current and future expectations of the global demand for a particular asset and historical experience in the leasing markets, information received from third party industry sources, usage assumptions, asset lifespan for leasing equipment, and expected operating income and costs associated with operating and maintaining the manufacturing asset. The factors considered in estimating the undiscounted cash flows are impacted by changes in future periods due to changes in contracted lease rates, residual values, economic conditions, technology, demand for a particular asset type and other factors, expected income and operating costs, maintenance and repairs, capital expenditures, and duration of the cash flows.

Recoverability of Goodwill—Goodwill is not amortized but rather is tested at least annually during the fourth quarter for impairment, or more often if events or circumstances indicate the carrying value of an asset may not be recoverable.

The Company assesses the recoverability of goodwill using a qualitative evaluation or a quantitative test to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. The determination of fair value requires management to make assumptions and to apply judgment to estimate industry and economic factors and the profitability of future business strategies. The Company conducts impairment testing based on current business strategy in light of present industry and economic conditions, as well as future expectations.

The Company performed a qualitative assessment for its goodwill impairment test for the year ended December 31, 2025. No impairment was recorded as a result of these tests for the years ended December 31, 2025, 2024 and 2023, respectively.

Included in goodwill on the Company's consolidated balance sheet at December 31, 2025 and 2024 was amounts acquired of \$32.7 million and \$56.5 million, respectively.

Security Deposits—The Company's operating leases generally require the lessee to pay a security deposit or provide a letter of credit. Security deposits are held until specified return dates stipulated in the lease or lease expiration.

Maintenance Payments—Typically, under an operating lease of aircraft, the lessee is responsible for performing all maintenance and is generally required to make maintenance payments to the Company for heavy maintenance, overhaul or replacement of certain high-value components of the aircraft or engine. These maintenance payments are based on hours or cycles of utilization or on calendar time, depending on the component, and are generally required to be made monthly in arrears. If a lessee is making monthly maintenance payments, the Company would typically be obligated to reimburse the lessee for costs they incur for heavy maintenance, overhaul or replacement of certain high-value components to the extent of maintenance payments received in respect of the specific maintenance event, usually shortly following the completion of the relevant work.

The Company records the portion of maintenance payments paid by the lessee that are expected to be reimbursed as maintenance deposit liabilities in the Consolidated Balance Sheets. Reimbursements made to the lessee upon the receipt of evidence of qualifying maintenance work are recorded against the maintenance deposit liability. In certain leases, the Company or the lessee may be obligated to make a payment to the other party at lease termination based on redelivery conditions stipulated at the inception of the lease. When the lessee is required to return the aircraft in an improved maintenance condition, the Company records a maintenance right asset, as a component of other assets, for the estimated value of the end-of-life maintenance payment at acquisition. The Company recognizes payments received as end-of-lease compensation adjustments, within lease income or as a reduction to the maintenance right asset, when payment is received or collectability is assured. In the event the Company is required to make payments at the end of the lease for redelivery conditions, amounts are accrued as additional maintenance liability and expensed when the Company is obligated and can reasonably estimate such payments.

Lease Incentives and Amortization—Lease incentives, which include lease acquisition costs related to reconfiguration of the aircraft cabin, other lessee specific modifications and other direct costs, are capitalized and amortized as a reduction of lease income over the primary term of the lease, assuming no lease renewals.

Intangibles and amortization—Intangibles include the value of acquired favorable and unfavorable leases and are included in Intangible assets, net.

In accounting for acquired leasing equipment, the Company makes estimates about the fair value of the acquired leases. In determining the fair value of these leases, the Company makes assumptions regarding the current fair values of leases for identical or similar equipment in order to determine if the acquired lease is within a fair value range of current lease rates. If a lease is below or above the range of current lease rates, the resulting lease discount or premium is recognized as a lease intangible and amortized into lease income over the remaining term of the lease. Acquired lease intangibles are amortized on a straight-line basis over the remaining lease terms, which collectively had a weighted-average remaining amortization period of 7.7 years as of December 31, 2025, and are recorded as a component of revenues.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

Deferred Financing Costs—Costs incurred in connection with obtaining long term financing are capitalized and amortized to interest expense over the term of the underlying loans. Unamortized deferred financing costs of \$47.4 million and \$55.5 million as of December 31, 2025 and 2024, respectively, are included in Long-term debt, net.

The Company also has unamortized deferred revolver fees related to its revolving debt of \$5.1 million and \$8.2 million as of December 31, 2025 and 2024, respectively, which are included in Other non-current assets.

Amortization expense was \$11.8 million, \$11.5 million and \$8.9 million for the years ended December 31, 2025, 2024 and 2023, respectively, and is included in Interest expense.

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

Aerospace products revenue—Aerospace products revenue primarily consists of the transaction price related to the sale of CFM56-7B, CFM56-5B and V2500 engines, engine modules, spare parts and used material inventory, and are accounted for within the scope of ASC 606. Revenue is recognized at the point in time 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 CFM56-7B and CFM56-5B engines to customers as they become unserviceable during the contract term. The Company recognizes revenue related to these engine management service contracts 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 at the point in time 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 12 “Affiliate Transactions and Former Management Agreement” for additional information on the 2025 Partnership and the strategic capital initiative.

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. 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 for engines on leased aircraft, projected costs for engine maintenance, and forecasted utilization, 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.

For purchase and lease back transactions, we account for the transaction as a single arrangement. We allocate the consideration paid based on the relative fair value of the aircraft and lease. The fair value of the lease may include a lease premium or discount, which is recorded as a favorable or unfavorable lease intangible.

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.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

Asset sales revenue—Asset sales revenue primarily consists of the transaction price related to the sale of aircraft and aircraft engines from 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.

Leasing Arrangements—At contract inception, the Company evaluates whether an arrangement is or contains a lease for which it is the lessee (that is, arrangements which provide the Company with the right to control a physical asset for a period of time). Operating lease right-of-use ("ROU") assets are included in Other non-current assets and lease liabilities are included in Other current and non-current liabilities. Finance lease ROU assets are recognized in Other non-current assets and lease liabilities are recognized in Other current and non-current liabilities.

All lease liabilities are measured at the present value of the unpaid lease payments, discounted using the Company's incremental borrowing rate based on the information available at commencement date of the lease. ROU assets, for both operating and finance leases, are initially measured based on the lease liability, adjusted for prepaid rent and lease incentives. Operating lease ROU assets are subsequently measured at the carrying amount of the lease liability adjusted for prepaid or accrued lease payments and lease incentives. The finance lease ROU assets are subsequently amortized using the straight-line method.

Operating lease expenses are recognized on a straight-line basis over the lease term. With respect to finance leases, amortization of the ROU asset is presented separately from interest expense related to the finance lease liability and is recorded in Operating expenses. Variable lease payments, which are primarily based on usage, are recognized when the associated activity occurs.

The Company has elected to combine lease and non-lease components for all lease contracts where it is the lessee. Additionally, for arrangements with lease terms of 12 months or less, the Company does not recognize ROU assets, and lease liabilities and lease payments are recognized on a straight-line basis over the lease term with variable lease payments recognized in the period in which the obligation is incurred.

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 year ended December 31, 2025, 45 aircraft were sold for a gain of \$50.1 million, which was recognized within gain on sale to the 2025 Partnership. The aircraft sales were accounted for under ASC 610-20, *Other Income — Gains and Losses from the Derecognition of Nonfinancial Assets*, as they were non-recurring in nature and not considered part of the Company's ordinary activities.

During the year ended December 31, 2025, the Company received \$54.3 million 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 13% and 10% of its revenue from two customers in the Aerospace Products segment during the twelve months ended December 31, 2025. No single customer or lessee accounted for greater than 10% of total revenue during the years ended December 31, 2024 and 2023.

As of December 31, 2025, there was one customer in the Aerospace Products segment that represented 23% of total accounts receivable, net. As of December 31, 2024 no single customer or lessee 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 it 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.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

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 quarterly, on a customer-by-customer basis. Receivables are written off after all reasonable means to collect the full amount have been exhausted. The activity in the allowance for doubtful accounts is as follows:

	December 31,		
	2025	2024	2023
Allowance at beginning of period	\$ 74,947	\$ 72,163	\$ 65,580
Bad debt expense	574	2,784	6,583
Write-offs and recoveries, net	(47,134)	—	—
Allowance at end of period	<u>\$ 28,387</u>	<u>\$ 74,947</u>	<u>\$ 72,163</u>

Economic sanctions and export controls against Russia and Russia's aviation industry were imposed due to its invasion of Ukraine during the first quarter of 2022. As a result of the sanctions imposed on Russian airlines, the Company terminated all lease agreements with Russian airlines and its allowance for doubtful accounts at December 31, 2024 includes all accounts receivable exposure to Russian and Ukrainian lessees.

Comprehensive Income—The Company's comprehensive income represents net income adjusted for comprehensive loss related to cash flow hedges of its equity method investees of discontinued operations.

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

	December 31,	
	2025	2024
Notes receivable	\$ 216,298	\$ 165,338
Prepaid expenses including prepayments for maintenance that has not yet been incurred	79,806	87,323
Financing receivable resulting from failed sale-leaseback transactions	37,740	32,486
Purchase deposits	12,791	83,229
Contract asset from the 2025 Partnership	16,835	—
Other	44,894	40,547
Other current assets	<u>\$ 408,364</u>	<u>\$ 408,923</u>

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

	December 31,	
	2025	2024
Lease incentives	\$ 43,688	\$ 56,812
Deferred tax assets	31,920	42,893
Financing receivable resulting from failed sale-leaseback transactions	19,109	28,412
Maintenance right assets	6,374	25,907
Other	65,969	54,406
Other non-current assets	<u>\$ 167,060</u>	<u>\$ 208,430</u>

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

	December 31,	
	2025	2024
Deposits on sales of leasing equipment	33,755	\$ 87,296
Other	28,447	13,269
Other current liabilities	<u>\$ 62,202</u>	<u>\$ 100,565</u>

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

Dividends—Dividends are recorded if and when declared by the Board of Directors. The Board of Directors declared cash dividends of \$1.35, \$1.20 and \$1.20 per ordinary share for each of the years ended December 31, 2025, 2024 and 2023, respectively.

Additionally, the Board of Directors declared cash dividends on the Series C Preferred Shares of \$2.06, \$2.06, \$2.06 per share for the years ended December 31, 2025, 2024 and 2023, respectively, the Series D Preferred Shares of \$2.38, \$2.38 and \$1.78 per share for the year ended December 31, 2025, 2024 and 2023, the Series A Preferred Shares of \$1.55 and \$2.06 per share for the years ended December 31, 2024, and 2023, respectively, and the Series B Preferred Shares of \$2.00 and \$2.00 per share for the years ended December 31, 2024 and 2023, 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 years ended December 31, 2025, 2024 and 2023 are detailed below:

<i>(in thousands)</i>	Year Ended December 31,		
	2025	2024	2023
Cost of modules and parts sold sourced from engines originally within leasing equipment	\$ 25,558	\$ 38,300	\$ 41,167
Transfers of engines from leasing equipment to inventory for manufacturing and sale	259,383	239,462	178,740
Transfers of inventory to leasing equipment for rebuilding and sale of engines	(255,845)	(223,129)	(78,788)
Total outflows related to manufacturing modules and parts - included in net cash (used in) provided by operating activities	(779,374)	(345,821)	(138,045)
Cash received for assets sold sourced from leasing equipment - inflow included in cash (used in) provided by operating activities	61,513	76,157	94,222
Cash received for sales of leasing equipment that include components sourced from inventory - inflow included in cash used in investing activities	1,058,961	436,217	79,474
Cash paid for engine and aircraft inventory - outflow included in cash provided by (used in) operating activities	(325,056)	(8,280)	—

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements—In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures*. This ASU modifies the disclosure and presentation requirements of reportable segments. The new guidance requires the disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit and loss. In addition, the new guidance enhances interim disclosure requirements, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, provides new segment disclosure requirements for entities with a single reportable segment, and contains other disclosure requirements. This standard is effective retrospectively for all public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted this guidance in the fourth quarter of 2024, and it did not have a material impact on its consolidated financial statements and related disclosures.

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 Company adopted this guidance in the first quarter of 2025. The adoption of ASU 2023-05 did not have a material impact on the Company's consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. This ASU enhances the transparency and decision usefulness of income tax disclosures by expanding the disclosures of an entity's income tax rate reconciliation and disaggregation of income taxes paid and income tax expense. Under the new guidance, public business entities must annually disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold, if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income (loss) by the applicable statutory income tax rate. This standard is effective prospectively for all public entities for annual periods beginning after December 15, 2024, with early adoption and retrospective application permitted. The Company adopted this guidance, prospectively, in the fourth quarter of 2025. See note 11 for the Company's income tax disclosures.

Accounting Pronouncements Not Yet Adopted—In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. In January 2025, the FASB issued Clarifying the Effective Date ("ASU 2025-01") to add some clarity around the effective date of the guidance. This ASU requires disaggregated information for specified categories of expenses, including inventory purchases, employee compensation, depreciation, amortization, and depletion, to be presented in certain expense captions on the face of the income statement. This standard is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption and either prospective or retrospective application permitted. The Company is currently assessing the impact this guidance will have on its consolidated financial statements and related disclosures.

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.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270)*, which improves the navigability of the required interim disclosures, provides clarity as to when it is applicable, and provides additional guidance on what disclosures are required in interim reporting periods by establishing a disclosure principle. The guidance is effective for interim reporting periods beginning in 2028 and can be applied either prospectively or retrospectively. The Company is currently determining its method of adoption.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

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.

In connection with the acquisition, the Company recorded \$6.9 million of acquisition and transaction expense during the year ended December 31, 2024.

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 year ended December 31, 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.

Subsequent to the acquisition, in the quarter ended December 31, 2024, measurement period adjustments as of the acquisition date were made to decrease accounts receivable by \$1.5 million, decrease inventory by \$21.5 million, increase other current assets by \$4.1 million, increase property, plant and equipment by \$1.0 million, increase other non-current assets by \$0.1 million, decrease accounts payable by \$0.4 million, decrease accrued liabilities by \$0.1 million, decrease other current liabilities by \$5.0 million, increase other non-current liabilities by \$1.5 million an increase in total consideration transferred of \$15.8 million. These adjustments resulted in an increase to goodwill of \$29.6 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 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.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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, 2023.

	Year ended December 31,	
	2024	2023
Total revenue	\$ 1,782,339	\$ 1,257,302
Net (loss) income attributable to shareholders	\$ (35,850)	\$ 211,582

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

4. ACQUISITION OF QUICKTURN

On December 1, 2023, the Company completed the acquisition of the remaining equity interest of Quick Turn Engine Center LLC ("QuickTurn") from Unical Aviation Inc. ("Unical") for total cash consideration of \$30.3 million to obtain full ownership.

The Company acquired QuickTurn to better position the Company to have tighter integration over the development and delivery of aerospace products. QuickTurn is a hospital maintenance and testing facility dedicated to the CFM56 engine located in Miami, Florida that operates within the Company's Aerospace Products segment. The results of operations at QuickTurn have been included in the Consolidated Statements of Operations beginning on the acquisition date.

The acquisition of QuickTurn was accounted for as a business combination and, as such, the following fair values were assigned to assets acquired and liabilities assumed based on management's estimates and assumptions. The significant assumptions used to estimate the fair value of the property, plant, and equipment included replacement cost estimates and market data for similar assets where available. The significant assumptions used to estimate the value of the customer relationship intangible assets included the discount rate and future revenues and operating expenses.

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

	<u>December 1, 2023</u>
Fair value of assets acquired:	
Current Assets	
Cash and cash equivalents	\$ 518
Restricted cash	150
Accounts receivable	5,133
Inventory	9,332
Other current assets	2,889
Total current assets	18,022
Property, plant, and equipment	30,559
Intangible assets	2,377
Other non-current assets	1,412
Total assets	52,370
Fair value of liabilities assumed:	
Current Liabilities	
Accounts payable	3,424
Accrued liabilities	571
Other current liabilities	1,475
Total current liabilities	5,470
Other non-current liabilities	934
Total liabilities	6,404
Goodwill ⁽¹⁾	4,630
Net assets acquired	\$ 50,596

⁽¹⁾ Goodwill is assigned to the Aerospace Products segment and is deductible for income tax purposes.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in tables in thousands, unless otherwise noted)

5. LEASING EQUIPMENT, NET

Leasing equipment, net is summarized as follows:

	December 31,	
	2025	2024
Leasing equipment	\$ 2,057,624	\$ 2,963,452
Less: Accumulated depreciation	(511,820)	(589,722)
Leasing equipment, net	\$ 1,545,804	\$ 2,373,730

The Company identified certain assets in its leasing equipment portfolio with indicators of impairment. During the year ended December 31, 2025, the Company did not record any transactional impairment charges. In comparison, for the year ended December 31, 2024, the Company recorded transaction impairment charges of \$1.0 million, net of redelivery compensation.

In the fourth quarter of 2024, the Company completed the sale of the two vessels included within Corporate and Other. The Company sold the two offshore vessels for total proceeds of \$142.6 million and the book value was \$123.9 million. This transaction resulted in a gain of \$18.7 million and is reflected in the Gain on sale of assets, net, for the year ended December 31, 2024.

Depreciation expense for leasing equipment is summarized as follows:

	Year Ended December 31,		
	2025	2024	2023
Depreciation expense for leasing equipment	\$ 208,987	\$ 211,047	\$ 168,901

6. INVESTMENTS

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

	Investment	Ownership Percentage	Carrying Value	
			December 31, 2025	December 31, 2024
Advanced Engine Repair JV	Equity method	25%	\$ 22,429	\$ 19,048
2025 Partnership	Equity method	19%	281,740	—
QuickTurn Europe	Equity method	50%	9,987	—
			\$ 314,156	\$ 19,048

The Company did not recognize any other-than-temporary impairments for the year ended December 31, 2025 and 2024.

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

	Year Ended December 31,		
	2025	2024	2023
Advanced Engine Repair JV	\$ 3,381	\$ (1,993)	\$ 833
2025 Partnership ⁽¹⁾	(9,715)	—	—
Falcon MSN 177 LLC ⁽²⁾	—	(207)	(148)
QuickTurn Europe	(484)	—	—
Quick Turn Engine Center LLC ⁽³⁾	—	—	(2,291)
Total	\$ (6,818)	\$ (2,200)	\$ (1,606)

⁽¹⁾ Includes the profit elimination of \$(22,829) for the year ended December 31, 2025 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.

⁽³⁾ On December 1, 2023, the Company purchased the remaining interest in QuickTurn.

Equity Method Investments

Advanced Engine Repair JV

In December 2016, the Company invested \$15 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.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

In August 2019, the Company expanded the scope of its 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 has 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.

Quick Turn Engine Center LLC

On January 4, 2023, the Company invested \$19.5 million for a 50% interest (45% pro rata distribution of income until return of the JV partner’s initial investment) in Quick Turn Engine Center LLC (previously iAero Thrust LLC), a hospital maintenance and testing facility dedicated to the CFM56 engine. The Company accounts for its investment in QuickTurn as an equity method investment as it has significant influence through its interest.

On December 1, 2023, the Company purchased the remaining interest in QuickTurn.

2025 Partnership

In the year ended December 31, 2025, the Company invested \$291.5 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 19% 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 and the elimination of profit on sales of engine and modules to the 2025 Partnership under ASC 606. The profit from the MRE Contract revenue is eliminated through equity method earnings and will be recognized over time as the 2025 Partnership generates income from leasing and sales activities.

QuickTurn Europe

On June 5, 2025, 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.

7. INTANGIBLE ASSETS AND LIABILITIES, NET

The Company’s intangible assets and liabilities, net are summarized as follows:

	December 31, 2025	December 31, 2024
Intangible assets		
Acquired favorable lease intangibles	\$ 17,245	\$ 70,375
Less: Accumulated amortization	(8,935)	(29,664)
Acquired favorable lease intangibles, net	8,310	40,711
Acquired customer relationships	12,607	1,907
Less: Accumulated amortization	(988)	(413)
Acquired customer relationships, net	11,619	1,494
Total intangible assets, net	\$ 19,929	\$ 42,205
Intangible liabilities		
Acquired unfavorable lease intangibles	\$ 7,688	\$ 13,767
Less: Accumulated amortization	(2,132)	(1,259)
Acquired unfavorable lease intangibles, net	\$ 5,556	\$ 12,508

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

The weighted average amortization period of intangible assets acquired during the year ended December 31, 2025 is as follows:

	Weighted Average Amortization Period
Lease intangibles	3.5 years
Customer relationships	10.5 years
Total intangible assets	7.7 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:

	Classification in Consolidated Statements of Operations	Year Ended December 31,		
		2025	2024	2023
Lease intangibles	Lease income	\$ 6,710	\$ 15,597	\$ 15,126
Customer relationships	Depreciation and amortization	603	403	11
Total		\$ 7,313	\$ 16,000	\$ 15,137

As of December 31, 2025, estimated net annual amortization of intangibles is as follows:

2026	\$ 2,444
2027	1,877
2028	2,436
2029	1,480
2030	1,398
Thereafter	4,738
Total	\$ 14,373

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

8. DEBT, NET

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

	December 31, 2025			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⁾	1,000,995	5.50%	5/1/28	1,001,382
Senior Notes due 2030 ⁽³⁾	497,470	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⁾	497,784	5.88%	4/15/33	497,551
Total bonds payable	3,496,249			3,496,004
Debt	3,496,249			3,496,004
Less: Debt issuance costs	(47,358)			(55,526)
Total debt, net	\$ 3,448,891			\$ 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 \$995 and \$1,382 at December 31, 2025 and December 31, 2024, respectively.

⁽³⁾ Includes an unamortized discount of \$2,530 and \$2,929 at December 31, 2025 and December 31, 2024, respectively.

⁽⁴⁾ Includes an unamortized discount of \$2,216 and \$2,449 at December 31, 2025 and December 31, 2024, respectively.

Revolving Credit Facility—On May 23, 2024, the Company amended and restated its Revolving Credit Facility by executing a Third Amended and Restated Credit Agreement (the “Revolver Amendment”). The Revolver Amendment provides for revolving loans to be made available to the Company in an aggregate principal amount of up to \$400.0 million, of which up to \$25.0 million may be utilized for the issuance of letters of credit.

Senior Notes due 2031—On April 11, 2024, the Company issued \$700.0 million aggregate principal amount of senior unsecured notes due 2031 (the “Senior Notes due 2031”). The Senior Notes due 2031 bear interest at a rate of 7.00% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, commencing on November 1, 2024. Using a portion of the net proceeds, the Company completed a cash tender offer for \$324.6 million aggregate principal amount of 2025 Notes validly tendered on April 11, 2024. Holders whose notes were accepted for purchase received equal consideration per \$1,000 principal amount of 2025 Notes, plus accrued and unpaid interest to, but not including, April 11, 2024. The Company used the remaining net proceeds to redeem the remaining \$325.4 million aggregate principal amount of Senior Notes due 2025, plus accrued and unpaid interest, and recognized a loss on extinguishment of debt of \$2.7 million. The remaining net proceeds were used for general corporate purposes, including the funding of acquisitions and investments.

Senior Notes due 2032—On June 17, 2024, the Company issued \$800.0 million aggregate principal amount of senior unsecured notes due 2032 (the “Senior Notes due 2032”). These notes bear interest at a rate of 7.00% per annum, payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2024. The Company utilized the net proceeds from the issuance for several purposes: (i) to fully repay outstanding amounts under the Company's Revolving Credit Facility provided under the Revolver Amendment, without reduction in commitments, (ii) to fund the cash termination fee for the previously announced management Internalization described in Note 12, (iii) to complete a cash tender offer for up to \$300.0 million in aggregate principal amount of Senior Notes due 2027 validly tendered on June 18, 2024, plus accrued and unpaid interest, and recognized a loss on extinguishment of debt of \$11.2 million, (iv) to cover fees and expenses related to the aforementioned transactions, and (v) for general corporate purposes.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

Senior Notes due 2033—On October 9, 2024, the Company issued \$500.0 million aggregate principal amount of senior unsecured notes due 2033 (the “Senior Notes due 2033”). The Senior Notes due 2033 bear interest at a rate of 5.875% per annum, payable semi-annually in arrears on April 15 and October 15 of each year, commencing on April 15, 2025. Using a portion of the net proceeds, the Company redeemed the remaining \$130.5 million aggregate principal amount of Senior Notes due 2027, plus accrued and unpaid interest, and recognized a loss on extinguishment of debt of \$3.2 million. The Company used the remaining net proceeds to pay down in full the Company’s Revolving Credit Facility, with any excess proceeds intended for general corporate purposes, including funding acquisitions and investments.

The Company was in compliance with all debt covenants as of December 31, 2025.

As of December 31, 2025, scheduled principal repayments under the Company’s debt agreements for the next five years and thereafter are summarized as follows:

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>Thereafter</u>	<u>Total</u>
Revolving Credit Facility	—	—	—	—	—	—	—
Senior Notes due 2028	—	—	1,000,000	—	—	—	1,000,000
Senior Notes due 2030	—	—	—	—	500,000	—	500,000
Senior Notes due 2031	—	—	—	—	—	700,000	700,000
Senior Notes due 2032	—	—	—	—	—	800,000	800,000
Senior Notes due 2033	—	—	—	—	—	500,000	500,000
Total principal payments on loans and bonds payable	\$ —	\$ —	\$ 1,000,000	\$ —	\$ 500,000	\$ 2,000,000	\$ 3,500,000

9. 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.

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, which are classified on the balance sheet.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

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:

	December 31, 2025	December 31, 2024
Senior Notes due 2028	1,001,880	980,140
Senior Notes due 2030	531,735	526,380
Senior Notes due 2031	737,618	713,923
Senior Notes due 2032	842,240	816,904
Senior Notes due 2033	508,525	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 \$12.0 million and \$8.9 million as of December 31, 2025 and December 31, 2024, respectively, and are reflected as a component of Other non-current liabilities. The fair values of the guarantees, which were first recorded in 2022, 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 year ended December 31, 2025 and 2024, the Company recorded a \$3.1 million and \$2.1 million increase, respectively, related to the change in fair value, which is recorded in Asset sales revenue. During the year ended December 31, 2023, the Company recorded \$4.8 million in guarantees related to the sale of seven aircraft and a \$1.8 million decrease related to the change in fair value, which is recorded in Asset sales revenue. During the years ended December 31, 2025, 2024 and 2023, there were no significant transfers into or out of Level 3.

Given variability in the condition of the engines at the end of the lease terms, which range from 2 to 7 years, the maximum potential amount of undiscounted future payments that could be required under the guarantees at December 31, 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 eventual sale of assets.

10. 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 December 31, 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.

Stock Options

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

During the year ended December 31, 2024, in connection with the Company's equity offerings (see Note 14 for details), the Company granted options to the Former Manager related to ordinary shares. The fair value of these options were recorded as an increase in equity with an offsetting reduction of capital proceeds received.

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.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

The following table presents information related to the options granted related to the Company's shares:

	Year Ended December 31,			
	2024		2023	
Number of options	60,000		248,947	
Fair value (\$ millions)	\$2.1		\$2.1	
Ranges				
Expected volatility	The expected share volatility is based on an assessment of the volatility of the Company's publicly traded ordinary shares		43.00 % - 43.00 %	37.88 % - 37.88 %
Risk free interest rate	The risk-free rate is determined using the implied yield currently available on U.S. government bonds with a term consistent with the expected term on the date of grant.		4.52 % - 4.52 %	3.47 % - 3.47 %
Expected dividend yield	The expected dividend yield is based on management's current expected dividend rate.		1.50 % - 1.50 %	6.26 % - 6.26 %
Expected term	Expected term used represents the period of time the options granted are expected to be outstanding.		6.8 years	10.0 years

Restricted Shares

During the year ended December 31, 2025, the Company issued the following restricted shares of the Company to select employees and officers of the Company:

In February 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 3.0 years.

In November 2025, the Company issued restricted shares to select employees of the Company with a grant date fair value of \$0.3 million, vesting over 4.0 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 year ended December 31, 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 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 value was based on the closing price of the Company's ordinary shares on the respective grant dates. The unrecognized compensation expense of restricted shares is expected to be recognized over a weighted-average period of 1.7 years.

Performance Shares

During the year ended December 31, 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%).

In November 2024, the Company granted up to 1,000,000 shares of performance shares to certain employees of the Company for which the ultimate number of units that will vest are determined based on the achievement of market conditions at the end of the stated performance period. The awards which are to be earned is based on the "Performance Level" of the Company's Compound Annualized Total Shareholder Return ("CAGR") for the Performance Period. The Performance Period is measured from November 5, 2024 through November 5, 2027. The number of shares earned could range from 0% to a maximum of 100%. The Earned Units from the Performance-based Awards become exercisable in three equal installments over a two-year period beginning with the completion of the Performance Period. The three equal installments of Earned Units vest on (i) November 5, 2027, (ii) November 5, 2028, and (iii) November 5, 2029. Compensation expense for the units is based on the estimated value of the awards on the grant date, and is recognized over the period from the grant date through the expected vest dates of each vesting condition.

The grant date fair value was \$48.1 million and was determined using the Monte Carlo simulation, assuming a Geometric Brownian Motion (GBM) to model various simulation paths, which relies on highly subjective assumptions, including simulated share prices and simulated vesting percentages to simulate payoff paths. Key assumptions in this method include the historical and implied equity volatility, an implied volatility weight, and the risk-free rate of returns. The valuation model assumes dividends are immediately reinvested.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

As of December 31, 2025, there was \$36.8 million in unrecognized compensation cost related to unvested performance shares. This cost is expected to be recognized over a weighted-average period of 2.8 years.

The Consolidated Statements of Operations includes the following expense related to the Company's equity-based compensation arrangements which are recorded in Operating expenses:

	December 31,			Remaining Expense To Be Recognized, If All Vesting Conditions Are Met	Weighted Average Remaining Contractual Term (in years)
	2025	2024	2023		
Stock options	\$ 508	\$ 296	\$ —	\$ 1,270	7.7 years
Restricted shares	7,448	3,756	1,638	14,012	1.7 years
Performance shares	13,777	1,954	—	36,752	2.8 years
Total	<u>\$ 21,733</u>	<u>\$ 6,006</u>	<u>\$ 1,638</u>	<u>\$ 52,034</u>	

The tables below provide details on the Company's stock options, performance shares, and restricted shares:

	Stock Options		Performance Shares		Restricted Shares	
	Options	Weighted Average Exercise/ Issuance Price	Shares	Weighted Average Grant date fair value	Shares	Weighted Average Issuance Price
Outstanding as of December 31, 2024	112,343	\$ 52.70	1,000,000	\$ 48.11	481,138	\$ 41.90
Granted	—	—	28,441	153.80	51,898	128.98
Less: exercised / vested	10,000	14.77	—	—	23,712	88.54
Less: forfeited and canceled	—	—	—	—	—	—
Outstanding as of December 31, 2025	<u>102,343</u>		<u>1,028,441</u>		<u>509,324</u>	

	Stock Options		Performance Shares		Restricted Shares	
As of December 31, 2025:						
Weighted average exercise / issuance price (per share)	\$	56.37	\$	51.03	\$	48.60
Aggregate intrinsic value (in thousands)		14,377		N/A		24,753
Weighted average remaining contractual term (in years)		7.7		2.8		1.7

11. INCOME TAXES

The Company is incorporated in the Cayman Islands where income taxes are not imposed. Taxable income or loss generated by the Company's corporate subsidiaries is subject to income tax in jurisdictions where they conduct business.

For the year ended December 31, 2025, for purposes of this income tax disclosure, the Company has determined that based on the increased significance of its operations, by location, that Ireland is its domestic country of tax domicile. As a result, for 2025, the Ireland statutory income tax rate of 12.5% has been used for purposes of presenting the tax rate reconciliation.

During 2025, the Company adopted ASU 2023-09 "Improvements to Income Tax Disclosures" on a prospective basis. The 2025 tables below are presented on a prospective basis, both in adoption of ASU 2023-09 and for the presentation of Ireland as the country of domicile beginning in 2025 for purposes of the income taxes note to the consolidated financial statements. Thus, the year ended December 31, 2025 is presented separately from its comparative periods ending December 31, 2024 and 2023, which remain presented consistently with prior reporting.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

The domestic and foreign components of the Company's pre-tax income (loss) are as follows:

	<u>Year Ended December 31,</u>
	<u>2025</u>
Pre-tax book income (loss)	
Domestic (Ireland)	\$ 410,329
Foreign	196,355
Total	<u>\$ 606,684</u>

	<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Pre-tax book income (loss)		
Domestic (Cayman Islands)	\$ (259)	\$ (282)
Foreign	14,428	184,299
Total	<u>\$ 14,169</u>	<u>\$ 184,017</u>

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

	<u>Year Ended December 31,</u>
	<u>2025</u>
Current:	
Ireland	\$ 13,534
Cayman Islands	—
Bermuda	4,800
United States:	
Federal	1,353
State and local	4,949
Other Non-Ireland including Pillar II Tax	7,028
Total current provision	<u>31,664</u>
Deferred:	
Ireland	34,920
Cayman Islands	—
Bermuda	10,643
United States:	
Federal	25,436
State and local	2,379
Other Non-Ireland	578
Total deferred provision (benefit)	<u>73,956</u>
Total	<u>\$ 105,620</u>

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

	Year Ended December 31,	
	2024	2023
Current:		
Cayman Islands	\$ —	\$ —
Bermuda	—	—
United States:		
Federal	847	935
State and local	1,158	1,176
Other Non-U.S.	1,604	1,715
Total current provision	3,609	3,826
Deferred:		
Cayman Islands	—	—
Bermuda	2,320	(72,185)
United States:		
Federal	6,020	3,943
State and local	(616)	(2)
Other Non-U.S.	(5,846)	4,618
Total deferred provision (benefit)	1,878	(63,626)
Total	\$ 5,487	\$ (59,800)

Historically, the Company's Bermuda operations have not been subject to Bermuda income tax. However, on December 27, 2023, the Government of Bermuda enacted a 15% corporate income tax regime (the "Bermuda CIT") that applies to Bermuda businesses that are part of multinational enterprise groups with annual revenue of €750 million or more and is effective for tax years beginning on or after January 1, 2025. As a result of the Bermuda CIT, the exemption of certain of the Company's Bermuda subsidiaries from Bermuda corporate income taxes ceased in 2025. The Company recorded the impact of this enactment in their provision for the year ended December 31, 2023.

The difference between the Company's reported income tax rate and the Irish statutory rate is as follows:

	Year Ended December 31, 2025	
	Amount	Percent
Ireland statutory rate	\$ 75,836	12.50 %
Foreign tax effects	24,946	4.11 %
United States		
Statutory tax rate difference between the US and Ireland	9,092	1.50 %
Nondeductible expenses	6,601	1.09 %
US State and local taxes ⁽¹⁾	5,053	0.83 %
Bermuda		
Statutory tax rate difference between Bermuda and Ireland	3,109	0.51 %
Other foreign jurisdictions	1,091	0.18 %
Ireland alternative minimum tax ⁽²⁾	5,798	0.96 %
Changes in valuation allowance	(4,460)	(0.74)%
Other	3,500	0.58 %
Income tax rate	\$ 105,620	17.41 %

⁽¹⁾ State taxes in Arizona, California, and Florida made up the majority (greater than 50%) of the tax effect in this category.

⁽²⁾ Represents top-up tax in Ireland driven by Pillar Two given Ireland statutory tax rate of 12.5%.

Note: As of January 1, 2025, the Company adopted ASU 2023-09 related to income tax disclosures in connection with 2025 only (as presented above). The effective tax rate reconciliation for pre-2025 years are presented consistently with historical presentation below.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

The difference between the Company's reported income tax rate and the Cayman Islands statutory rate of 0% is as follows:

	Year Ended December 31,	
	2024	2023
Income subject to tax in the United States	53.0 %	3.3 %
Foreign taxes	80.1 %	(30.9)%
Change in valuation allowance	(94.4)%	(4.9)%
Income tax rate	<u>38.7 %</u>	<u>(32.5)%</u>

For the year ended December 31, 2025, the Company paid income taxes, net of refunds, by jurisdiction as follows:

	Year Ended December 31,
	2025
Ireland	\$ 1,238
US Federal	8,777
Florida (US State)	2,735
Other	2,911
Total	<u>\$ 15,661</u>

Note: The table above also is a result of the adoption of ASU 2023-09 for the year ended December 31, 2025. Historically, any cash taxes paid disclosure was disclosed in the Statement of Cash Flows. Cash paid for taxes was \$5,655 and \$1,393 in the years ended December 31, 2024 and 2023, respectively.

Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	\$ 6,985	\$ 34,097
Interest expense	—	2,187
Inventory	2,089	2,704
Customer relationship intangibles	25,650	28,500
Other	9,399	4,250
Total deferred tax assets	<u>44,123</u>	71,738
Less valuation allowance	—	(5,228)
Net deferred tax assets	<u>44,123</u>	66,510
Deferred tax liabilities:		
Fixed assets and goodwill	(51,480)	(32,545)
Equity method investments	(12,223)	(163)
Other	(1,896)	(2,214)
Total deferred tax liabilities	<u>(65,599)</u>	(34,922)
Net deferred tax (liabilities) assets	<u>\$ (21,476)</u>	<u>\$ 31,588</u>

Deferred tax assets and liabilities are reported net in Other non-current assets or Other non-current liabilities. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

For the year ended December 31, 2025, the Company evaluated its deferred tax assets and determined, based on the weight of available evidence, that it is more likely than not that such deferred tax assets will be realized. As a result, the valuation allowance was fully released as of December 31, 2025. Valuation allowances of \$5.2 million and \$18.6 million were recognized as of December 31, 2024 and 2023, respectively, related to certain deductible temporary differences and net operating loss carryforwards.

A summary of the changes in the valuation allowance is as follows:

	December 31,		
	2025	2024	2023
Valuation allowance at beginning of period	\$ 5,228	\$ 18,599	\$ 27,565
Change due to current year losses	—	885	855
Change due to current year releases	(5,228)	(14,256)	(9,821)
Valuation allowance at end of period	<u>\$ —</u>	<u>\$ 5,228</u>	<u>\$ 18,599</u>

As of December 31, 2025, the Company had net operating loss carryforwards for Irish income tax purposes of \$51.0 million, which can be carried forward indefinitely against future business income, and \$2.0 million of net operating loss carryforward for Canadian income tax purpose, which will begin to expire in the year 2044. The utilization of the net operating loss carryforwards to reduce future income taxes will depend on the relevant corporate subsidiary’s ability to generate sufficient taxable income prior to the expiration of the carryforward period, if any. In addition, the maximum annual use of net operating loss carryforwards may be limited after certain changes in share ownership.

As of and for the period ended December 31, 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.

12. 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. 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. In addition, any profit participation distributions generated from investments made by the 2025 Partnership will be paid to a subsidiary of the Company as the Strategic Capital Initiative’s servicer (i.e., general partner) as “profit participation.”

The 2025 Partnership completed its fundraise in October 2025 with \$2.0 billion of equity commitments.

During the years ended December 31, 2025 and 2024, on behalf of the 2025 Partnership, the Company paid refundable deposits of \$26.4 million and \$19.3 million to unrelated, third-parties on future purchases of aircraft, respectively. As of December 31, 2025, the 2025 Partnership fully reimbursed the Company \$45.7 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 sells 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 year ended December 31, 2025, the Company recorded \$335.8 million of MRE Contract revenue, respectively, for the sale and purchase of such engines to and from the 2025 Partnership.

The Company provides aircraft management services to the 2025 Partnership, and receives customary, market-based compensation for providing such services, which is included in Other revenue on the Company’s Consolidated Statement of Operations.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

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 are 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%).

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 the Company's 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 the Company's 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 the Company's 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.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

The following table summarizes the management fees, income incentive allocation and capital gains incentive allocation prior to the Internalization on May 28, 2024:

	Year Ended December 31,	
	2024	2023
Management fees	\$ 993	\$ 921
Income incentive allocation	7,456	17,116
Total	\$ 8,449	\$ 18,037

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 ours (including commitment fees, legal fees, closing costs, etc.), expenses associated with other securities offerings of ours, costs and expenses incurred in contracting with third parties (including affiliates of the Former Manager), the costs of printing and mailing proxies and reports to 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:

	Year Ended December 31,		
	2025	2024	2023
Classification in the Consolidated Statements of Operations:			
General and administrative	\$ 247	\$ 6,788	\$ 7,137
Acquisition and transaction expenses	122	2,137	678
Total	\$ 369	\$ 8,925	\$ 7,815

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.

13. 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) Aerospace Products and (ii) Aviation Leasing. The Aerospace Products segment, through the Company's maintenance facilities and joint ventures, among other investments, develops and manufactures, repairs/refurbishes and sells aircraft engines and aftermarket components for the CFM56-7B, CFM56-5B and V2500 commercial aircraft engines. The Aviation Leasing segment owns and manages aviation assets, including aircraft and aircraft engines, which it leases and sells to lessees. During the fourth quarter of 2023, the Company changed the composition of its operating segments to include V2500 engines within the Aerospace Products segment.

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.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

The accounting policies of the segments are the same as those described in the summary of significant accounting policies; however, financial information presented by segment includes the impact of intercompany eliminations. The Company's Chief Executive Officer is the 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:

I. For the Year Ended December 31, 2025

	Year Ended December 31, 2025				
	Aerospace Products	Aviation Leasing	Corporate and Other	Eliminations	Total
Revenues					
Aerospace products revenue	\$ 1,600,456	\$ —	\$ —	\$ —	\$ 1,600,456
MRE Contract revenue	335,788	—	—	—	335,788
Lease income	—	235,210	—	—	235,210
Maintenance revenue	—	218,499	—	—	218,499
Asset sales revenue	—	106,945	—	—	106,945
Other revenue ⁽¹⁾	—	10,507	4	—	10,511
Total revenues	1,936,244	571,161	4	—	2,507,409
Expenses					
Cost of sales	1,240,368	109,351	—	—	1,349,719
Operating expenses	34,514	37,307	80,720	—	152,541
General and administrative	—	—	9,478	—	9,478
Acquisition and transaction expenses	3,198	9,182	16,207	—	28,587
Depreciation and amortization	15,764	205,687	4,346	—	225,797
Total expenses	1,293,844	361,527	110,751	—	1,766,122
Other income (expense)					
Interest expense	—	—	(247,751)	—	(247,751)
Equity in earnings (losses) of unconsolidated entities ⁽²⁾	2,896	13,115	—	(22,829)	(6,818)
Gain on sale to the 2025 Partnership	—	46,380	—	—	46,380
Other income	5,441	64,455	3,690	—	73,586
Total other income (expense)	8,337	123,950	(244,061)	(22,829)	(134,603)
Income (loss) before income taxes	650,737	333,584	(354,808)	(22,829)	606,684
Provision for (benefit from) income taxes	102,391	62,232	(59,003)	—	105,620
Net income (loss)	548,346	271,352	(295,805)	(22,829)	501,064
Less: Dividends on preferred shares	—	—	17,243	—	17,243
Less: Loss on redemption of preferred shares	—	—	6,327	—	6,327
Net income (loss) attributable to shareholders	\$ 548,346	\$ 271,352	\$ (319,375)	\$ (22,829)	\$ 477,494

⁽¹⁾ Includes servicing fees of \$10,150 for the year ended December 31, 2025 from the 2025 Partnership.

⁽²⁾ Includes the profit elimination of \$(22,829) for the year ended December 31, 2025 for sales to the 2025 Partnership within the Aerospace Products segment.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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:

	Year Ended December 31, 2025			
	Aerospace Products	Aviation Leasing	Corporate and Other	Total
Revenues				
Africa	\$ 71,452	\$ 20,717	\$ —	\$ 92,169
Asia	274,618	160,451	4	435,073
Europe	415,145	244,307	—	659,452
North America	1,132,995	112,162	—	1,245,157
South America	42,034	33,524	—	75,558
Total revenues ⁽¹⁾	\$ 1,936,244	\$ 571,161	\$ 4	\$ 2,507,409

⁽¹⁾ The United States, included in North America, and Ireland, included in Europe, represent 34% and 11% 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.

Presented below are the contracted minimum future annual revenues to be received under existing operating leases as of December 31, 2025:

	December 31, 2025
2026	\$ 158,908
2027	129,187
2028	108,716
2029	77,127
2030	58,730
Thereafter	63,082
Total	\$ 595,750

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in tables in thousands, unless otherwise noted)

II. For the Year Ended December 31, 2024

	Year Ended December 31, 2024			
	Aerospace Products	Aviation Leasing	Corporate and Other	Total
Revenues				
Aerospace products revenue	\$ 1,079,821	\$ —	\$ —	\$ 1,079,821
Lease income	—	234,411	20,927	255,338
Maintenance revenue	—	200,809	—	200,809
Asset sales revenue	—	192,176	—	192,176
Other revenue	—	1,041	5,716	6,757
Total revenues	1,079,821	628,437	26,643	1,734,901
Expenses				
Cost of sales	673,907	151,977	—	825,884
Operating expenses	23,818	35,495	56,548	115,861
General and administrative	—	—	14,263	14,263
Acquisition and transaction expenses	4,906	9,740	17,650	32,296
Management fees and incentive allocation to affiliate	—	—	8,449	8,449
Internalization fee to affiliate	—	—	300,000	300,000
Depreciation and amortization	6,630	201,497	9,937	218,064
Asset impairment	—	962	—	962
Gain on sale of assets, net	—	—	(18,705)	(18,705)
Total expenses	709,261	399,671	388,142	1,497,074
Other income (expense)				
Equity in losses of unconsolidated entities	(1,993)	(207)	—	(2,200)
Interest expense	—	—	(221,721)	(221,721)
Loss on extinguishment of debt	—	—	(17,101)	(17,101)
Other income	—	14,669	2,695	17,364
Total other income (expense)	(1,993)	14,462	(236,127)	(223,658)
Income (loss) from continuing operations before income taxes	368,567	243,228	(597,626)	14,169
(Benefit from) provision for income taxes	22,221	32,979	(49,713)	5,487
Net income (loss) from continuing operations	346,346	210,249	(547,913)	8,682
Less: Dividends on preferred shares	—	—	32,763	32,763
Less: Loss on redemption of preferred shares	—	—	7,998	7,998
Net income (loss) attributable to shareholders from continuing operations	\$ 346,346	\$ 210,249	\$ (588,674)	\$ (32,079)

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(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:

	Year Ended December 31, 2024			
	Aerospace Products	Aviation Leasing	Corporate and Other	Total
Revenues				
Africa	\$ 8,271	\$ 4,643	\$ —	\$ 12,914
Asia	178,252	135,579	26,643	340,474
Europe	364,384	324,327	—	688,711
North America	504,936	108,426	—	613,362
South America	23,978	55,462	—	79,440
Total revenues ⁽¹⁾	<u>\$ 1,079,821</u>	<u>\$ 628,437</u>	<u>\$ 26,643</u>	<u>\$ 1,734,901</u>

⁽¹⁾ The United States, included in North America, and Ireland, included in Europe, represent 31% and 16% 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.

III. For the Year Ended December 31, 2023

	Year Ended December 31, 2023			
	Aerospace Products	Aviation Leasing	Corporate and Other	Total
Revenues				
Aerospace products revenue	\$ 454,970	\$ —	\$ —	\$ 454,970
Lease income	—	179,704	28,232	207,936
Maintenance revenue	—	191,347	—	191,347
Asset sales revenue	—	303,141	—	303,141
Other revenue	—	7,419	6,083	13,502
Total revenues	<u>454,970</u>	<u>681,611</u>	<u>34,315</u>	<u>1,170,896</u>
Expenses				
Cost of sales	280,280	221,852	—	502,132
Operating expenses	20,459	37,876	51,828	110,163
General and administrative	—	—	13,700	13,700
Acquisition and transaction expenses	1,722	7,150	6,322	15,194
Management fees and incentive allocation to affiliate	—	—	18,037	18,037
Depreciation and amortization	661	158,354	10,862	169,877
Asset impairment	—	2,121	—	2,121
Total expenses	<u>303,122</u>	<u>427,353</u>	<u>100,749</u>	<u>831,224</u>
Other income (expense)				
Equity in earnings (losses) of unconsolidated entities	(1,458)	(148)	—	(1,606)
Interest expense	—	—	(161,639)	(161,639)
Other income (expense)	5,347	1,300	943	7,590
Total other income (expense)	<u>3,889</u>	<u>1,152</u>	<u>(160,696)</u>	<u>(155,655)</u>
Income (loss) from continuing operations before income taxes	<u>155,737</u>	<u>255,410</u>	<u>(227,130)</u>	<u>184,017</u>
Provision for (benefit from) income taxes	(24,440)	(36,193)	833	(59,800)
Net income (loss) from continuing operations	<u>180,177</u>	<u>291,603</u>	<u>(227,963)</u>	<u>243,817</u>
Less: Dividends on preferred shares	—	—	31,795	31,795
Net income (loss) attributable to shareholders from continuing operations	<u>\$ 180,177</u>	<u>\$ 291,603</u>	<u>\$ (259,758)</u>	<u>\$ 212,022</u>

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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:

	Year Ended December 31, 2023			
	Aerospace Products	Aviation Leasing	Corporate and Other	Total
Revenues				
Africa	\$ 875	\$ 822	\$ —	\$ 1,697
Asia	18,364	101,305	34,315	153,984
Europe	120,439	244,055	—	364,494
North America	301,633	285,421	—	587,054
South America	13,659	50,008	—	63,667
Total revenues ⁽¹⁾	\$ 454,970	\$ 681,611	\$ 34,315	\$ 1,170,896

⁽¹⁾ The United States, included in North America, represents 47% of total revenues based on the location of the Company's customers and lessees. No other country represents more than 10% of total revenues.

IV. Location of long-lived assets

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

	December 31, 2025	December 31, 2024
Property, plant and equipment and leasing equipment, net		
Africa	\$ 17,174	\$ 37,369
Asia	323,542	596,547
Europe	587,359	1,038,176
North America	480,977	592,675
South America	256,820	216,414
Total property, plant and equipment and leasing equipment, net	\$ 1,665,872	\$ 2,481,181

⁽¹⁾ The United States, included in North America, represents 22% of property, plant and equipment and leasing equipment, net as of December 31, 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.

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

14. EARNINGS PER SHARE AND EQUITY

Basic earnings per ordinary share (“EPS”) is calculated by dividing net income (loss) 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.

<i>(in thousands, except share and per share data)</i>	Year Ended December 31,		
	2025	2024	2023
Net income from continuing operations	\$ 501,064	\$ 8,682	\$ 243,817
Net income	501,064	8,682	243,817
Less: Dividends on preferred shares	17,243	32,763	31,795
Less: Loss on redemption of preferred shares	6,327	7,998	—
Net (loss) income attributable to shareholders	\$ 477,494	\$ (32,079)	\$ 212,022
Weighted Average Ordinary Shares Outstanding - Basic	102,563,486	101,538,835	99,908,214
Weighted Average Ordinary Shares Outstanding - Diluted	103,846,914	101,538,835	100,425,777
Earnings (loss) per share:			
Basic	\$ 4.66	\$ (0.32)	\$ 2.12
Diluted	\$ 4.60	\$ (0.32)	\$ 2.11

There were no shares excluded from the calculation of Diluted EPS for the years ended December 31, 2025, 2024 and 2023, respectively, because the impact would be anti-dilutive.

Ordinary shares issued to certain directors as compensation were 1,869, 6,148 and 26,287 for the years ended December 31, 2025, 2024 and 2023, respectively.

Ordinary Shares

In May 2024, in connection with the Internalization and termination of the Management Agreement, the Company issued 1,866,949 ordinary shares, par value \$0.01 per share, at a price of \$80.34 per share, to its Former Manager.

Preferred Shares

In March 2023, in a public offering, the Company issued 2,600,000 shares of 9.50% Fixed-Rate Reset Series D Cumulative Perpetual Redeemable Preferred Shares (“Series D Preferred Shares”), par value \$0.01 per share, with a liquidation preference of \$25.00 per share for net proceeds before expenses of \$63.0 million.

In October 2024, the Company redeemed in full the outstanding 4,180,000 8.25% Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares at a redemption price equal to \$25.00 per share in cash, plus \$1.6 million of accumulated and unpaid distributions thereon to, but not including, the redemption date of October 29, 2024.

In February 2025, the Company redeemed in full the outstanding 4,940,000 8.00% Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares at a redemption price equal to \$25.00 per share in cash, plus \$2.4 million of accumulated and unpaid distributions thereon to, but not including, the redemption date of February 16, 2025.

15. 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’s maximum exposure under other arrangements is unknown as no additional claims have been made. The Company believes the risk of loss in connection with such arrangements is remote.

Internalization—During the second quarter of 2024, the Company entered into the Internalization Agreement with the Former Manager and Master GP. Pursuant to the Internalization Agreement, the Management Agreement was terminated effective May 28, 2024, except that certain indemnification and other obligations survive, and the Company was no longer required to pay management fees or incentive distributions with respect to any period thereafter. As a result of the Internalization, the Company ceased to be externally managed and operates as an internally managed company. In connection with the termination of the Management Agreement, the Company (i) agreed to pay the Former Manager (for itself and on behalf of the Master GP, as applicable) the Cash Consideration, the compensation accrued and payable, but not yet paid, under the Management Agreement

FTAI AVIATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

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.

16. RESTRUCTURING CHARGES

In connection with the Internalization and termination of the Management Agreement, the Company agreed to pay a total of \$300.0 million to its Former Manager (for itself and on behalf of the Master GP, as applicable). In May 2024, in connection with the Internalization and termination of the Management Agreement, the Company issued 1,866,949 ordinary shares valued at \$150.0 million. The remaining balance of \$150.0 million 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 year ended December 31, 2024. See Note 12 for additional discussion. There were no restructuring charges recorded for the years ended December 31, 2025 and 2023.

17. SUBSEQUENT EVENTS

Dividends

On February 24, 2026, our Board of Directors declared a cash dividend on our ordinary shares and eligible participating securities of \$0.40 per share for the quarter ended December 31, 2025, payable on March 23, 2026 to the holders of record on March 13, 2026.

Additionally, on February 24, 2026, our 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, for the quarter ended December 31, 2025, payable on March 16, 2026 to the holders of record on March 9, 2026.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. 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 the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its 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, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were effective as of and for the period covered by this report.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and our dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition and use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013). Based on management's assessment using this framework, management concluded that, as of December 31, 2025, our internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report included herein.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III—OTHER INFORMATION

Item 10. Directors, Executive Officers and Corporate Governance

Any information required by this Item 10 is incorporated by reference to our definitive proxy statement for the 2026 annual meeting of shareholders to be filed with the SEC pursuant to Regulation 14A within 120 days after the fiscal year ended December 31, 2025 (our “Definitive Proxy Statement”) under the headings “Proposal No. 1 Election of Directors”, “Executive Officers” and, if applicable, “Delinquent Section 16(a) Reports.”

We maintain a Public Company Insider Trading Compliance Policy that applies to members of our Board of Directors, our officers and all other employees, which we believe is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations and listing standards. Our Public Company Insider Trading Compliance Policy is incorporated by reference as Exhibit 19.1 to this Annual Report.

Item 11. Executive Compensation

The information required by this Item 11 is incorporated by reference to our Definitive Proxy Statement under the headings “Compensation Discussion and Analysis,” “Compensation Tables,” “CEO Pay Ratio,” “Compensation Committee Interlocks and Insider Participation,” “Compensation of Directors,” and “Compensation Committee Report.”

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table summarizes the total number of outstanding securities in the Incentive Plan and the number of securities remaining for future issuance, as well as the weighted average strike price of all outstanding securities as of December 31, 2025.

Plan category	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted-average exercise price of outstanding options, warrants, and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by security holders	102,343	\$ 56.37	5,738,844
Equity compensation plans not approved by security holders	—	—	—
Total	102,343		5,738,844

⁽¹⁾ Excludes 5,000 stock options and 1,869 ordinary shares issued to directors as compensation.

The additional information required by this Item 12 is incorporated by reference to our Definitive Proxy Statement under the heading “Security Ownership of Management and Certain Beneficial Owners.” See also “Nonqualified Stock Option and Incentive Award Plan” in Part II, Item 5, “Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities” which is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is incorporated by reference to our Definitive Proxy Statement under the headings “Proposal No. 1 Election of Directors—Determination of Director Independence” and “Certain Relationships and Related Transactions.”

Item 14. Principal Accountant Fees and Services

The information required by this Item 14 is incorporated by reference to our Definitive Proxy Statement under the heading “Principal Accountant Fees and Services,” to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025.

PART IV

Item 15. 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).

Exhibit No.	Description
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).
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 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).
†	10.3 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).
†	10.4 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).
†	10.5 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).
†	10.6 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).
*	10.7 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).
	10.8 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).
*	10.9 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).
†	10.10 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).
†	10.11 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).
*#	10.12 Sixth Amended and Restated Aircraft Sale and Purchase Agreement, dated as of February 10, 2026, between certain subsidiaries of the Company, as the sellers, and FTAI Aircraft Leasing Ireland (2025) DAC and FTAI Aircraft Leasing Bermuda (2025) Ltd., as the buyers.
*#	10.13 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).
†	10.15 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).
	16.1 Letter from Ernst & Young LLP to the Securities and Exchange Commission dated June 24, 2025 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on June 24, 2025).
	19.1 FTAI Aviation Ltd. Public Company Insider Trading Compliance Policy (incorporated by reference to Exhibit 19.1 of the Company's Annual Report on Form 10-K, filed on March 3, 2025).
	21.1 Subsidiaries of FTAI Aviation Ltd.
	23.1 Consent of KPMG LLP, Independent Registered Public Accounting Firm.
	23.2 Consent of Ernst & Young Ltd., Independent Registered Public Accounting Firm.
	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.
	97.1 FTAI Aviation Ltd. Clawback Policy effective as of December 1, 2023 (incorporated by reference to Exhibit 97.1 of the Company's Annual Report on Form 10-K, filed on February 26, 2024).
101	The following financial information from the Company's Annual Report on Form 10-K for the year ended December 31, 2025, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Comprehensive Income (Loss); (iv) Consolidated Statements of Changes in Equity; (v) Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.

Exhibit No.	Description
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.

Item 16. Form 10-K Summary

None.

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: <u>/s/ Joseph P. Adams, Jr.</u>	Date: February 27, 2026
Joseph P. Adams, Jr. Chairman and Chief Executive Officer	

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: <u>/s/ Joseph P. Adams, Jr.</u>	Date: February 27, 2026
Joseph P. Adams, Jr. Chairman and Chief Executive Officer	

By: <u>/s/ Eun (Angela) Nam</u>	Date: February 27, 2026
Eun (Angela) Nam Chief Financial Officer and Chief Accounting Officer	

By: <u>/s/ Shyam Gidumal</u>	Date: February 27, 2026
Shyam Gidumal Director	

By: <u>/s/ Paul R. Goodwin</u>	Date: February 27, 2026
Paul R. Goodwin Director	

By: <u>/s/ Judith A. Hannaway</u>	Date: February 27, 2026
Judith A. Hannaway Director	

By: <u>/s/ A. Andrew Levison</u>	Date: February 27, 2026
A. Andrew Levison Director	

By: <u>/s/ Ray M. Robinson</u>	Date: February 27, 2026
Ray M. Robinson Director	

By: <u>/s/ Martin Tuchman</u>	Date: February 27, 2026
Martin Tuchman Director	

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