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FOR IMMEDIATE RELEASE

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Aircastle Reports Financial Results for the Three-Month Period Ended November 30, 2020

Key Financial Metrics for the Three Months ended November 30, 2020

- Total revenues of \$180.9 million
- Net income of \$2.7 million
- Adjusted EBITDA⁽¹⁾ of \$167.5 million
- Gain on sale of flight equipment of \$13.0 million

Recent Highlights

- For the nine months ended November 30, 2020, acquired five aircraft for \$154.3 million, two of which were A320neo aircraft acquired in a sale leaseback transaction with Volaris
- For the nine months ended November 30, 2020, sold six aircraft; average age of approximately eleven years; nine-month gain on sale of \$24.2 million; through January 8, 2021, sold four additional aircraft
- For the three months ended November 30, 2020, collections represented approximately 90% of lease rental and direct financing and sales-type lease revenues
- In September, Moody's affirmed Aircastle's senior unsecured debt rating at Baa3

Liquidity

- As of December 31, 2020, total liquidity of \$2.2 billion includes \$1.25 billion of undrawn credit facilities, \$463 million of unrestricted cash, \$153 million of contracted asset sales, and \$343 million of projected operating cash flows through December 31, 2021
- 224 unencumbered aircraft with a net book value of \$5.4 billion
- \$753 million of total adjusted contractual commitments through December 31, 2021; includes \$500 million of notes due in March 2021

(1) Refer to the selected financial information accompanying this press release for a reconciliation of GAAP to Non-GAAP numbers.

Mike Inglese, Aircastle’s Chief Executive Officer, commented, “Although 2020 has proven to be a very challenging environment for the aviation industry, we remain optimistic about the recovery of the global airline industry over the long term. As vaccines become more widely available during 2021, we expect passengers to return, and aircraft leasing will play a critical role in the industry’s recovery over the next few years. With the strong, long-term shareholder support of Marubeni Corporation and Mizuho Leasing, along with our experienced management team, Aircastle is well positioned to grow in a disciplined and profitable manner over the long run.”

Aviation Assets

As of November 30, 2020, Aircastle owned 260 aircraft and other flight equipment having a net book value of \$7.0 billion. We also manage nine aircraft with a net book value of \$315 million dollars on behalf of our joint venture with Mizuho Leasing.

| <u>Owned Aircraft</u> | As of Nov. 30, 2020⁽¹⁾ | As of Nov. 30, 2019⁽¹⁾ |
|-------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Net Book Value of Flight Equipment (\$ mils.) | \$ 6,979 | \$ 7,717 |
| Net Book Value of Unencumbered Flight Equipment (\$ mils.) | \$ 5,406 | \$ 5,900 |
| Number of Aircraft | 260 | 270 |
| Number of Unencumbered Aircraft | 224 | 229 |
| Number of Lessees | 80 | 85 |
| Number of Countries | 45 | 48 |
| Weighted Average Fleet Age (years) ⁽²⁾ | 10.5 | 9.9 |
| Weighted Average Remaining Lease Term (years) ⁽²⁾ | 4.3 | 4.8 |
| Weighted Average Fleet Utilization for the quarter ended ⁽³⁾ | 94.0% | 99.3% |
| <u>Managed Aircraft on behalf of Joint Ventures</u> | | |
| Net Book Value of Flight Equipment (\$ mils.) | \$ 315 | \$ 329 |
| Number of Aircraft | 9 | 9 |

(1) Calculated using net book value of flight equipment held for lease and net investment in leases at period end.

(2) Weighted by net book value.

(3) Aircraft on-lease days as a percent of total days in period weighted by net book value. The decrease from our historical utilization rate was primarily due to the early termination of leases.

Deferrals

In the current environment airlines have sought support from their lessor partners. These requests have generally come in the form of payment deferrals and lease restructurings. As of January 8, 2021, seven of our airline customers are subject to judicial insolvency proceedings or similar protection. We lease 22 aircraft to these customers, which comprise 13% of our net book value of flight equipment and 11% of our reported lease rental and direct financing and sales-type lease revenues for the trailing twelve months ended November 30, 2020. While we anticipate that there may be additional airline bankruptcies and liquidations during the winter, we remain confident that the major US and global carriers, as well as the largest low-cost carriers, have the means to survive the COVID-19 crisis.

We continue to grant deferrals to help certain clients manage through the crisis. As of January 8, 2021, we had executed documents or had approved deferral arrangements with 37 airlines representing approximately 46% of our customer base. The amount currently deferred is \$101 million, including \$76 million that appears in our November 30, 2020 Consolidated Balance Sheet. This represented approximately 15% of our reported lease rental and direct financing and sales-type lease revenues for the trailing twelve months ended November 30, 2020.

New Fiscal Year End

Aircastle previously announced that we changed our fiscal year end to the twelve-month period ending on the last day in February, beginning February 28, 2021. This change better aligns our financial reporting with the financial reporting cycle of our shareholders, Marubeni Corporation and Mizuho Leasing Company, Limited.

Conference Call

In connection with this press release, management will host a conference call on Thursday, January 14, 2021, at 9:00 A.M. Eastern Time. All interested parties are welcome to participate on the live call. The conference call can be accessed by dialing (800) 430-8332 (from within the U.S. and Canada) or (786) 204-3966 (from outside of the U.S. and Canada) ten minutes prior to the scheduled start and referencing the passcode "8160028".

A simultaneous webcast of the conference call will be available to the public on a listen-only basis at www.aircastle.com. Please allow extra time prior to the call to visit the site and download the necessary software required to listen to the internet broadcast.

For those who are not available to listen to the live call, a replay will be available until 12:00 P.M. Eastern Time on Saturday, February 13, 2021, by dialing (888) 203-1112 (from within the U.S. and Canada) or (719) 457-0820 (from outside of the U.S. and Canada); please reference passcode "8160028".

About Aircastle Limited

Aircastle Limited acquires, leases, and sells commercial jet aircraft to airlines throughout the world. As of November 30, 2020, Aircastle owned and managed on behalf of its joint ventures 269 aircraft leased to 80 customers located in 45 countries.

Safe Harbor

All statements in this press release, other than characterizations of historical fact, are forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include, but are not necessarily limited to, statements relating to our proposed public offering of notes and our ability to acquire, sell, lease or finance aircraft, raise capital, pay dividends, and increase revenues, earnings, EBITDA and Adjusted EBITDA and the global aviation industry and aircraft leasing sector. Words such as "anticipates," "expects," "intends," "plans," "projects," "believes," "may," "will," "would," "could," "should," "seeks," "estimates" and variations on these words and similar expressions are intended to identify such forward-looking statements. These statements are based on our historical performance and that of our subsidiaries and on our current plans, estimates and expectations and are subject to a number of factors that could lead to actual results materially different from those described in the forward-looking statements; Aircastle can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any such

forward-looking statements which are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this press release. These risks or uncertainties include, but are not limited to, those described from time to time in Aircastle's filings with the SEC and previously disclosed under "Risk Factors" in Item 1A of Aircastle's 2019 Annual Report on Form 10-K and in our Form 10-Q for the quarterly period ended March 31, 2020. In addition, new risks and uncertainties emerge from time to time, and it is not possible for Aircastle to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. Aircastle expressly disclaims any obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

Aircastle Limited and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands, except share data)
(Unaudited)

| | November 30, 2020 | February 29, 2020 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 416,621 | \$ 166,083 |
| Restricted cash and cash equivalents | 5,341 | 5,354 |
| Accounts receivable | 85,141 | 27,269 |
| Flight equipment held for lease, net of accumulated depreciation of \$1,939,501 and \$1,542,938, respectively | 6,666,574 | 7,142,987 |
| Net investment in leases, net of allowance for credit losses of \$3,714 and \$6,558, respectively | 312,038 | 426,252 |
| Unconsolidated equity method investments | 35,448 | 33,470 |
| Other assets | 271,237 | 206,617 |
| Total assets | \$ 7,792,400 | \$ 8,008,032 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Borrowings from secured financings, net of debt issuance costs and discounts | \$ 937,603 | \$ 1,012,518 |
| Borrowings from unsecured financings, net of debt issuance costs and discounts | 4,130,141 | 3,884,235 |
| Accounts payable, accrued expenses and other liabilities | 191,437 | 207,114 |
| Lease rentals received in advance | 55,480 | 107,944 |
| Security deposits | 82,706 | 109,663 |
| Maintenance payments | 568,135 | 650,369 |
| Total liabilities | 5,965,502 | 5,971,843 |
| SHAREHOLDERS' EQUITY | | |
| Preference shares, \$0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding | | |
| Common shares, \$0.01 par value, 250,000,000 shares authorized, 14,048 shares issued and outstanding at November 30, 2020 and 75,076,794 shares issued and outstanding at February 29, 2020 | — | 751 |
| Additional paid-in capital | 1,485,777 | 1,456,977 |
| Retained earnings | 341,121 | 578,461 |
| Total shareholders' equity | 1,826,898 | 2,036,189 |
| Total liabilities and shareholders' equity | \$ 7,792,400 | \$ 8,008,032 |

Aircastle Limited and Subsidiaries
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Dollars in thousands)
(Unaudited)

| | Three Months Ended | | Nine Months Ended | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------|--------------------------|-------------|
| | November 30, 2020 | | November 30, 2020 | |
| | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | |
| Lease rental revenue | \$ 139,493 | \$ 199,847 | \$ 473,566 | \$ 588,141 |
| Direct financing and sales-type lease revenue | 4,839 | 7,760 | 14,903 | 24,407 |
| Amortization of lease premiums, discounts and incentives | (5,384) | (5,819) | (17,360) | (17,077) |
| Maintenance revenue | 24,843 | 15,360 | 121,508 | 55,807 |
| Total lease revenue | 163,791 | 217,148 | 592,617 | 651,278 |
| Gain (loss) on sale of flight equipment | 12,951 | 26,512 | 24,181 | 39,134 |
| Other revenue | 4,169 | 5,215 | 17,962 | 9,370 |
| Total revenues | 180,911 | 248,875 | 634,760 | 699,782 |
| Operating expenses: | | | | |
| Depreciation | 86,845 | 90,737 | 262,806 | 269,689 |
| Interest, net | 59,945 | 63,204 | 173,996 | 194,952 |
| Selling, general and administrative (including non-cash share-based payment expense of \$0 and \$3,209 for the three months ended November 30, 2020 and 2019, and \$28,049 and \$9,793 for the nine months ended November 30, 2020 and 2019, respectively) | 15,145 | 18,389 | 76,152 | 55,060 |
| Impairment of flight equipment | 9,867 | — | 299,551 | 7,404 |
| Maintenance and other costs | 4,207 | 6,696 | 14,044 | 18,744 |
| Total operating expenses | 176,009 | 179,026 | 826,549 | 545,849 |
| Other expense: | | | | |
| Loss on extinguishment of debt | (43) | — | (108) | (7,577) |
| Merger expenses | (450) | (3,044) | (32,492) | (3,044) |
| Other | — | (198) | (191) | (3,987) |
| Total other expense | (493) | (3,242) | (32,791) | (14,608) |
| Income (loss) from continuing operations before income taxes and earnings of unconsolidated equity method investments | 4,409 | 66,607 | (224,580) | 139,325 |
| Income tax provision | 2,269 | 7,659 | 14,738 | 17,280 |
| Earnings of unconsolidated equity method investments, net of tax | 572 | 601 | 1,978 | 2,281 |
| Net income (loss) | \$ 2,712 | \$ 59,549 | \$ (237,340) | \$ 124,326 |
| Total comprehensive income (loss) | \$ 2,712 | \$ 59,549 | \$ (237,340) | \$ 124,326 |

Aircastle Limited and Subsidiaries
Consolidated Statements of Cash Flows
(Dollars in thousands)
(Unaudited)

Nine Months Ended
November 30, 2020

| | 2020 | 2019 |
|-------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Cash flows from operating activities: | | |
| Net income (loss) | \$ (237,340) | \$ 124,326 |
| Adjustments to reconcile net income (loss) to net cash and restricted cash provided by operating activities | | |
| Depreciation | 262,806 | 269,689 |
| Amortization of deferred financing costs | 10,642 | 11,105 |
| Amortization of lease premiums, discounts and incentives | 17,360 | 17,077 |
| Deferred income taxes | 12,109 | 10,512 |
| Non-cash share-based payment expense | 28,049 | 9,793 |
| Collections on net investment in leases | 12,953 | 19,081 |
| Security deposits and maintenance payments included in earnings | (107,732) | (40,496) |
| Gain on sale of flight equipment | (24,181) | (39,134) |
| Loss on extinguishment of debt | 108 | 7,577 |
| Impairment of flight equipment | 299,551 | 7,404 |
| Provision for credit losses | 5,255 | — |
| Other | (1,991) | 219 |
| Changes in certain assets and liabilities: | | |
| Accounts receivable | (55,946) | (6,516) |
| Other assets | (40,780) | 6,689 |
| Accounts payable, accrued expenses and other liabilities | (1,875) | (2,951) |
| Lease rentals received in advance | (54,608) | 16,604 |
| Net cash and restricted cash provided by operating activities | <u>124,380</u> | <u>410,979</u> |
| Cash flows from investing activities: | | |
| Acquisition and improvement of flight equipment | (134,263) | (953,170) |
| Proceeds from sale of flight equipment | 113,588 | 345,318 |
| Aircraft purchase deposits and progress payments, net of returned deposits and aircraft sales deposits | (4,083) | (13,093) |
| Unconsolidated equity method investments and associated costs | — | (11,681) |
| Other | (594) | 3,572 |
| Net cash and restricted cash used in investing activities | <u>(25,352)</u> | <u>(629,054)</u> |
| Cash flows from financing activities: | | |
| Repurchase of shares | (25,536) | (9,873) |
| Parent contribution at Merger | 25,536 | — |
| Proceeds from secured and unsecured debt financings | 1,193,871 | 2,141,848 |
| Repayments of secured and unsecured debt financings | (1,027,164) | (1,814,686) |
| Debt extinguishment costs | (108) | (7,183) |
| Deferred financing costs | (6,358) | (13,343) |
| Security deposits and maintenance payments received | 63,443 | 149,195 |
| Security deposits and maintenance payments returned | (48,162) | (81,351) |
| Dividends paid | (24,025) | (67,453) |
| Net cash and restricted cash provided by financing activities | <u>151,497</u> | <u>297,154</u> |
| Net increase in cash and restricted cash: | 250,525 | 79,079 |
| Cash and restricted cash at beginning of period | 171,437 | 133,299 |
| Cash and restricted cash at end of period | <u>\$ 421,962</u> | <u>\$ 212,378</u> |

Aircastle Limited and Subsidiaries
Reconciliation of GAAP to non-GAAP Measures
EBITDA and Adjusted EBITDA Reconciliation
(Dollars in thousands)
(Unaudited)

| | <u>Three Mos. Ended Nov. 30,</u> | | <u>Nine Mos. Ended Nov. 30,</u> | |
|----------------------------------------------------------|----------------------------------|-------------------|---------------------------------|-------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Net income (loss) | \$ 2,712 | \$ 59,549 | \$ (237,340) | \$ 124,326 |
| Depreciation | 86,845 | 90,737 | 262,806 | 269,689 |
| Amortization of lease premiums, discounts and incentives | 5,384 | 5,819 | 17,360 | 17,077 |
| Interest, net | 59,945 | 63,204 | 173,996 | 194,952 |
| Income tax provision | 2,269 | 7,659 | 14,738 | 17,280 |
| EBITDA | 157,155 | 226,968 | 231,560 | 623,324 |
| Adjustments: | | | | |
| Impairment of Aircraft | 9,867 | - | 299,551 | 7,404 |
| Equity share of joint venture impairment | - | - | - | 2,724 |
| Loss on Extinguishment of debt | 43 | - | 280 | 7,577 |
| Non-cash share based payment expense | - | 3,209 | 28,049 | 9,793 |
| Merger related expense * | 437 | 3,043 | 35,039 | 3,043 |
| Loss on MTM of interest rate derivative contracts | - | 394 | 19 | 4,267 |
| Adjusted EBITDA | <u>\$ 167,502</u> | <u>\$ 233,614</u> | <u>\$ 594,498</u> | <u>\$ 658,132</u> |

* Included \$32.5 million in Other expense and \$2.6 million in Selling, general and administrative expenses.

We define EBITDA as income (loss) from continuing operations before income taxes, interest expense, and depreciation and amortization. We use EBITDA to assess our consolidated financial and operating performance, and we believe this non-U.S. GAAP measure is helpful in identifying trends in our performance.

This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals, as well as achieving optimal financial performance. It provides an indicator for management to determine if adjustments to current spending decisions are needed.

EBITDA provides us with a measure of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges on our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results. Accordingly, this metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure, or expenses, of the organization. EBITDA is one of the metrics used by senior management and the Board of Directors to review the consolidated financial performance of our business.

We define Adjusted EBITDA as EBITDA (as defined above) further adjusted to give effect to adjustments required in calculating covenant ratios and compliance as that term is defined in the indenture governing our senior unsecured notes. Adjusted EBITDA is a material component of these covenants.