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FOR IMMEDIATE RELEASE

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Aircastle Announces Fourth Quarter and Full Year 2021 Results

Three Months ended February 28, 2022

- Net loss of \$216 million primarily a result of \$252 million net non-cash aircraft impairment charges for Russia-based aircraft⁽¹⁾
- Total revenues of \$255 million and Adjusted EBITDA⁽²⁾ of \$232 million
- Customer collections for the fourth quarter represented 103% of lease rental and direct financing and sales-type leases, excluding one-time Russia-related items
- Sold eight aircraft for proceeds of \$83 million and a Gain on sale of flight equipment of \$8 million
- Acquired six aircraft, including one A320neo, one A321neo and two Embraer E2 aircraft leased to KLM Cityhopper with a further Embraer E2 aircraft delivered to the airline in March

Full Year ended February 28, 2022

- Cash flows from operations increased 113% compared to fiscal year 2020
- Customer collections for fiscal year 2021 represented 95% of lease rental and direct financing and sales-type leases, excluding one-time Russia-related items
- Acquired eighteen aircraft during the fiscal year 2021, fourteen of which were new high-efficiency low-emission A320neo, 737-MAX, and E2 family aircraft
- Sold fifteen aircraft and other flight equipment for proceeds of \$211 million and a total gain on sale of \$26 million; average age of aircraft sold was 16 years
- Executed approximately 190 transactions for the fiscal year, comprised of lease agreements, purchases and sales

(1) Refer to the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for additional information.

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

Liquidity

- As of April 1, 2022, total liquidity of \$2.1 billion includes \$1.4 billion of undrawn credit facilities, \$0.2 billion of unrestricted cash, \$0.1 billion of contracted asset sales, and \$0.4 billion of projected adjusted operating cash flows through April 1, 2023
- We have 219 unencumbered aircraft with a net book value of \$5.4 billion

Mike Inglese, Aircastle's Chief Executive Officer, commented, "Our fourth fiscal quarter opened with the Omicron variant and ended with the Russian invasion of Ukraine. We repossessed two aircraft from one of our former Russian customers and we are tirelessly working on the remaining aircraft. Despite this challenge, demand for travel elsewhere continues to improve and markets are opening, further proving the resiliency of the aircraft leasing sector."

Mr. Inglese concluded, "Aircastle remains focused on liquidity while moving forward with strategic, new-technology investments. All aircraft lessors will manage through this crisis in Eastern Europe, but we believe our favorable credit rating, along with the opportunities afforded by our unique ownership arrangement with the Marubeni Corporation and Mizuho Leasing strategically position us for disciplined future growth."

Aviation Assets

As of February 28, 2022, Aircastle owned 251 aircraft and other flight equipment having a net book value of \$6.5 billion. We also manage nine aircraft with a net book value of \$298 million on behalf of our joint venture with Mizuho Leasing.

	As of February 28, 2022 ⁽¹⁾	As of February 28, 2021 ⁽¹⁾
<u>Owned Aircraft</u>		
Net Book Value of Flight Equipment (\$ mils.)	\$ 6,464	\$ 6,688
Net Book Value of Unencumbered Flight Equipment (\$ mils.)	\$ 5,352	\$ 5,432
Number of Aircraft	251	252
Number of Unencumbered Aircraft	219	219
Number of Lessees	81	75
Number of Countries	45	43
Weighted Average Fleet Age (years) ⁽²⁾	10.2	10.6
Weighted Average Remaining Lease Term (years) ⁽²⁾	4.9	4.2
Weighted Average Fleet Utilization for the fourth quarter ⁽³⁾	95.6 %	93.7 %
Weighted Average Fleet Utilization for the year ended ⁽³⁾	94.2 %	94.5 %
<u>Managed Aircraft on behalf of Joint Ventures</u>		
Net Book Value of Flight Equipment (\$ mils.)	\$ 298	\$ 312
Number of Aircraft	9	9

(1) Calculated using Net Book Value 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 early terminations.

Russian Invasion of Ukraine

The Russian Federation invasion of the Ukraine has resulted in the closing of airspace in several countries as well as the placement of sanctions on a variety of Russian entities and certain activities involving Russia or Russian entities, such as the leasing of aircraft. We have and will continue to fully comply with all applicable sanctions.

As of February 24, 2022, we had twelve aircraft on lease with six Russian airlines. We have since terminated the leasing activities for all our Russian aircraft and have sought to repossess the aircraft and remove them from Russia. We have successfully repossessed two of the aircraft. Nine remain in Russia and one is undergoing maintenance outside of Russia and is not operational. It is unclear whether we will be able to recover the remaining aircraft or what the condition will be at the time of repossession or whether we will be able to recover the related technical records and documentation. Our one aircraft with a Ukrainian airline is in temporary storage outside of Ukraine.

During the fourth quarter of 2021, we recorded net non-cash impairment charges of \$251.9 million related to our Russian and Ukrainian aircraft⁽¹⁾. These thirteen aircraft comprised 6% of our Net Book Value before impairment and 1% of our Net Book Value after. They represented 7% of our lease rental and direct financing and sales-type lease revenue for the year ended February 28, 2022. Basic lease rentals for our former Russian lessees were approximately \$3.5 million for the month of February 2022. The termination of our Russian leases will result in reduced revenues and operating cash flows.

We had letters of credit of \$49.5 million as of February 28, 2022 related to our aircraft leased to Russian airlines. We have presented requests for payment to the various financial institutions and, as of April 25, 2022, we have received \$25.4 million. We continue to work with other financial institutions toward receiving payments on the remaining letters of credit. We intend to pursue all available legal claims concerning these letters of credit but the timing and amount of any payments under these remaining letters of credit are uncertain.

We have insurance, through the airlines' re-insurance and our own policies, which we believe provide coverage if we are unable to recover our aircraft. We have filed claims against relevant insurance and reinsurance policies seeking an indemnity of approximately \$350 million. Our claims are subject to the terms of the applicable policies and given the unprecedented scenario and the magnitude of potential claims, insurers and reinsurers may raise various defenses. Accordingly, at this stage we can give no assurance as to when or what amounts we may ultimately collect.

Update on COVID-19 Pandemic

Even as the airline industry begins to recover, airlines continue to seek support from their respective governments, raise debt and equity, request concessions from lessors, and in certain cases, seek judicial protection. While we continued to receive requests from our customers for lease concessions, deferrals or restructurings, the number of requests during fiscal year 2021 has declined compared to 2020. As of February 28, 2022, we had deferred rent receivables of \$55.5 million related to nine customers. Approximately 93% of these deferrals have been agreed to as part of broader lease restructurings, which generally include term extensions, better security packages, or other considerations in exchange for near-term economic concessions.

We hold \$460 million of maintenance reserves and \$69 million of security deposits, as well as an additional \$142 million in letters of credit from our lessees. These total \$671 million, represent 10% of our net book value of flight equipment and provide significant protection against potential future airline failures and the unscheduled return of additional aircraft.

(1) Refer to the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for additional information.

Conference Call

In connection with this press release, management will host a conference call on Thursday, April 28, 2022, 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 (888) 220-8451 (from within the U.S. and Canada) or (786) 789-4776 (from outside of the U.S. and Canada) ten minutes prior to the scheduled start and referencing the passcode "6158234".

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 Thursday, May 28, 2022, 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 "6158234".

About Aircastle Limited

Aircastle Limited acquires, leases, and sells commercial jet aircraft to airlines throughout the world. As of February 28, 2022, Aircastle owned and managed on behalf of its joint ventures 260 aircraft leased to 81 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 most recent Form 10-K and any subsequent filings with the SEC. 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)

	February 28,	
	2022	2021
ASSETS		
Cash and cash equivalents	\$ 167,891	\$ 578,004
Restricted cash and cash equivalents	2,791	2,594
Accounts receivable	63,666	82,572
Flight equipment held for lease, net of accumulated depreciation of \$2,766,429 and \$2,076,972, respectively	6,313,950	6,492,471
Net investment in leases, net of allowance for credit losses of \$1,764 and \$864, respectively	150,325	195,376
Unconsolidated equity method investment	38,317	35,377
Other assets	356,326	311,944
Total assets	<u>\$ 7,093,266</u>	<u>\$ 7,698,338</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Borrowings from secured financings, net of debt issuance costs	\$ 684,039	\$ 768,850
Borrowings from unsecured financings, net of debt issuance costs	3,835,841	4,366,261
Accounts payable, accrued expenses and other liabilities	177,424	174,267
Lease rentals received in advance	37,361	58,013
Security deposits	69,189	80,699
Maintenance payments	459,713	519,178
Total liabilities	<u>5,263,567</u>	<u>5,967,268</u>
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Preference shares, \$0.01 par value, 50,000,000 shares authorized, 400 (aggregate liquidation preference of \$400,000) shares issued and outstanding at February 28, 2022 and no shares issued and outstanding at February 28, 2021	—	—
Common shares, \$0.01 par value, 250,000,000 shares authorized, 14,048 shares issued and outstanding at February 28, 2022 and 2021	—	—
Additional paid-in capital	1,878,774	1,485,777
Retained earnings (accumulated deficit)	(49,075)	245,293
Total shareholders' equity	<u>1,829,699</u>	<u>1,731,070</u>
Total liabilities and shareholders' equity	<u>\$ 7,093,266</u>	<u>\$ 7,698,338</u>

Aircastle Limited and Subsidiaries Consolidated
Statements of Income (Loss)
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended February 28,		Year Ended February 28,	
	2022	2021	2022	2021
Revenues:				
Lease rental revenue	\$ 169,434	\$ 137,854	\$ 595,236	\$ 611,421
Direct financing and sales-type lease revenue	2,356	3,311	10,733	18,215
Amortization of lease premiums, discounts and incentives	(164)	(5,481)	(20,190)	(22,842)
Maintenance revenue	70,826	51,161	152,030	172,668
Total lease revenue	242,452	186,845	737,809	779,462
Gain on sale of flight equipment	8,057	9,355	26,001	33,536
Other revenue	4,336	1,328	5,977	19,290
Total revenues	254,845	197,528	769,787	832,288
Operating expenses:				
Depreciation	87,220	84,711	337,528	347,517
Interest, net	50,387	61,343	214,352	235,338
Selling, general and administrative (including non-cash share-based payment expense of \$0, \$0, \$0 and \$28,049, respectively)	17,624	17,515	66,338	88,413
Provision for credit losses	(40)	2	930	5,258
Impairment of flight equipment	341,324	126,028	452,250	425,579
Maintenance and other costs	6,891	5,961	31,166	20,005
Total operating expenses	503,406	295,560	1,102,564	1,122,110
Other income (expense):				
Loss on extinguishment of debt	—	(2,532)	(14,156)	(2,640)
Merger expenses	—	(114)	—	(32,605)
Other	—	—	57,682	(191)
Total other income (expense)	—	(2,646)	43,526	(35,436)
Loss from continuing operations before income taxes and earnings of unconsolidated equity method investments	(248,561)	(100,678)	(289,251)	(325,258)
Income tax provision (benefit)	(30,875)	(4,502)	(7,998)	10,236
Earnings of unconsolidated equity method investment, net of tax	1,834	348	3,044	2,326
Net loss	\$ (215,852)	\$ (95,828)	\$ (278,209)	\$ (333,168)
Preference share dividends	(10,501)	—	(16,159)	—
Net loss available to common shareholders	\$ (226,353)	\$ (95,828)	\$ (294,368)	\$ (333,168)
Total comprehensive loss available to common shareholders	\$ (226,353)	\$ (95,828)	\$ (294,368)	\$ (333,168)

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

	Year Ended February 28,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (278,209)	\$ (333,168)
Adjustments to reconcile net loss to net cash and restricted cash provided by operating activities:		
Depreciation	337,528	347,517
Amortization of deferred financing costs	16,267	14,791
Amortization of lease premiums, discounts and incentives	20,190	22,842
Deferred income taxes	(9,386)	6,506
Non-cash share-based payment expense	—	28,049
Collections on net investments in leases	14,297	16,859
Security deposits and maintenance payments included in earnings	(123,969)	(135,115)
Gain on the sale of flight equipment	(26,001)	(33,536)
Loss on extinguishment of debt	14,156	2,640
Impairment of flight equipment	452,250	425,579
Provision for credit losses	930	5,258
Other	(3,043)	(2,305)
Changes on certain assets and liabilities:		
Accounts receivable	16,948	(57,292)
Other assets	(29,963)	(66,290)
Accounts payable, accrued expenses and other liabilities	(5,716)	(13,655)
Lease rentals received in advance	(23,414)	(53,658)
Net cash and restricted cash provided by operating activities	<u>372,865</u>	<u>175,022</u>
Cash flows from investing activities:		
Acquisition and improvement of flight equipment	(795,426)	(145,589)
Proceeds from sale of flight equipment	210,718	180,342
Aircraft purchase deposits and progress payments, net of returned deposits and aircraft sales deposits	(202)	(13,024)
Distributions from unconsolidated equity method investment in excess of earnings	104	419
Other	(1,694)	(676)
Net cash and restricted cash provided by (used in) investing activities	<u>(586,500)</u>	<u>21,472</u>
Cash flows from financing activities:		
Repurchase of shares	—	(25,536)
Parent contribution at Merger	—	25,536
Net proceeds from preference share issuance	392,997	—
Proceeds from secured and unsecured debt financings	20,000	1,932,943
Repayments of secured and unsecured debt financings	(646,943)	(1,697,662)
Deferred financing costs	(5,339)	(12,832)
Debt extinguishment costs	(13,372)	(1,524)
Security deposits and maintenance payments received	88,891	87,510
Security deposits and maintenance payments returned	(26,857)	(71,743)
Dividends paid	(5,658)	(24,025)
Net cash and restricted cash provided by (used in) financing activities	<u>(196,281)</u>	<u>212,667</u>
Net decrease increase in cash and restricted cash:	<u>(409,916)</u>	<u>409,161</u>
Cash and restricted cash at beginning of year	580,598	171,437
Cash and restricted cash at end of year	<u>\$ 170,682</u>	<u>\$ 580,598</u>

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

	Three Months Ended February 28,		Year Ended February 28,	
	2022	2021	2022	2021
Net loss	\$ (215,852)	\$ (95,828)	\$ (278,209)	\$ (333,168)
Depreciation	87,220	84,711	337,528	347,517
Amortization of lease premiums, discounts and incentives	164	5,481	20,190	22,842
Interest, net	50,387	61,343	214,352	235,338
Income tax provision (benefit)	(30,875)	(4,502)	(7,998)	10,236
EBITDA	(108,956)	51,205	285,863	282,765
Adjustments:				
Impairment of flight equipment	341,324	126,028	452,250	425,579
Loss on extinguishment of debt	—	2,532	14,156	2,640
Non-cash share-based payment expense	—	—	—	28,049
Merger expenses ⁽¹⁾	—	114	—	35,165
Loss on mark-to-market of interest rate derivative contracts	—	—	—	19
Contract termination expense	—	—	—	172
Adjusted EBITDA	<u>\$ 232,368</u>	<u>\$ 179,879</u>	<u>\$ 752,269</u>	<u>\$ 774,389</u>

(1) Includes \$32.6 million in Other income (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.