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 February 28, 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 001-32959

AIRCASTLE LIMITED

(Exact name of Registrant as Specified in its Charter)

Bermuda	**98-0444035**
(State or other Jurisdiction of Incorporation or organization)	*(I.R.S. Employer Identification No.)*

c/o Aircastle Advisor LLC
201 Tresser Boulevard, Suite 400
Stamford
Connecticut
06901

(Address of Principal Executive Offices)
Registrant's telephone number, including area code: **(203) 504-1020**

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Shares, par value $0.01 per share	N/A	NONE
Preference Shares, par value $0.01 per share	N/A	NONE

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 Act). Yes ☐ No ☑

The aggregate market value of the Registrant's Common Shares based upon the closing price on the New York Stock Exchange on August 31, 2024 (the last business day of registrant's most recently completed second fiscal quarter), beneficially owned by non-affiliates of the Registrant was $0 because the Registrant's Common Shares were not publicly traded as of that date. For purposes of the foregoing calculation, which is required by Form 10-K, the Registrant has included in the shares owned by affiliates those shares owned by directors and executive officers and shareholders owning 10% or more of the outstanding common shares of the Registrant, and such inclusion shall not be construed as an admission that any such person is an affiliate for any purpose.

As of April 16, 2025, there were 17,840 outstanding shares of the registrant's common shares, par value $0.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

All statements included or incorporated by reference in this Annual Report on Form 10-K (this "Annual Report"), 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 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 being 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 Annual Report. These risks or uncertainties include, but are not limited to, those described from time to time in Aircastle's filings with the Securities and Exchange Commission ("SEC"), including as described in Item 1A, and elsewhere in this Annual Report. 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 Annual Report. Aircastle expressly disclaims any obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

WEBSITE AND ACCESS TO COMPANY'S REPORTS

The Company's Internet website can be found at www.aircastle.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished with the SEC are available free of charge through our website under "Investors — SEC Filings".

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, and Board of Directors committee charters (including the charters of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee) are available free of charge through our website under "ESG". In addition, our Code of Ethics for the Chief Executive and Senior Financial Officers, which applies to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Treasurer and Controller, is available in print, free of charge, to any shareholder upon request to Investor Relations, Aircastle Limited, c/o Aircastle Advisor LLC, 201 Tresser Boulevard, Suite 400, Stamford, Connecticut 06901.

The information on the Company's website is not part of, or incorporated by reference, into this Annual Report, or any other report we file with, or furnish to, the SEC.

PART I

INTRODUCTION

ITEM 1. BUSINESS

Unless the context suggests otherwise, references in this Annual Report to "Aircastle," the "Company," "we," "us," or "our" refer to Aircastle Limited and its subsidiaries. Throughout this Annual Report, when we refer to our aircraft, we include aircraft that we have transferred into grantor trusts or similar entities for purposes of financing such assets through term financings. These grantor trusts or similar entities are consolidated for purposes of our financial statements. All amounts in this Annual Report are expressed in U.S. dollars and the financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

Overview

Aircastle acquires, leases, and sells commercial jet aircraft to airlines throughout the world. We are a leading secondary market investor that sources aircraft through various acquisition channels that include other aircraft lessors, airlines through purchase-leaseback transactions, financial institutions and other aircraft owners, and aircraft manufacturers. We have significant experience in successfully managing aircraft throughout their life cycle, including lease and technical management, aircraft redeliveries, transitions, and sales or disposals. We sell aircraft and engine assets, either with a lease attached or on a part-out basis, with the aim of generating profits and reinvesting proceeds. Our aircraft are managed by an experienced team based in the United States, Ireland and Singapore.

As of February 28, 2025, we owned and managed on behalf of our joint venture 273 aircraft leased to 77 lessees located in 47 countries. The net book value of our fleet (comprised of flight equipment held for lease and net investment in leases, or "Net Book Value") was $7.9 billion as of February 28, 2025, up 9% from $7.2 billion as of February 29, 2024. The weighted average age of our fleet was 9.1 years and the weighted average remaining lease term was 5.4 years. The weighted average utilization rate of our fleet was 99% for the year ended February 28, 2025. During the year ended February 28, 2025, we purchased 50 aircraft and sold 27 aircraft and other flight equipment. As of February 28, 2025, we had commitments to purchase 20 aircraft with delivery through March 2027 for $771.7 million, which includes estimated amounts for pre-delivery deposits, contractual price escalations and other adjustments.

Our total revenues, net income and Adjusted EBITDA were $821.0 million, $123.6 million, and $789.9 million for the year ended February 28, 2025, respectively, and $855.4 million, $83.3 million and $759.5 million for the year ended February 29, 2024, respectively. Cash flow provided by operating activities was $464.0 million and $370.3 million for the years ended February 28, 2025 and February 29, 2024, respectively. The Company's financial performance reflects the strong global passenger demand for air travel and the robust demand for our aircraft due to ongoing Original Equipment Manufacturer ("OEM") delivery delays and supply chain constraints. The increased demand for our aircraft through lease extension requests and strong gains on sales contributed positively to our financial results, which are also partly driven by cash settlement proceeds received in respect of our contingent and possessed insurance policies for aircraft formerly on lease to Russian airlines.

Growth in commercial air traffic has been correlated with world economic activity and has historically grown at a rate one to two times that of global gross domestic product ("GDP") growth. This expansion of air travel has driven growth in the world aircraft fleet. There are approximately 27,000 commercial mainline passenger and freighter aircraft in the world fleet today. Aircraft leasing companies own approximately 50% of the world's commercial passenger jet aircraft. Under normal circumstances, we would expect the global fleet to continue expanding at a 2-3% average annual rate.

We believe our portfolio, which is primarily comprised of new technology and mid-life, narrow-body aircraft, will remain attractive for our airline customers, enabling them to respond to the growing demand of global air travel. As a leading secondary market investor, we believe that our long-standing business strategy of maintaining conservative leverage and limiting long-term financial commitments positions us well to take advantage of new investment opportunities as they arise.

We employ a team of experienced senior professionals with extensive industry and financial experience. Our leadership team has an average of more than 30 years of relevant industry experience and has effectively enabled us to manage through prior downturns in the aviation industry, such as the COVID-19 pandemic, the 2008 global financial

crisis, and the September 11, 2001 terror attacks.

We believe we have sufficient liquidity to meet our contractual obligations over the next 12 months. As of April 1, 2025, total liquidity of $2.7 billion included $2.1 billion of undrawn credit facilities, $0.5 billion of projected adjusted operating cash flows and sales through April 1, 2026 and $0.1 billion of unrestricted cash.

Our Competitive Strengths

We believe the following competitive strengths will allow us to capitalize on future growth opportunities in the global aviation industry:

- **Diversified Portfolio of Modern Aircraft:** We have a portfolio of modern aircraft that is diversified with respect to lessees, geographic markets, lease maturities and aircraft types. As of February 28, 2025, our owned and managed aircraft portfolio consisted of 273 aircraft leased to 77 lessees in 47 countries. Lease expirations for our owned aircraft are well dispersed, with a weighted-average remaining lease term of 5.4 years. This provides us with a long-dated base of contracted revenues. We believe our focus on portfolio diversification reduces the risks associated with individual lessee defaults and adverse geopolitical or economic issues, and results in generally predictable cash flows.
- **Flexible, Disciplined Acquisition Approach and Broad Investment Sourcing Network**: Our investment strategy is to seek out the best risk-adjusted return opportunities across the commercial jet market, so our acquisition targets vary with market opportunities. We source our acquisitions through well-established relationships with other aircraft lessors, airlines, financial institutions, other aircraft owners and aircraft and engine manufacturers. Since our formation in 2004, we have acquired 645 aircraft for $21.3 billion as of February 28, 2025. We have built our aircraft portfolio through more than 208 transactions with 109 counterparties as of February 28, 2025.
- **Significant Experience in Successfully Selling Aircraft Throughout Their Life Cycle**: Our team is adept at managing and executing the sale of aircraft, either with a lease attached or on a part-out basis. Since our formation, we have sold 354 aircraft to 110 buyers for $7.7 billion as of February 28, 2025. These sales produced net gains of $713.0 million and involved a wide range of aircraft types and buyers. Of these aircraft, 251, or 71%, were over 14 years old at the time of sale; often being sold on a part-out disposition basis, where the airframe and engines may be sold to various buyers. We believe our competence in selling older aircraft is one of the capabilities that sets us apart from many of our competitors.
- **Strong Capital Raising Track Record and Access to a Wide Range of Financing Sources:** Since our inception, we have raised $2.6 billion in equity capital from private and public investors as of February 28, 2025. We maintain a strong, strategic relationship with Marubeni Corporation ("Marubeni"), which is one of our controlling shareholders. We have raised $23.1 billion in debt capital from a variety of sources, including the unsecured bond market, commercial banks, export credit agency-backed debt, the aircraft securitization market and Japanese Operating Lease with Call Option ("JOLCO") financings, which have been originated by Marubeni. The diversity and global nature of our financing sources demonstrates our ability to adapt to changing market conditions and seize new opportunities.
- **Our Capital Structure Provides Investment Flexibility:** As of February 28, 2025, we had $2.0 billion available from unsecured revolving credit facilities, 98% of which is not scheduled to mature until 2027 and 2028, thereby limiting our near-term financial markets exposure. Given our relatively limited future capital commitments, we have the resources to take advantage of future investment opportunities. Our large, unencumbered asset base and our unsecured revolving lines of credit give us access to the unsecured bond market, which we expect will allow us to pursue a flexible and opportunistic investment strategy over the long term.
- **Experienced Management Team with Significant Expertise:** Our leadership team has significant relevant industry experience, and we have expertise in the acquisition, leasing, financing, technical management, restructuring/repossession and sale of aviation assets. This experience spans several industry cycles and a wide range of business conditions and is global in nature. We believe our management team is highly qualified to manage and grow our aircraft portfolio and to address our long-term capital needs.
- **Global and Scalable Business Platform:** We operate through offices in the United States, Ireland and Singapore, using a modern asset management system designed specifically for aircraft operating lessors and

capable of handling a significantly larger aircraft portfolio. We believe that our current facilities, systems and personnel are capable of supporting an increase in our revenue base and asset base without a proportional increase in overhead costs.

Business Strategy

Our business approach is to continue to remain differentiated from those of other leasing companies which have orders with aircraft manufacturers. Recent global disruptions have required enhanced focus on diligent, proactive risk monitoring while continuing to pursue our core strategies. Our focus is to manage risk and secure liquidity while growing our assets and profits over the long term. By limiting long-term capital commitments and maintaining a conservative capital structure, we seek to best position ourselves for future investment opportunities.

Our business strategy entails the following elements:

- **Pursuing a disciplined and differentiated investment strategy**. In our view, the relative values of different aircraft change over time. We continually reevaluate investments across different aircraft models, ages, lessees and acquisition channels as market conditions and relative investment values change. We believe our team's experience with a wide range of asset types and the financing flexibility offered through unsecured debt provides us with a competitive advantage. We view orders from aircraft manufacturers to be part of our investment opportunity set, however we have limited long-term capital commitments and are not reliant on orders for new aircraft from manufacturers as a source of new investments, as many of our competitors do. Over the long term we plan to grow our business and profits while maintaining a conservative and flexible capital structure.
- **Selling assets when attractive opportunities arise.** We sell assets with the aim of realizing profits and reinvesting proceeds. We also use asset sales for portfolio management purposes, such as reducing lessee specific concentrations and lowering residual value exposures to certain aircraft types.
- **Maintaining efficient access to capital from a wide set of sources and leveraging our investment grade credit rating.** We believe the aircraft investment market is influenced by the business cycle. Our strategy is to increase our purchase activity when prices are low and to emphasize asset sales when prices are high. To implement this approach, we believe it is important to maintain access to a wide variety of financing sources. Since 2018, we have had an investment grade corporate credit rating and maintained strong portfolio and capital structure metrics while achieving critical size through accretive growth. We believe our investment grade rating not only reduces our borrowing costs, but also facilitates more reliable access to both unsecured and secured debt capital throughout the business cycle. There can be no assurance, however, that we will be able to access capital on a cost-effective basis and our failure to do so could have a material adverse effect on our business, financial condition or results of operation.
- **Leveraging our strategic relationships**. We intend to optimize the benefits provided through our extensive global contacts, as well as relationships maintained by our shareholders, Marubeni and Mizuho Leasing Company, Limited ("Mizuho Leasing" and together with Marubeni, our "Shareholders"), which have enabled greater access to Japanese-based financing sources and helped source and develop our joint venture.
- **Capturing the value of our efficient operating platform and strong operating track record**. We believe our team's capabilities in the global aircraft leasing market places us in a favorable position to explore new income-generating activities as capital becomes available for such activities. We intend to continue to focus our efforts on investment opportunities in areas where we believe we have competitive advantages and on transactions that offer attractive risk-adjusted returns.
- **Maintaining a balanced and diversified lease portfolio.** We have a defined risk appetite articulated through our risk guardrails, which we use to manage portfolio risk and highlight areas where action to mitigate risk may be appropriate. Our risk guardrails set limits on lessee concentration by risk rating, geographic concentrations, aircraft type concentrations, overall portfolio credit quality distribution, and lease maturity distribution. We believe that our balanced and diversified fleet, as well as continued focus on portfolio concentration, has and will enable us to reduce the risks associated with the impact of adverse geopolitical and economic events.

Acquisitions and Sales

We originate acquisitions and sales through well-established relationships with other aircraft lessors, airlines, financial institutions, other aircraft owners, and aircraft manufacturers, as well as other sources. We believe that sourcing such transactions globally through multiple channels provides for a broad and relatively consistent set of opportunities. During the year ended February 28, 2025, we acquired 50 aircraft for $1.6 billion and sold 27 aircraft and other flight equipment for net proceeds of $565.9 million. We recognized gains on the sale or disposition of aircraft totaling $77.2 million.

Our objective is to develop and maintain a diverse operating lease portfolio. We review our operating lease portfolio to manage our portfolio diversification and to sell aircraft when we believe selling will achieve better expected risk-adjusted cash flows than reinvesting in and re-leasing the aircraft. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview — Acquisitions and Sales."

We have an experienced acquisition and sales team based in the United States, Ireland and Singapore that maintains strong relationships with a wide variety of market participants throughout the world. We believe that our seasoned personnel and extensive industry contacts facilitate our access to acquisition and sales opportunities and that our strong operating track record facilitates our access to debt and equity capital markets.

Potential investments and sales are evaluated by teams comprised of marketing, technical, risk management, finance and legal professionals. These teams consider a variety of aspects before we commit to purchase or sell an aircraft, including price, specification/configuration, age, condition and maintenance history, operating efficiency, lease terms, financial condition and liquidity of the lessee, jurisdiction, industry trends and future redeployment potential and values. We believe that utilizing a cross-functional team of experts to consider investment parameters helps us assess more completely the overall risk-adjusted returns of potential acquisitions and helps us move forward expeditiously on letters of intent and acquisition documentation.

Finance

We operate in a capital-intensive industry and have a demonstrated track record of raising substantial amounts of capital from debt and equity investors. We believe that cash on hand, funds generated from operations, maintenance payments received from lessees, equity offerings, unsecured bond offerings, borrowings secured by our aircraft, draws under our revolving credit facilities and proceeds from any future aircraft sales will be sufficient to satisfy our liquidity and capital resource needs over the next 12 months. We may choose to repay all or a portion of such borrowings from time to time with the net proceeds from subsequent long-term debt financings, additional equity offerings or cash generated from operations and asset sales. Our ability to execute our business strategy, particularly the acquisition of additional commercial jet aircraft or other aviation assets, depends to a significant degree on our ability to obtain additional debt and equity capital on terms we deem attractive.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."

Segments

We manage and analyze our business and report on our results of operations based on one operating segment: leasing, financing, selling and managing commercial flight equipment. Our Chief Executive Officer is the chief operating decision maker.

Aircraft Leases

Our aircraft are net leases whereby we retain the benefit and bear the risk of re-leasing and of the residual value of the aircraft at the end of the lease. Leasing can be an attractive alternative to ownership for an airline because leasing increases an airline's fleet flexibility, requires lower capital commitments, and reduces aircraft residual value risks for the airline.

Typically, the lessee agrees to lease an aircraft for a fixed term, although certain of our leases allow the lessee the option to extend the lease for an additional term or, in rare cases, terminate the lease prior to its expiration. Our leases require the lessee to pay periodic rentals during the lease term. Approximately 98% of our leases have fixed rental rates

that are payable monthly in advance in U.S. dollars. For our variable rate leases, rentals are payable on a floating interest-rate basis using the secured overnight financing rate ("SOFR").

Generally, we receive a cash deposit or letter of credit as security for the lessee's performance of its obligations under the lease.

Under our leases, the lessee must pay operating expenses payable or accrued during the term of the lease, which normally include maintenance, overhaul, fuel, crew, landing, airport and navigation charges, certain taxes, licenses, consents and approvals, aircraft registration and insurance premiums. Many of our leases also contain provisions requiring us to pay a portion of the cost of modifications to the aircraft performed by the lessee at its expense if such modifications are mandated by recognized airworthiness authorities. The lessees are obliged to remove liens on the aircraft other than liens permitted under the leases.

Typically, the lessee is responsible for performing maintenance on the aircraft and is required to make payments for heavy maintenance, overhaul or replacement of certain high-value components of the aircraft. These maintenance payments are based on hours or cycles of utilization or on calendar time, depending upon the component, and are either made monthly in arrears or at the end of the lease term. Our determination of whether to require such payments to be made monthly or to permit a lessee to make a single maintenance payment at the end of the lease term depends on a variety of factors, including the creditworthiness of the lessee, the amount of security deposit provided by the lessee and market conditions at the time we enter into the lease. If a lessee is making monthly maintenance payments, we would typically be obligated to use funds paid by the lessee during the lease term to reimburse the lessee for costs they incur for heavy maintenance, overhaul or replacement of certain high-value components, usually following completion of the relevant work. If a lessee makes a single end of lease maintenance payment, the lessee would typically be required to pay us for its utilization of the aircraft during the lease. In some cases, however, we may owe a net payment to the lessee in the event heavy maintenance is performed and paid for by the lessee and the aircraft is returned to us in better condition than at lease inception.

Our leases generally provide that the lessees' payment obligations are absolute and unconditional under any and all circumstances and require lessees to make payments without withholding payment on account of any amounts the lessor may owe the lessee or any claims the lessee may have against the lessor for any reason, except that under certain of the leases a breach of quiet enjoyment by the lessor may permit a lessee to withhold payment. The leases also generally include an obligation of the lessee to gross up payments under the lease where lease payments are subject to withholding and other taxes, although there may be some limitations to the gross up obligation, including provisions which do not require a lessee to gross up payments if the withholdings arise out of our ownership or tax structure. In addition, changes in law may result in the imposition of withholding and other taxes and charges that are not reimbursable by the lessee under the lease or that cannot be reimbursed under applicable law. Our leases also generally require the lessee to indemnify the lessor for tax liabilities relating to the leases and the aircraft, including in most cases, value added tax and stamp duties, but excluding income tax or its equivalent imposed on the lessor.

The scheduled maturities of our aircraft leases by aircraft type grouping currently are as follows, taking into account sales, sale agreements, lease placements and renewal commitments as of April 16, 2025, by fiscal year:

Aircraft Type	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Off-Lease	Sold or Sale Agreement	Total
A319/A320/A321	3	16	17	25	19	6	11	4	—	2	—	—	—	14	117
A320neo/A321neo	—	8	1	1	3	3	8	7	9	5	3	1	—	—	49
A330-200/300	3	1	3	—	2	1	3	—	—	—	—	—	—	—	13
737-700/800/900ER	4	4	9	5	9	7	—	—	2	3	1	—	—	2	46
737-MAX8/MAX9	—	—	—	—	—	1	1	4	1	—	—	5	—	—	12
777-300ER	—	—	—	—	—	—	1	—	—	—	—	—	—	—	1
E195	—	4	1	—	—	—	—	—	—	—	—	—	—	—	5
E2-195	—	—	—	—	—	—	5	5	1	4	1	—	—	—	16
Freighters	—	—	—	—	—	3	—	1	1	—	—	—	1	—	6
Total	10	33	31	31	33	21	29	21	14	14	5	6	1	16	265

Fiscal Year 2025 Lease Expirations and Lease Placements

As of April 16, 2025, we have 1 off-lease aircraft and 10 aircraft with leases expiring in fiscal year 2025, which combined account for 2% of our Net Book Value at February 28, 2025, still to be placed or sold.

Fiscal Year 2026-2029 Lease Expirations and Lease Placements

Taking into account lease and sale commitments, we currently have the following number of aircraft with lease expirations scheduled between fiscal years 2026 and 2029, representing the percentage of our Net Book Value at February 28, 2025, specified below:

- 2026: 33 aircraft, representing 10%;
- 2027: 31 aircraft, representing 10%;
- 2028: 31 aircraft, representing 9%; and
- 2029: 33 aircraft, representing 12%.

Lease Management and Remarketing

Our aircraft re-leasing strategy is to develop opportunities proactively, well in advance of scheduled lease expiration. This enables consideration of a broad set of alternatives, including deployment, sale or part-out, and to allow for reconfiguration or maintenance lead times where needed. We also take a proactive approach to monitoring the credit quality of our customers and may seek early return and redeployment of aircraft if we feel that a lessee is unlikely to perform its obligations under a lease. We have invested significant resources in developing and implementing modern, efficient lease management information systems and processes to enable effective management of aircraft in our portfolio.

Portfolio Risk Management

Our objective is to build and maintain a lease portfolio that is balanced and diversified and delivers returns commensurate with risk. We have a defined risk appetite to assist in portfolio risk management and highlight areas where action to mitigate risk may be appropriate, and take into account the following:

- individual lessee exposures;
- geographic concentrations;
- aircraft type concentrations;
- portfolio credit quality distribution; and
- lease maturity distribution.

We have a risk management team that undertakes detailed due diligence on lessees when aircraft are acquired with a lease already in place and for placement of aircraft with new lessees following lease expiration or termination. They also monitor the portfolio on an ongoing basis.

Other Aviation Assets and Alternative New Business Approaches

We believe investment opportunities may arise in related areas such as financing secured by commercial jet aircraft as well as jet engine and spare parts leasing, trading and financing. In the future, we may make opportunistic investments in these or other sectors or in other aviation-related assets, and we intend to continue to explore other income-generating activities and investments.

We source and service investments for our joint venture to which we provide marketing, asset management and administrative services. We are paid market-based fees for these services, which are recorded in other revenue in our consolidated statements of income.

We believe we have a world class servicing platform and may also pursue opportunities to capitalize on these capabilities such as providing aircraft management services for third party aircraft owners.

Competition

The aircraft leasing and trading industry is highly competitive with a significant number of active participants. We face competition for the acquisition, placement and sale of aircraft. Competition for aircraft acquisitions comes from many sources, ranging from large established aircraft leasing companies to smaller players and new entrants.

Competition for leasing, re-leasing and selling aircraft is based upon the availability, type and condition of the aircraft, user base, lease rates, prices, and other lease terms. Aircraft manufacturers, leasing companies, airlines and other operators, distributors, equipment managers, financial institutions and other parties engaged in leasing, managing, marketing or remarketing aircraft compete with us, although their focus may be on different market segments and aircraft types.

Larger lessors are generally more focused on acquiring new aircraft via direct orders with the OEMs and through purchase lease-back transactions with airlines. These larger lessors include AerCap Holdings, SMBC Aviation Capital, Avolon Holdings, Air Lease Corporation, BBAM and BOC Aviation.

Competition for mid-aged and older aircraft comes from other competitors that, in many cases, rely on private equity or hedge fund capital sources. Such competitors include Carlyle Aviation Partners, Castlelake and other players, including new entrants, funded by alternative investment funds and companies. These companies are typically fund-based, rather than having permanent capital structures, and have benefited from the availability of debt financing for mid-aged aircraft. Some of these companies have also set up permanent capital structures to be able to access the unsecured debt market.

Some of our competitors have greater financial resources and/or a lower cost of capital. A number of them commit to speculative orders of new aircraft to be placed on operating lease upon delivery from the manufacturer, which compete with new and used aircraft offered by other lessors. The aircraft leasing industry is characterized by on-going merger and acquisition activity as well as new entrants as barriers to entry into the industry are relatively low.

We believe that we can compete favorably in aircraft acquisition, leasing and sales activities due to the reputation of our team of experienced professionals, extensive market contacts and expertise in effectively sourcing and acquiring aircraft. We also believe our access to unsecured debt provides us with a competitive advantage in pursuing investments quickly and reliably and in acquiring aircraft in situations where it may be more difficult to finance on a secured, non-recourse basis.

Insurance

We require our lessees to carry general third-party legal liability insurance, all-risk aircraft hull and spares insurance (both with respect to the aircraft and with respect to each engine or part when not installed on our aircraft); war-risk hull and spares insurance; and excess war liability insurance. We are named as an additional insured on liability insurance policies carried by our lessees, and we or one of our lenders will be designated as a contract party/loss payee in the event of a total loss of the aircraft. We maintain contingent and possessed hull, war, excess war and legal and liability insurance coverage with respect to our aircraft which provides coverage when our equipment is not on lease or where a lessee party fails to indemnify us; this is intended to provide coverage for certain risks, including where a lessee's insurance fails, but excluding coverage for other risks such as the risk of insolvency of the primary insurer or reinsurer. Not all losses are covered by insurance and in some cases, the insurers also have maximum limits (aggregate limits) on amounts payable.

We maintain insurance policies to cover non-aviation risks related to physical damage to our equipment and property, as well as with respect to third-party liabilities arising through the course of our normal business operations (other than aircraft operations). We also maintain limited business interruption insurance to cover a portion of the costs we would expect to incur in connection with a disruption to our main facilities, and we maintain directors' and officers' liability insurance providing coverage for liabilities related to the service of our directors, officers and certain employees. Consistent with industry practice, our insurance policies are generally subject to deductibles or self-retention amounts.

Recent geopolitical events, such as the ongoing Russia-Ukraine conflict, have led insurers to reassess their coverage and significantly increase premiums. In addition, we have claims arising from the Russian invasion of Ukraine which remain unsettled and in respect of which we have had to resort to litigation that may take years to fully settle, if at all. We believe that the insurance coverage currently carried by our lessees and by Aircastle is consistent with industry

practice and provides adequate protection against the accident-related and other covered risks involved in the conduct of our business. However, there can be no assurance that we have adequately insured against all risks, that lessees will at all times comply with their obligations to maintain insurance, that our lessees' insurers and re-insurers will be or will remain solvent and able to satisfy any claims, that any particular claim will ultimately be paid or that we or our lessees will be able to procure adequate insurance coverage at commercially reasonable rates in the future. Furthermore, war risk insurance may be automatically cancelled as a result of certain events outside our control, including in the event of hostilities between the United Kingdom, the United States, France, Russia and China.

Corporate Responsibility

We believe that our commitment to identifying and implementing positive environmental and social related business practices strengthens our Company, and better serves our customers, our communities and the broader environment within which we conduct our business. Board oversight of environmental, social and governance ("ESG") matters is conducted by the Company's Risk and Governance Committee. A detailed report with our ESG disclosures in alignment with Global Reporting Initiative guidance can be found on our website at www.aircastle.com. The information on our website regarding our ESG disclosures is not part of, nor incorporated by reference, into this report, or any other report we file with, or furnish to, the SEC.

Our Commitment to Environmental Sustainability

Ambitious targets have been made towards the ultimate goal of curbing the adverse effects of climate change. Since 2021, the International Air Transport Association ("IATA") has maintained a Fly Net Zero commitment for aviation to achieve net zero carbon by 2050. For ambitious measures to reach implementation, a wide political and administrative consensus will be required. Due to the inherent complexities of jet aircraft, decarbonizing aviation requires more radical new technology as compared to other modes of transportation. Sustainable Aviation Fuel ("SAF") is an alternative to conventional jet fuel that, on a lifecycle basis, reduces greenhouse gas emissions associated with air travel compared to conventional jet fuel. Hydrogen and electronic propulsion for commercial jet aircraft are longer-term initiatives.

The Company believes the operations of our customers could be affected by the potential impacts of both climate change and sustainability targets and initiatives aimed at curbing its effect, so we are committed to monitoring sustainability developments. The Company's long-term strategic plan takes these rapidly developing initiatives into consideration when we evaluate the technology behind the aircraft we target for investment. For the year ended February 28, 2025, 57% of our incremental net book value acquired were new technology aircraft with higher efficiency and lower emissions.

In addition, the Company is an investment partner in the United Airlines Ventures' Sustainable Flight Fund whose objective is scaling up the availability of SAF. SAF provides the most readily available means for airline operators to reduce their carbon emissions while using existing technology. Many governments have mandated SAF blends for commercial aircraft operators. The high cost and low availability of SAF present challenges for airlines seeking to meet these mandates.

In making this commitment, the Company joins other corporate partners who represent various parts of the aviation supply chain that have committed over $200 million in capital to invest in a roster of companies developing cutting edge technologies for SAF production.

Our People

As of February 28, 2025, we had 124 employees. None of our employees are covered by a collective bargaining agreement, and we believe that we maintain excellent employee relations.

We believe that our commitment to our employees is critical to our continued success, leading to high employee satisfaction and low employee turnover. To facilitate talent attraction and retention, we strive to have an inclusive and safe workplace, with opportunities for our employees to grow and develop in their careers, supported by strong compensation, benefits and health and wellness programs, and by programs that build connections between our employees and their communities. Each year, we review employee career development and succession planning internally and with our Compensation Committee.

Our Culture & Governance

Our C.A.S.T.L.E. Values guide our people and our operations: Community – we unify and collaborate to create a better work environment; Accountability – we are reliable, honest and act with integrity; Sustainability – we embrace sustainable initiatives which have local and global impacts; Transparency – we build trust through open, honest and respectful communication; Leadership – we coach, mentor and empower our people to expand their potential; and Equality – we foster inclusivity and respect for all.

These values are embodied in the spirit of our Code of Business Conduct and Ethics, which has been adopted by the Board of Directors of the Company to serve as a statement of principles to guide our decision-making and reinforce our commitment to these values in all aspects of our business.

The Company also maintains independent third-party whistle-blower platforms for anonymous reporting of fraud or ethics violations. Our cybersecurity initiatives provide protection through malware detection, cloud penetration testing, threat hunting and incident responsiveness.

We believe that our commitment to our Company, our employees and the communities in which we operate has led to high employee satisfaction and low employee turnover, as discussed above, and our commitment to our customers and business partners has resulted in high customer satisfaction, as evidenced by long-standing relationships with our customers and new/repeat transactions with our business partners.

Government Regulation

The air transportation industry is highly regulated. Aircastle itself is generally not directly subject to most air transportation regulations as we do not operate aircraft. In contrast, our lessees are subject to extensive, direct regulation under the laws of the jurisdictions in which they are registered and where they operate. Such laws govern, among other things, the registration, operation, security, and maintenance of our aircraft, environmental issues and the financial oversight of their operations.

Regulations, such as those limiting CO_2 emissions and reducing noise, are changing and developing in the aviation sector, where there is an additional international angle to the regulation. The impact of these items on the airline sector, as well as recent crises, such as the COVID-19 pandemic, the Russian invasion of Ukraine and the conflict in the Middle East, have further complicated matters. Further regulatory changes can be expected in the future.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Annual Report, you should carefully consider the following factors, which could materially adversely affect our business, financial condition, results of operations in future periods or our ability to meet our debt obligations. The risks described below are not the only risks facing our Company. Additional risks not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or results of operations.

Summary of Risk Factors

Risks Related to Our Lessees

- We are indirectly impacted by the risks facing airlines and their ability to perform their obligations under the relevant lease depends on their financial condition, which may be affected by factors beyond our control, such as currency movements, fuel price volatility, weak economic conditions, and geopolitical instability.
- Lessee defaults, bankruptcies, aircraft repossessions, and lease payment restructurings or rescheduling could have a material adverse impact on our future revenue and cash flows.
- An adverse economic or political event in any region or country in which our lessees or our aircraft are concentrated could have a material adverse effect on our financial results.
- Airlines operating in emerging markets face heightened political and economic risks, which could affect the ability of our lessees to meet their obligations to us.

Risks Related to Our Aviation Assets

- Lease rates and aircraft values are subject to supply-demand dynamics and may decline due to excess capacity or the introduction of new aircraft and engine technology.
- Climate-related regulations and preferences for more fuel-efficient aircraft could reduce demand for older aircraft types.
- The concentration of our portfolio around a specific aircraft or engine type could have a material adverse affect on our business should the aircraft or engine type encounter disruptions, manufacturing and quality control issues, or other difficulties.
- We operate in a highly competitive aircraft leasing market with low barriers to entry, which may make it difficult for us to take advantage of investment opportunities or make investments that are consistent with our investment objectives.

Risks Related to Our Leases

- A lessee may fail to meet its maintenance obligations or other operational requirements applicable under the relevant lease, which may require us to incur unanticipated or significant costs.
- The failure to pay certain operational costs and discharge liens on the aircraft could result in the grounding or arrest of our aircraft and prevent or delay the re-lease, sale or other use of our aircraft.
- Failure to obtain adequate insurance coverage or lessee noncompliance with indemnity provisions may result in us, as lessor, being held liable for losses from the operation of the aircraft.
- Political or regulatory restrictions may impair our ability to export, re-register, or transfer aircraft.

Risks Related to Our Operations

- We operate a global business that may be subject to events outside of our control, such as economic downturns, epidemic or pandemic diseases, terrorist attacks, war or armed hostilities, and natural disasters, which may adversely affect the demand for air travel.
- Foreign laws, rules, and regulations, as well as escalating tariffs, trade tensions, and protectionist measures may adversely affect our business, financial condition and results of operations.
- Our ability to obtain debt financing on satisfactory terms depends on financial market conditions, as well as our credit rating, and any volatility in the capital markets or a credit downgrade may increase our borrowing costs and adversely affect our earnings and cash flow.
- We bear the risk or re-leasing and selling our aircraft and may not fully recover our investment through either future lease cash flows or a sale, which may result in a write down of the value of some of our assets.
- We are subject to cybersecurity threats and data protection regulations, and failure to maintain secure IT systems could disrupt our operations.

Risks Related to Our Organization and Structure

- We are a holding company with no operations and rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations.

Risks Related to Taxation

- We are subject to complex and evolving tax laws in jurisdictions where we have significant operations, including Ireland, Bermuda, and the U.S., which may have an adverse effect on our results of operations.
- Our business would be adversely affected by the imposition of taxes should we no longer qualify for certain tax exemptions for which we are currently eligible.
- Global initiatives, such as the Organization for Economic Cooperation and Development's ("OECD") action plan with respect to base erosion and profit shifting ("BEPS") may increase our effective tax rate and tax liabilities in future periods.

Risks Related to Our Lessees

Risks affecting the airline industry may materially adversely affect our customers.

We operate as a supplier to airlines and are indirectly impacted by the risks facing airlines. The ability of lessees to perform their obligations under the relevant lease depends on their financial condition, which may be affected by factors beyond our control, including:

- passenger and air cargo demand, fare levels and air cargo rates;
- operating costs, including the price and availability of jet fuel, labor costs and insurance costs and coverages;
- manufacturer production levels and reliability of new aircraft and engine types resulting from production quality issues and technical or other difficulties;
- restrictions in labor contracts and labor difficulties, including pilot shortages;
- availability of financing, including covenants in financings, terms imposed by credit card issuers, collateral posting requirements contained in hedging contracts and the ability of airlines to make or refinance principal payments;
- economic conditions, including economic downturns or recession, financial system distress and currency fluctuations;
- aircraft accidents;
- the continuing availability of government support through subsidies, loans, guarantees, equity investments;
- changing political conditions, including risk of protectionism, travel restrictions, or trade barriers;
- geopolitical events, including war, terrorism, epidemic or pandemic diseases and natural disasters;
- impact of climate change and emissions on demand and supply of air travel;
- cyber risk, including information hacking, viruses, ransomware and malware; and
- governmental regulation of, including noise regulations, emissions regulations, climate change initiatives, and aircraft age limitations.

These factors, and others, may lead to defaults by our customers, may delay or prevent aircraft deliveries or transitions, may result in payment or other lease term restructurings, may increase our costs from repossessions or may reduce our revenues due to downtime or lower re-lease rates.

Adverse currency movements could negatively impact the profitability of our lessees.

Many of our lessees are exposed to currency risk as they earn revenues in local currencies while a significant portion of their liabilities and expenses, including fuel, debt service, and lease payments are denominated in U.S. dollars. If the local currency is devalued, our lessees may not be able to increase revenue sufficiently to offset the impact of exchange rates on these expenses. In addition, the implementation of strict currency controls by local governments may make it difficult for our lessees to access U.S. dollars. Currency depreciation and currency controls could impact the ability of customers to meet their contractual obligations in a timely manner. Shifts in foreign exchange rates can be significant, are difficult to predict, and can occur quickly.

Increases in fuel prices could negatively impact the profitability of our lessees.

Fuel costs represent a major expense to airlines and fluctuate widely. Airlines may not be able to successfully manage their exposure to fuel prices and significant changes could materially affect their operating results. Airlines may not be able to pass on increases in fuel prices to their customers by increasing fares. High fuel prices may also have a general impact on consumer spending and adversely impact demand for air transportation.

Lessee defaults could materially adversely affect our business, financial condition and results of operations.

Investors should expect some lessees to experience payment difficulties, particularly in difficult economic or operating environments. As a result of their financial condition and lack of liquidity, lessees may be significantly in arrears in their rental or maintenance payments. Liquidity issues are more likely to lead to airline failures in the periods of large air traffic declines, financial system distress, volatile fuel prices, and economic slowdown. Given the size of our aircraft portfolio, we expect that from time to time some lessees will be slow or will fail to make their payments in full under their leases.

We may not correctly assess the credit risk of a lessee or that risk could change over time. We may not be able to charge risk-adjusted lease rates, and lessees may not be able to continue to perform their financial and other obligations under our leases in the future. We may experience some level of delinquency under our leases and default levels may increase over time. A lessee may experience periodic difficulties that are not financial in nature, which could impair its performance of maintenance obligations under the leases. These difficulties may include the failure to perform required aircraft maintenance and labor-management disagreements or disputes.

In the event that a lessee defaults under a lease, any security deposit paid or letter of credit provided by the lessee may not be sufficient to cover the lessee's outstanding or unpaid lease obligations and required maintenance and transition expenses.

Significant costs resulting from lease defaults could have a material adverse effect on our business.

While we have the right to repossess the aircraft and to exercise other remedies upon a lessee default, repossession of an aircraft could lead to significant costs for us. Those costs include legal and other expenses of court or other governmental proceedings, particularly if the lessee is contesting the proceedings, and costs to obtain possession, deregistration of the aircraft and flight and export permissions. Delays resulting from these proceedings would increase the period of time during which the aircraft is not generating revenue. We may incur maintenance, refurbishment or repair costs that a defaulting lessee has failed to undertake or pay and that are necessary to put the aircraft in suitable condition for re-lease or sale. We may be required to pay off liens, claims, taxes and other governmental charges to obtain clear possession and to remarket the aircraft for re-lease or sale. We may also incur maintenance, storage or other costs while we have physical possession of the aircraft.

We may suffer other adverse consequences due to a lessee default and the repossession of the aircraft. Our rights upon a lessee default vary significantly depending upon the jurisdiction and may include the need to obtain a court order for repossession of the aircraft and consents for deregistration or re-export of the aircraft. When a defaulting lessee is in bankruptcy, protective administration, insolvency or similar proceedings, additional limitations may apply. Certain jurisdictions give rights to the trustee in bankruptcy or a similar officer to assume or reject the lease or to assign it to a third party, or entitle the lessee or another third party to retain possession of the aircraft without paying lease rentals or without performing all of the obligations under the lease. There can be no assurance that jurisdictions that have adopted the Cape Town Convention will enforce it as written. Certain of our lessees are owned in whole or in part by government-related entities, which could complicate our efforts to repossess the relevant aircraft. Accordingly, we may be delayed in, or prevented from, enforcing our rights under a lease and in re-leasing or selling the affected aircraft.

If we repossess an aircraft, we may not necessarily be able to export or deregister and redeploy the aircraft. If a lessee or other operator flies only domestic routes, repossession may be more difficult, especially if the jurisdiction permits the lessee or the other operator to resist deregistration. Significant costs may also be incurred in retrieving or recreating aircraft records required for registration of the aircraft and obtaining a certificate of airworthiness. A default and exercise of remedies involving a lessee where we have significant exposure could have a materially adverse impact on our future revenue and cash flows.

If our lessees encounter financial difficulties and we decide to restructure our leases with those lessees, this could result in less favorable leases and significant reductions in our cash flow.

When a lessee is late in making payments or fails to make payments in full, we may elect to or be required to restructure the lease. Restructuring may involve anything from a simple rescheduling of payments to the termination of a lease without receiving all the past due amounts. If requests for payment restructuring or rescheduling are granted, reduced or deferred rental payments may be payable over all or some part of the remaining term of the lease, and the terms of any revised payment schedules may be unfavorable or such payments may not be made. We may be unable to agree upon acceptable terms for any requested restructurings and as a result may be forced to exercise our remedies under those leases and we may be unable to repossess our aircraft on a timely basis. If we, in the exercise of our remedies, repossess the aircraft, we may not be able to re-lease the aircraft promptly at favorable rates, or at all.

The terms and conditions of payment restructurings or reschedulings, particularly involving lessees where we have significant exposure, may adversely affect our cash flows.

Airline reorganizations could have an adverse effect on our financial results.

As a result of economic conditions, airlines may be forced to reorganize. Bankruptcies and reduced demand may lead to the grounding of significant numbers of aircraft and negotiated reductions in aircraft lease rental rates, with the effect of depressing aircraft market values. Additional grounded aircraft and lower market values would adversely affect our ability to sell certain of our aircraft on favorable terms, or at all, or re-lease other aircraft at favorable rates comparable to the then current market conditions, which collectively would have an adverse effect on our financial results. We may not recover any of our claims or damages against an airline under bankruptcy or insolvency protection.

If our lessees fail to appropriately discharge aircraft liens, we might find it necessary to pay such claims.

In the normal course of business, liens that secure the payment of airport fees and taxes, custom duties, air navigation charges (including charges imposed by Eurocontrol), landing charges, crew wages, repairer's charges, salvage or other liens, are likely, depending on the jurisdiction, to attach to the aircraft. These liens may secure substantial sums that may, in certain jurisdictions or for certain types of liens (particularly "fleet liens"), exceed the value of the relevant aircraft. Although the financial obligations relating to these liens are the responsibility of our lessees, if they fail to fulfill their obligations, these liens may attach to our aircraft and ultimately become our responsibility. Until these liens are discharged, we may be unable to repossess, re-lease or sell the aircraft or unable to avoid detention or forfeiture of the aircraft.

Our lessees may not comply with their obligations under their respective leases to discharge liens arising during the terms of their leases. If they do not do so, we may find it necessary to pay the claims secured by any liens in order to repossess the aircraft.

Risks associated with the concentration of our lessees in certain geographical regions could harm our business or financial results.

Through our lessees and the countries in which they operate, we are exposed to the specific conditions and associated risks of those particular jurisdictions. An adverse economic or political event in any region or country in which our lessees or our aircraft are concentrated could affect the ability of our lessees to meet their obligations to us or expose us to various legal or political risks associated with the affected jurisdictions, which could have a material adverse effect on our financial results.

Many of our lessees operate in emerging markets and we are indirectly subject to the economic and political risks associated with such markets.

Emerging markets may be more vulnerable to economic and political problems, such as significant fluctuations in gross domestic product, interest and currency exchange rates, government instability, nationalization and expropriation of private assets, unfavorable legal systems, change in law regarding recognition of contracts or ownership rights, changes in governments or government policy and the imposition of taxes, tariffs or other charges by governments. The occurrence of these events may adversely affect our ownership interest in an aircraft or the ability of our lessees to meet their lease obligations. For the year ended February 28, 2025, 50 of our lessees, which operated 126 aircraft and generated 54% of our lease rental revenue, are domiciled or habitually based in emerging markets.

Risks Related to Our Aviation Assets

The variability of supply and demand for aircraft could depress lease rates for our aircraft.

The aircraft leasing and sales industry has experienced periods of aircraft oversupply. The oversupply of a specific type of aircraft in the market is likely to depress aircraft lease rates for, and the value of, that type of aircraft. The supply and demand for aircraft is affected by various cyclical and non-cyclical factors that are not under our control, including:

- passenger and air cargo demand;
- operating costs, including fuel costs, and general economic conditions affecting our lessees' operations;
- foreign exchange rates;
- interest rates and the availability of capital to finance certain aircraft types;
- airline restructurings and bankruptcies;
- changes in control of, or restructurings of, other aircraft leasing companies;

- new-entrant manufacturers, or existing manufacturers producing new aircraft and engine types;
- manufacturer production levels, production quality control issues and technical or other difficulties;
- geopolitical events, including war, prolonged armed conflict and acts of terrorism;
- governmental regulation, tariffs and other restrictions, such as sanctions, on trade or the leasing of aircraft;
- climate change initiatives, technological change, aircraft noise and emissions regulations, aircraft age limits and other factors leading to reduced demand for, early retirement or obsolescence of aircraft models;
- outbreaks of communicable diseases and natural disasters;
- reintroduction into service of aircraft previously grounded or in storage; and
- airport and air traffic control infrastructure constraints.

These and other factors may produce movements in aircraft values and lease rates, which would impact our cost of acquiring aircraft, or which may result in lease defaults or prevent aircraft from being re-leased or sold on favorable terms.

Other factors that could cause a decline in aircraft value and lease rates.

In addition to factors linked to the aviation industry generally, other factors that may affect the value and lease rates of our aircraft include:

- the age of the aircraft;
- the particular maintenance and operating history of the airframe and engines;
- the number of operators using that type of aircraft;
- whether the aircraft is subject to a lease and, if so, whether the lease terms are favorable to the lessor;
- the demand for and availability of such aircraft;
- applicable airworthiness directives or manufacturer's service bulletins that have not yet been performed;
- grounding orders or other regulatory action that could prevent or limit utilization of our aircraft;
- regulatory and legal requirements that must be satisfied before the aircraft can be purchased, sold or re-leased; and
- compatibility of our aircraft configurations or specifications with those desired by operators and financiers.

Any decrease in the values of and lease rates for commercial aircraft which may result from the above factors or other unanticipated factors may have a material adverse effect on our financial results.

Climate change may have a long-term impact on our business.

There are inherent climate-related risks wherever our business is conducted. Changes in market dynamics, stakeholder and financier expectations, and local, national and international climate change policies, all have the potential to disrupt our business and operations. Various countries, including the United States and countries in the European Union ("E.U."), have announced sustainability initiatives that, among other things, aim to reduce carbon emissions, explore sustainable aviation fuels and establish sustainability measures and targets. Developing climate and environmental regulations may impact the types of aircraft we target for investment and the demand for certain aircraft and engine types, and could result in a significant increase in our costs and expenses and adversely affect future revenue, cash flows and financial performance. Failure to address climate change could result in greater exposure to economic and other risks and impact our ability to adhere to developing climate goals.

The introduction of new technology aircraft types and higher production levels could cause our existing aircraft portfolio to become outdated and therefore less desirable.

New aircraft types that are introduced to the market, and higher production levels of new technology aircraft types that have already been launched, may cause certain aircraft in our existing aircraft portfolio to become less desirable to potential lessees or purchasers. The Boeing 737 MAX and 787 and the Airbus A220, A320neo family, A330neo and A350 are all currently in production. The Boeing 777X is expected to enter service in 2026. The Commercial Aircraft Corporation of China Ltd. has developed aircraft models that will compete with the Airbus A320 family aircraft, the Boeing 737 and the Embraer E-Jet. These new technology aircraft types, and potential variants of these types, may reduce the desirability of, and have an adverse effect on residual value and future lease rates of, older aircraft types and

variants. The development of more fuel-efficient engines could make aircraft in our portfolio with less fuel-efficient engines less attractive to potential lessees.

The effects of emissions and noise regulations and policies may challenge the current growth trajectory of the airline industry. Sustainability regulations and initiatives could increase the operating costs of our customers.

Many governments have imposed limits on aircraft engine emissions, such as NOx, CO and CO_2, consistent with current International Civil Aviation Organization ("ICAO") standards. In February 2024, the Federal Aviation Administration released guidance to reduce carbon pollution emitted by most large airplanes flying in U.S. airspace. The rule requires incorporating improved fuel-efficient technologies for airplanes manufactured after January 1, 2028, and for subsonic jet airplanes and large turboprop and propeller airplanes that are not yet certified.

European countries have relatively strict environmental regulations that can restrict operational flexibility and decrease aircraft productivity. The E.U. has included the aviation sector in its emissions trading scheme ("ETS"), a cap-and-trade system that sets a limit on the amount of carbon dioxide that can be emitted by all industries, including aviation. Although the ETS was initially implemented granting free emissions allowances based on an airline's emissions history, a 2023 proposal was adopted by the European Parliament and the European Council, which modifies the ETS system such that ETS free emissions allowances will phase out for the aviation sector by 2026. Although the ETS is likely to increase costs for airlines operating in Europe, it remains to be seen what effect, if any, this will have on our business.

ICAO adopted a global market-based measure to control CO_2 emissions from international aviation called the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"). CORSIA is currently in its first phase (2024-2026) wherein compliance applies only to routes between countries that have each volunteered to participate in the scheme. All airlines that operate routes between two volunteering countries will be subject to the offsetting requirements. From 2027 onwards, CORSIA compliance will be mandatory.

Sustainable Aviation Fuel has been identified by IATA as the primary means by which IATA's NetZero 2050 goal is to be achieved. Many governments, including the E.U., the United Kingdom, Brazil and Japan, have mandated aviation operators employ benchmarked percentages of SAF "drop in" blend on future commercial flights. A significant increase in SAF production will be required to make these benchmarks attainable, and at present, the cost of SAF is almost three times the cost of fossil jet fuel. Meeting mandated SAF blends could pose a significant operating cost to our customers.

Over time, it is possible that governments will adopt additional regulatory requirements and/or market-based policies to reduce emissions and noise levels from aircraft. Such initiatives may be based on concerns regarding climate change, energy security, public health, local impacts, or other factors, and may impact the global market for certain aircraft and cause behavioral shifts that result in decreased demand for air travel. These concerns could result in limitations on our customers' operation of our fleet and our ability to lease or re-lease certain older aircraft, particularly aircraft equipped with older technology engines.

Compliance with current or future regulations could cause our lessees to incur higher costs and lead to higher ticket prices, which could mean lower demand for travel and adverse impacts on the financial condition of our lessees. Such compliance may also affect our lessees' ability to make rental and other lease payments and limit the market for aircraft in our portfolio.

Corporate responsibility, specifically related to ESG matters, could expose us to additional risks and costs.

In recent years, there has been an increased expectation for industries to balance commercial interests with conscientious ESG performance focused on accountability to stakeholders. In recognition of this trend, organizations are sometimes reviewed by rating agencies using varying sustainability evaluation criteria. In some cases, these reviews result in ESG-specific ratings. Institutions who invest in our unsecured notes or with whom we have secured lending facilities may be required to consider the ESG risk of their lending portfolios and in some cases, this might require them to limit exposure to certain industry segments. Our ability to obtain financing at strategic rates could be impacted by these perceptions and ratings or by any developing key performance indicators which the Company and financiers may develop over time.

More recently, there has been a growing anti-ESG sentiment in the United States, which may conflict with international/E.U. regulatory requirements, resulting in regulatory uncertainty. Our efforts to implement ESG initiatives and the speed of their adoption may be impacted by broader changes in ESG sentiment, policy shifts and divergence of

regulations, policies and practices with respect to these matters. If we are unable to meet ESG-related standards or expectations, whether established by us or third parties, it could result in adverse publicity, reputational harm, and/or loss of investment, which could adversely affect our business, results of operations, financial condition, and liquidity.

The older age of some of our aircraft may expose us to higher maintenance-related expenses.

In general, the costs of operating an aircraft, including maintenance expenditures, increase with the age of the aircraft. Additionally, older aircraft typically are less fuel-efficient than newer aircraft and may be more difficult to re-lease or sell, particularly if, due to increasing production rates by aircraft manufacturers or airline insolvencies, older aircraft are competing with an excess of newer aircraft in the lease or sale market. Expenses like fuel, carbon charges, aging aircraft inspections, maintenance or modification programs and related airworthiness directives could make the operation of older aircraft less economically viable and may result in increased lessee defaults. We may also incur some of these increased maintenance expenses and regulatory costs upon acquisition or re-leasing of our aircraft. Re-leasing larger wide-body aircraft may result in higher reinvestment and maintenance expenditures than re-leasing narrow-body aircraft.

The concentration of aircraft or engine types in our portfolio could lead to adverse effects on our business should any difficulties specific to a particular type of aircraft or engine occur.

Our portfolio is concentrated in certain aircraft and engine types. The supply of commercial aircraft is dominated by Airbus and Boeing and there are a limited number of engine manufacturers. Should any aircraft or engine types or any manufacturers encounter disruptions, including supply chain issues, manufacturing and quality control issues, financial instability or other difficulties, it would cause a decrease in the value of these assets, an inability to lease them on favorable terms or at all, or a potential grounding of these aircraft or engines, which may adversely impact our financial results, to the extent the affected type comprises a significant percentage of our portfolio.

There has been an ongoing impact from Pratt & Whitney geared turbofan engines, with more than 600 PW1100G powered Airbus A320 family aircraft parked. While this may represent the peak, the issue is likely to persist beyond 2025. These delays in Airbus and Boeing aircraft deliveries may also adversely affect our business, results of operations, financial condition, and liquidity.

We operate in a highly competitive market for investment opportunities and for the leasing and sale of aircraft.

The aircraft leasing industry is highly competitive and we compete with other lessors, airlines, aircraft manufacturers, financial institutions, aircraft brokers and other investors with respect to aircraft acquisitions, leasing and sales.

A number of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. Some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances, lower investment return expectations or different risk or residual value assessments, which could allow them to consider a wider variety of investments, establish more relationships, bid more aggressively on aviation assets available for sale and offer lower lease rates or sales prices than we can. Some of our competitors may provide financial services, maintenance services or other inducements to potential lessees or buyers that we cannot provide. As a result of competitive pressures, we may not be able to take advantage of attractive investment opportunities, and we may not be able to identify and make investments that are consistent with our investment objectives. Additionally, the barriers to entry in the aircraft acquisition and leasing market are comparatively low, and new entrants appear from time to time. We may not be able to compete effectively against present and future competitors in the aircraft acquisition, leasing or sales market.

Risks Related to Our Leases

If lessees are unable to fund their maintenance obligations on our aircraft, we may incur increased costs at the conclusion of the applicable lease.

The standards of maintenance observed by lessees and the condition of the aircraft may affect the future values and rental rates for our aircraft.

Under our leases, the lessee is responsible for maintaining the aircraft and complying with all governmental requirements applicable to the lessee and the aircraft, including, operational, maintenance, and registration requirements

and airworthiness directives, although in certain cases we may agree to share certain of these costs. Failure of a lessee to perform required aircraft maintenance or required airworthiness directives could result in a decrease in value of such aircraft, an adverse effect on our ability to lease the aircraft at favorable rates or at all, or a potential grounding of such aircraft, and will likely require us to incur increased maintenance and modification costs upon the expiration or earlier termination of the applicable lease, which could be substantial, to restore such aircraft to an acceptable condition. If any of our aircraft are not subject to a lease, we would be required to bear the entire cost of maintaining that aircraft and performing any required airworthiness directives.

Our leases may require the lessee to make periodic payments to us during the lease term to provide reserves for major maintenance events. In these leases there is an associated liability for us to reimburse the lessee after such maintenance is performed. Other leases do not provide for any periodic maintenance reserve payments to be made to us. Typically, these lessees are required to make payments at the end of the lease term. However, in the event such lessees default, the value of the aircraft could be negatively affected by the maintenance condition and we may be required to fund the entire cost of performing major maintenance on the relevant aircraft without having received compensating maintenance payments from these lessees.

Even if we receive maintenance payments, these payments may not cover the entire expense of the scheduled maintenance they are intended to fund. In addition, maintenance payments typically cover only certain scheduled maintenance requirements and may not cover all required maintenance and all scheduled maintenance. As a result, we may incur unanticipated or significant costs at the conclusion of a lease.

Failure to pay certain potential additional operating costs could result in the grounding or arrest of our aircraft and prevent the re-lease, sale or other use of our aircraft.

As in the case of maintenance costs, we may incur other operational costs upon a lessee default or where the terms of the lease require us to pay a portion of those costs. Such costs include:

- the costs of casualty, liability and political risk insurance and the liability costs or losses when insurance coverage has not been or cannot be obtained as required, or is insufficient in amount or scope;
- the costs of licensing, exporting or importing an aircraft, airport charges, customs duties, air navigation charges, landing fees and similar governmental or quasi-governmental impositions, which can be substantial;
- penalties and costs associated with the failure of lessees to keep aircraft registered under all appropriate local requirements or obtain required governmental licenses, consents and approvals; and
- carbon taxes or other fees, taxes or costs imposed under emissions limitations, climate change regulations or other initiatives.

The failure to pay certain of these costs can result in liens on the aircraft. The failure to register the aircraft can result in a loss of insurance. These matters could result in the grounding or arrest of the aircraft and prevent the re-lease, sale or other use of the aircraft until the problem is cured.

Our lessees may have inadequate insurance coverage or fail to fulfill their respective indemnity obligations, which could result in us not being covered for claims asserted against us.

By virtue of holding title to the aircraft, lessors may be held strictly liable for losses resulting from the operation of aircraft or may be held liable for those losses based on other legal theories. Liability may be placed on an aircraft lessor in certain jurisdictions even under circumstances in which the lessor is not directly controlling the operation of the aircraft.

Lessees are required under our leases to indemnify us for, and insure against, liabilities arising out of the use and operation of the aircraft, including third-party claims for death or injury to persons and damage to property for which we may be deemed liable. Lessees are required to maintain public liability, property damage and hull all risk and hull war risk insurance on the aircraft at agreed upon levels. However, they are not generally required to maintain political risk insurance. Following the September 11, 2001 terrorist attacks and, more recently, the Russian invasion of Ukraine, aviation insurers have reassessed their coverage and significantly increased premiums. Aviation insurers significantly reduced the amount of insurance coverage available to airlines for liability to persons other than employees or passengers for claims resulting from acts of terrorism, war or similar events. At the same time, they significantly increased the premiums for such third-party war risk and terrorism liability insurance and coverage in general. As a result, the amount of such third-party war risk and terrorism liability insurance that is commercially available at any time may be below the amount stipulated in our leases.

Our lessees' insurance (including any available governmental supplemental coverage) and our contingent and possessed insurance may not cover, or be sufficient to cover, all types of claims that may be asserted against us and recovery may also be subject to aggregate limits. Any inadequate insurance coverage or default by lessees in fulfilling their indemnification or insurance obligations will reduce the proceeds that would be received by us upon an event of loss under the respective leases or upon a claim under the relevant liability insurance.

Failure to obtain certain required licenses and approvals could negatively affect our ability to re-lease or sell aircraft.

A number of our lessees must obtain licenses, consents or approvals in order to import or operate the aircraft or comply with the leases. These include consents from governmental or regulatory authorities for certain payments under the leases and for the import, export or deregistration of the aircraft. Subsequent changes in applicable law or administrative practice may increase such requirements and a governmental consent, once given, might be withdrawn. Consents needed in connection with future re-leasing or sale of an aircraft may not be forthcoming. Any of these events could adversely affect our ability to re-lease or sell aircraft.

Risks Related to Our Operations

Escalating tariffs, trade tensions, and protectionist measures may adversely affect our business, financial condition and results of operations.

Our business relies on the global movement of aircraft across international borders, and our airline customers operate in a highly interconnected global marketplace. The unpredictable nature of tariffs and trade policies and the potential for rapid escalation of tensions creates ongoing uncertainty that may impact our operations. Increasing protectionist sentiments in key markets worldwide, including the U.S., the E.U. and China, may impact where we can source aircraft acquisitions, place and deliver aircraft, and sell or dispose of aircraft and other flight equipment. The implementation of new, or expansion of existing, tariffs and other trade barriers may negatively impact our financial performance and operations, including, but not limited to:

- tariffs on aircraft and related components may increase aircraft acquisition costs or maintenance expenses to us, where such expenses are borne by us, and our lessees;
- retaliatory trade measures may disrupt global supply chains for aircraft and engine manufacturers, potentially delaying aircraft deliveries;
- increased scrutiny of leasing arrangements in certain jurisdictions could complicate or prevent transactions or limit our ability to place aircraft with certain lessees;
- trade restrictions may limit our lessees' ability to operate profitably on certain routes, potentially affecting their financial stability and ability to meet lease payment obligations; and
- escalation of tensions due to tariffs or trade disputes may result in broader geopolitical conflicts affecting regions where we have significant assets deployed.

Given the current volatility and complexity of trade policies, it is difficult to predict exactly how, and to what extent, such policies may impact our business, our lessees and aircraft and engine manufacturers. However, unfavorable government trade restrictions, including tariffs and regulatory controls on imports and exports, may adversely affect our business, financial condition, and results of operations.

Events outside of our control, including economic downturns, the threat or realization of epidemic or pandemic diseases, terrorist attacks, war or armed hostilities between countries or non-state actors, and natural disasters may adversely affect the demand for air travel, the financial condition of our lessees and of the aviation industry more broadly, and may ultimately impact our business.

Air travel can be disrupted, sometimes severely, by the occurrence of unexpected events outside of our and our lessees' control. The occurrence of any such event, or multiple such events, could cause our lessees to experience decreased passenger demand, to incur higher costs and to generate lower revenues, which could adversely affect their ability to make lease payments to us. This in turn may lead to lease restructurings and repossessions and could result in reductions to our lease revenues and cash flows, and cause us to record impairment charges to the extent we cannot recover our investment in our aircraft assets.

Passenger demand for air travel has been most recently impacted by the COVID-19 pandemic and, in the past, by other epidemic diseases such as severe acute respiratory syndrome, bird flu, swine flu, the Zika virus, and Ebola. These events have resulted, and similar events in the future may result, in a prolonged period of depressed air traffic levels, which may lead to weaker demand for certain aircraft types as well as airline customer defaults, bankruptcies or reorganizations. At the onset of the COVID-19 pandemic in early 2020, air travel dropped to approximately 20% of pre-pandemic levels, according to IATA, and did not return to historical levels until 2023. To the extent our lessees do not have substantial liquidity to sustain such periods, and if our customers are unable to obtain sufficient funds from private, government or other sources, we may need to provide lease concessions to customers in the form of deferrals or broader lease restructurings. These types of concessions in the future may negatively impact our business, financial condition, cash flows and results of operations. Future epidemic diseases and other diseases, or the fear of such events could provoke responses that negatively affect passenger air travel.

The airline industry has also been disrupted by terrorist attacks, war or armed hostilities between countries or non-state actors, including the fear of such events. These events may lead to decreased passenger demand and revenue due to safety concerns, the inconvenience of additional security measures, the higher price of jet fuel, increased financing costs, and difficulty in raising funds on favorable terms, or at all. In addition, these events may lead to higher costs of aircraft insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils, and affect the extent to which such insurance has been or will continue to be available. They may also lead to higher insurance costs due to the increased security measures and potential special charges, such as those related to the impairment of aircraft and other long-lived assets stemming from the above conditions. More recently, the conflicts in Russia, Ukraine and the Middle East have and may continue to have adverse effects on macroeconomic conditions, including fuel prices, the availability and cost of insurance, security conditions, currency exchange rates and financial markets. Airspace closures have and may require certain of our airline customers to continue re-routing flights to avoid such airspace which has resulted in increased flight times and fuel costs. Prolonged periods of conflict could result in new or additional sanctions, embargoes, further escalation or regional instability, and geopolitical shifts. Such geopolitical instability and uncertainty could have a negative impact on our ability to lease aircraft, collect payments from, and support customers in certain regions based on trade restrictions, embargoes and export control law restrictions, and logistics restrictions, including closures of air space, and could materially adversely affect our business, financial condition, and results of operations.

Demand for air travel or the inability of airlines to operate to or from certain regions due to the occurrence of natural disasters or other natural phenomena, such as severe weather conditions, floods, earthquakes or volcanic eruptions, could have an adverse effect on our lessees' ability to satisfy their lease payment obligations to us.

Volatile financial market conditions may adversely impact our liquidity, our access to capital and our cost of capital and may adversely impact the airline industry and the financial condition of our lessees.

We may, from time to time, seek to opportunistically refinance, amend, re-price and/or otherwise replace any of our debt, obtain additional debt financing or enter into other financing arrangements, reduce or extend our debt, lower our interest payments or the cost of capital available to us under certain types of financing arrangements, or otherwise seek to improve our financial position or the terms of our debt or other financing agreements. These actions may include open market debt repurchases, negotiated repurchases, or other repayments, redemptions or retirements of our debt or other financing arrangements.

The amount of debt that may be borrowed or issued, refinanced, and/or repurchased, repaid, redeemed or otherwise retired, if any, will depend on market conditions, trading levels of our debt, our cash position, compliance with our debt covenants and other considerations. The availability and pricing of debt financing remains susceptible to global events, including economic downturns, political changes, rising interest rates, currency fluctuations, and the rate of international economic growth. If we need, but cannot obtain, adequate capital on satisfactory terms, or at all, as a result of negative conditions in the capital markets or otherwise, our business, financial condition and results of operations could be materially adversely affected.

We bear the risk of re-leasing and selling our aircraft.

We bear the risk of re-leasing or selling our aircraft in order to generate cash flows. Only a portion of an aircraft's value is covered by contractual cash flows from leases, so we are exposed to the risk that the residual value will not be sufficient to permit us to fully recover our investment and that we may have to record impairment charges. In certain cases, we commit to purchase aircraft that are not subject to lease and therefore are subject to lease placement risk.

Other factors that may affect our ability to fully realize our investment in our aircraft and that may increase the likelihood of impairment charges include credit deterioration of a lessee, higher fuel prices which may reduce demand for older, less fuel-efficient aircraft, additional environmental regulations, age restrictions, customer preferences and other factors that may effectively shorten the useful life of older aircraft.

We own and lease long-lived assets. If market conditions worsen, or in the event of a customer default, we may be required to write down the value of some of our assets.

We perform a recoverability assessment of all aircraft and other flight equipment on a quarterly and annual basis. We perform customer or aircraft specific recoverability tests whenever events or changes in circumstances, or indicators, suggest that the carrying amount or net book value of an asset may not be recoverable. For assets with indicators of impairment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceed its net book value. The undiscounted cash flows consist of cash flows from currently contracted lease rentals and maintenance payments, future projected lease rates and maintenance payments, transition costs, estimated down time, and estimated residual or scrap values for an aircraft. In the event that an aircraft does not meet the recoverability test, the aircraft will be adjusted to fair value, resulting in an impairment charge.

Our assumptions are based on current and future expectations of the global demand for a particular aircraft type and historical experience in the aircraft leasing market and aviation industry, as well as information received from third-party industry sources. The factors considered in estimating the undiscounted net cash flows are impacted by changes in future periods due to changes in projected lease rental and maintenance payments, residual values, economic conditions, technology, airline demand for a particular aircraft type and other factors, such as the location of the aircraft and accessibility to records and technical documentation. If our estimates or assumptions change, we may revise our cash flow assumptions and record future impairment charges.

Departure of key officers could harm our business and financial results.

Our senior management's reputations and relationships with lessees, sellers, buyers and financiers of aircraft are a critical element of our business. We encounter intense competition for qualified employees from other companies in the aircraft leasing industry, and we believe there are only a limited number of available qualified executives in our industry. The Company seeks to retain a pipeline of senior management personnel with superior talent to provide continuity of succession, including for the Chief Executive Officer position and other senior positions. Our Board of Directors is involved in succession planning, including review of short- and long-term succession plans for senior positions. Our future success depends, to a significant extent, upon the continued service of our senior management personnel, including the Chief Executive Officer, and if we lose one or more of these individuals, our business could be adversely affected.

We are subject to risks related to our indebtedness that may limit our operational flexibility and our ability to compete with our competitors.

As of February 28, 2025, our total indebtedness was $5.0 billion, representing 66% of our total capitalization. Aircastle Limited is either the principal or co-obligor or has guaranteed most of this indebtedness, and we are responsible for timely payment when due and compliance with covenants under the related debt documentation. We may be unable to generate sufficient cash to pay, when due, the principal of, interest on or other amounts due with respect to our indebtedness, and our substantial amount of indebtedness may increase our vulnerability to adverse economic and industry conditions, reduce our flexibility in planning for or reaction to changes in the business environment or in our business or industry, and adversely affect our cash flow and our ability to operate our business and compete with our competitors. Our indebtedness subjects us to certain risks, including:

- 10% of our Net Book Value serves as collateral for our secured indebtedness, and the terms of certain of our indebtedness require us to use proceeds from sales of certain aircraft, in part, to repay amounts outstanding under such indebtedness;
- our failure to comply with the terms of our indebtedness, including restrictive covenants, may result in additional interest being due or defaults that could result in the acceleration of the principal, and unpaid interest on, the defaulted debt, as well as the forfeiture of any aircraft pledged as collateral; and
- non-compliance with covenants prohibiting certain investments and other restricted payments, raise additional capital or refinance our existing debt, may reduce our operational flexibility and limit our ability to refinance.

Our ability to obtain debt financing and our cost of debt financing is, in part, dependent upon our credit ratings and a credit downgrade or being put on negative watch could adversely impact our financial results.

Maintaining our credit ratings depends on our financial results and on other factors, including the outlook of the ratings agencies on our sector and on the market generally. A credit rating downgrade or being put on negative watch may make it more difficult or costly for us to raise debt financing in the unsecured bond market, or may result in higher pricing or less favorable terms under other financings. Credit rating downgrades or being put on negative watch, may make it more difficult and/or more costly to satisfy our funding requirements. Any future tightening or regulation of financial institutions could impact our ability to raise funds in the commercial bank loan market in the future.

An increase in our borrowing costs may adversely affect our earnings.

We primarily finance our business through the issuance of senior notes. As our senior notes mature, we may be required to repay them by issuing new senior notes, which could result in higher borrowing costs, or repay them by using cash on hand or cash from the sale of our assets.

The provisions of our long-term financings require us to comply with financial and other covenants. Our compliance with these ratios, tests and covenants depends upon, among other things, the timely receipt of lease payments from our lessees and upon our overall financial performance.

- *Senior Notes.* Our senior note indentures impose operating and financial restrictions on our activities. These restrictions limit our ability to, or in certain cases prohibit us from incurring liens and include a cross-default to certain other financings of the Company.
- *Term Financings.* Our secured term financing contains, among other customary provisions, a minimum net worth covenant of $1.1 billion, a 2.0:1.0 minimum interest coverage ratio, a 75% maximum loan-to-value ratio and a cross-default to certain other financings of the Company.
- *Unsecured Revolving Credit Facilities.* Our unsecured revolving credit facilities contain $1.1 billion minimum net worth covenants, minimum unencumbered asset ratios, minimum fixed coverage ratios and cross-defaults to certain other financings of the Company.

The terms of our financings also restrict our ability to incur or guarantee additional indebtedness or engage in mergers, amalgamations or consolidations among our subsidiary companies or between a subsidiary company and a third party or otherwise dispose of all or substantially all of our assets.

We are subject to various risks and requirements associated with foreign laws, rules and regulations.

The international nature of our business exposes us to trade and economic sanctions and other restrictions imposed by the U.S. and other governments. The U.S. Departments of Justice, Commerce and Treasury, as well as other agencies and authorities have a broad range of civil and criminal penalties, they may seek to impose against companies for violations of export controls, the Foreign Corrupt Practices Act ("FCPA"), and other federal statutes, sanctions and regulations, including those established by the Office of Foreign Assets Control ("OFAC"). Increasingly, similar or more restrictive foreign laws, rules and regulations, including the U.K. Bribery Act ("UKBA"), and European laws and regulations may also apply to us. By virtue of these laws and regulations, we may be obliged to limit our business activities, we may incur costs for compliance programs and we may be subject to enforcement actions or penalties for noncompliance. In recent years, U.S. and foreign governments have increased their oversight and enforcement activities with respect to these laws, and we expect the relevant agencies to continue to increase these activities.

We have compliance policies and training programs in place for our employees with respect to FCPA, OFAC Regulations, UKBA and similar laws, but there can be no assurance that our employees, consultants or agents will not engage in conduct for which we may be held responsible. Violations of FCPA, OFAC Regulations, UKBA and other laws, sanctions or regulations may result in severe criminal or civil penalties, and we may be subject to other liabilities.

The General Data Protection Regulation ("GDPR") requires us to protect certain personal data of E.U. citizens. While we have implemented processes and controls to comply with GDPR requirements, the manner in which the E.U. will interpret and enforce certain provisions remains unclear and we could incur significant fines of up to 4% of worldwide revenue, individual damages and reputational risks if the E.U. determines that our controls and processes are ineffective and we have failed to adequately comply with the requirements.

We are dependent upon information technology systems, which are subject to disruption, damage, failure and risks associated with implementation and integration.

We are dependent upon information technology systems to manage, process, store and transmit information associated with our operations, which may include proprietary business information and personally identifiable information of our customers, suppliers and employees. Our information technology systems are subject to disruption, damage or failure from a variety of sources, including malware, ransomware, security breaches, cyber-attacks, cybersecurity incidents, employee error and defects in design. There may also be an elevated risk of cyber-attacks and cybersecurity incidents by certain countries based on geopolitical tensions and events. Damage, disruption, or failure of information technology systems may result in interruptions to our operations or may require a significant investment to fix or replace them or may result in significant damage to our reputation. Although various measures have been implemented to manage our risks related to the information technology systems and network disruptions, our resources and technical sophistication may not be adequate to prevent all types of cyber-attacks and cybersecurity incidents that could lead to the payment of fraudulent claims, loss of sensitive information, including our own proprietary information or that of our customers, suppliers and employees, and could harm our reputation and result in lost revenues and additional costs and potential liabilities.

Risks Related to Our Organization and Structure

We are a holding company with no operations and rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations.

Aircastle Limited is a holding company with no material direct operations. Our principal assets are the equity interests we directly or indirectly hold in our operating subsidiaries. As a result, we are dependent on loans, dividends, distributions and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations, including our debt service obligations. Although there are currently no material legal restrictions on our operating subsidiaries' ability to distribute assets to us, legal restrictions, including governmental regulations and contractual obligations, or future debt agreements entered into by us or our subsidiaries, could restrict, prohibit or impair our operating subsidiaries' ability to pay dividends or make loan or other distributions to us. Our subsidiaries are legally distinct from us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions.

Risks Related to Taxation

If Aircastle were treated as engaged in a trade or business in the United States, it would be subject to U.S. federal income taxation on a net income basis, which would adversely affect our business.

If, contrary to expectations, Aircastle were treated as engaged in a trade or business in the United States, the portion of its net income, if any, that was "effectively connected" with such trade or business would be subject to U.S. federal income taxation at a maximum rate of 35% for taxable years ending on or prior to December 31, 2017 and 21% for taxable years beginning after December 31, 2017 (such rate, the "Federal Rate"). In addition, Aircastle 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 would adversely affect our business.

The U.S. Corporate Alternative Minimum Tax ("AMT") proposals may impact our effective tax rate in future periods.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act (the "IRA"). The IRA includes a provision which imposes a 15% minimum tax on adjusted financial statement income ("AFSI") for corporations. For a corporation that is a member of a foreign-parented multi-national group, the AMT applies where (i) the three-year average annual AFSI from all members of the foreign-parented multi-national group exceeds $1 billion, and (ii) the three-year average annual AFSI from the group's U.S. corporation(s) is $100 million or more. There is currently limited guidance on the application and calculation of any AMT. This uncertainty will be addressed through regulations promulgated by the U.S. Treasury and guidance issued by the Internal Revenue Service. These changes are not expected to have a material impact on our financial position; however, we will continue to evaluate the impact as further information becomes available.

If there is not sufficient trading in shares of our ultimate parent company, or if 50% of such 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.

We expect that we are currently 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 used in international traffic by certain foreign corporations. No assurances can be given that we will continue to be eligible for this exemption. To qualify for this exemption in respect of rental income, the lessor of the aircraft must be organized in a country that grants a comparable exemption to U.S. lessors (Bermuda and Ireland each do), and 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. Following the Merger, these stock ownership requirements are currently tested at the Marubeni and Mizuho Leasing levels such that Aircastle and its subsidiaries can continue to qualify for the Section 883 exemption if the stock of Marubeni is considered to be primarily and regularly traded on a recognized stock exchange and non-qualifying 5% or greater shareholders are not considered to collectively own more than 50% of Marubeni's shares, as described above. If Marubeni's shares cease to satisfy these requirements, then we may no longer be eligible for the Section 883 exemption with respect to rental income earned by aircraft used in international traffic. If we were not eligible for the exemption under Section 883 of the Code, we expect that the U.S. source rental income of Aircastle Bermuda generally would 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, Aircastle Bermuda did not comply with certain administrative guidelines of the Internal Revenue Service, such that 90% or more of Aircastle Bermuda's U.S. source rental income were attributable to the activities of personnel based in the United States, Aircastle Bermuda'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, Aircastle Bermuda's U.S. source rental income would be subject to U.S. federal income taxation on its net income at the Federal Rate as well as state and local taxation. In addition, Aircastle Bermuda 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 would adversely affect our business.

We are subject to risks related to the Bermuda Economic Substance Act 2018.

Pursuant to the Economic Substance Act 2018 (as amended) of Bermuda (the "ESA") that came into force in January 2019, a resident entity, other than an entity which is resident for tax purposes in certain jurisdictions outside Bermuda, that carries on as a business in any one or more of the "relevant activities" referred to in the ESA must comply with economic substance requirements. The ESA may require in-scope Bermuda entities which are engaged in such "relevant activities" to be directed and managed in Bermuda, have an adequate level of qualified employees in Bermuda, incur an adequate level of annual expenditure in Bermuda, maintain adequate physical presence in Bermuda or perform core income-generating activities in Bermuda. The list of "relevant activities" includes, among other things, carrying on any one or more of: insurance, financing and leasing (which excludes operating leases), headquarters, intellectual property and holding entities.

Entities subject to the economic substance requirements are required to evidence their compliance and file an economic substance declaration with the Registrar of Companies in Bermuda on an annual basis.

Any entity that must satisfy economic substance requirements but fails to do so could face financial penalties, a restriction of its business activities, automatic reporting by the Bermuda authorities to the competent authorities in the E.U. or other jurisdiction of the entity's beneficial owners, on an entity's non-compliance or being struck-off as a registered entity in Bermuda. If any one of the foregoing were to occur it may adversely affect the business operations of the Company or its Bermuda subsidiaries.

The Company and its Bermuda subsidiaries believe they have complied with the ESA requirements and have filed, and will continue to file, annual economic substance declarations with the Registrar of Companies in Bermuda as required. The Registrar of Companies in Bermuda ultimately assesses compliance with the ESA requirements.

We expect to become subject to a Corporate Income Tax Regime in Bermuda.

The Company previously received an assurance from the Bermuda Minister of Finance that it would be exempted from local income, withholding and capital gains taxes until March 2035. In December 2023, the Government of Bermuda enacted the Bermuda Corporate Income Tax Act ("CIT Act") which imposes a 15% corporate income tax effective for tax years beginning on or after January 1, 2025, which overrides the Minister of Finance's assurance from such date onwards. The Company will be subject to Bermuda corporate income tax with respect to its fiscal year beginning March 1, 2025 and subsequent years as a Bermuda constituent entity of a multi-national group. A multi-national group is defined for these purposes as a group with entities in more than one jurisdiction with consolidated revenues of at least €750 million for two out of the four previous fiscal years. If Bermuda constituent entities of a multi-national group are subject to tax under the CIT Act, such tax is charged at a rate of 15% of the net taxable income of such constituent entities as determined in accordance with and subject to the adjustments set out in the CIT Act (including in respect of foreign tax credits applicable to the Bermuda constituent entities).

We may become subject to an increased rate of Irish taxation which would adversely affect our business.

Previously, Irish Revenue had issued certain confirmations regarding the application of the 12.5% tax rate to activities, such as leasing and financing, undertaken by Irish lessors. Irish Revenue has advised that these confirmations no longer apply, effective as of January 1, 2024. Instead, certain aspects of the Irish leasing regime have been codified into law in Finance Act (No.2) 2023 and Irish Revenue released guidance in January 2024 regarding the tax treatment of leasing companies. The combination of the revised law and guidance could impose a higher threshold on our Irish lessors and financing companies when demonstrating they have sufficient activity to avail themselves of the 12.5% tax rate on their leasing and financing activity. The changes, along with any associated restructuring that may be required, could increase our Irish effective tax rate.

Our Irish subsidiaries and affiliates are expected to be subject to corporation tax on their income from leasing, managing, and servicing aircraft at the 12.5% tax rate applicable to trading income. This expectation is based on certain assumptions, including that we will maintain at least the current level of our business operations in Ireland. The tax treatment of financing activity within the group, however, is much less certain. If we are not successful in achieving trading status in Ireland, the non-trading income activities of our Irish subsidiaries and affiliates would be subject to tax at the rate of 25% and capital gains would be taxed at the rate of 33%. Furthermore, certain expenses in non-trading companies may also be non-deductible for tax purposes, increasing the effective tax rate further.

The Finance Act (No.2) 2023 also introduced outbound payment rules which apply to certain interest and royalty payments and, distributions made on or after April 1, 2024. For arrangements in place on or before October 19, 2023, the provisions will only apply to payments or distributions made on or after January 1, 2025. The rules apply withholding tax, or disapply existing domestic withholding tax exemptions, to certain outbound payments. These new measures only apply to payments or distributions made by a company to an "associated entity". Two entities will be associated if there is more than a 50% relationship in terms of share capital or ownership. Two entities will also be associated in cases where one entity has definite influence in the management of the other entity, or where the two entities are both associated entities of another entity. Transactions with unrelated third parties should not be affected by the provisions. In addition, to be in scope of the rules, the interest or royalty payment must also be made by a company to an "associated entity" that is resident in a "specified territory". A "specified territory" is defined as (i) a territory that is on Annex I of the E.U. list of non-cooperative jurisdictions or (ii) a zero-tax territory. A specified territory cannot be another E.U./European Economic Area country. A "zero-tax territory" means a territory that, other than in respect of an entity whose income, profits or gains are treated by that territory, or would be so treated but for an insufficiency of income, profits or gains, as arising or accruing to another entity (a) generally subjects entities to tax at a rate of zero per cent on income, profits and gains, or (b) does not generally subject entities, whether on a remittance basis or otherwise, to a tax on income, profits and gains.

Aircraft lease rentals are outside the scope of these rules (as they are not considered to be a royalty). There are a number of exemptions available with respect to interest payments, including where the payment is an "excluded payment." An excluded payment is a payment where an amount of income, profits or gains arising from the payment is subject to a supplemental tax such as a tax under controlled foreign corporation rules or Pillar Two or such income, profits or gains are subject to foreign tax at a rate greater than zero or a domestic tax. The provision also does not apply where the associated lender makes a corresponding payment to another person within 12 months of the end of the tax period in which the payment is made to the lender and that payment would have been an excluded payment if it had been made directly to that other person and the payments were made for bona fide commercial purposes. There are also a number of exemptions available with respect to distributions, including where the payment is an "excluded payment" or

the distribution is made out of income, profits or gains which have been chargeable directly or indirectly to Irish income tax, corporation tax or capital gains tax. The outbound payment rules may therefore apply to certain payments which may increase the effective tax rate in Ireland.

Ireland has implemented Pillar Two and we may incur additional top-up tax charges in future periods to ensure that the Irish companies are taxed at a minimum effective tax rate of 15%.

We may become subject to income or other taxes in the non-U.S. jurisdictions in which our aircraft operate, where our lessees are located or where we perform certain services which would adversely affect our business.

Certain Aircastle entities are expected to be subject to the income tax laws of Bermuda, Ireland and the United States. In addition, we may be subject to income or other taxes in other jurisdictions by reason of our activities and operations, where our aircraft operate or where the lessees of our aircraft (or others in possession of our aircraft) are located. Although we have adopted operating procedures to reduce the exposure to such taxation, we may be subject to such taxes in the future and such taxes may be substantial. In addition, if we do not follow separate operating guidelines relating to managing a portion of our aircraft portfolio through offices in Ireland and Singapore, income from aircraft not owned in such jurisdictions would be subject to local tax. Changes in tax law could impose withholding taxes on lease payments during the term of a lease. Our leases typically require our lessees to indemnify us in respect of taxes, however, a lessee may fail to make such indemnification payment. The imposition of such taxes could adversely affect our business.

The introduction of Base Erosion and Profit Shifting by the Organization for Economic Cooperation and Development may impact our effective tax rate in future periods.

The Organization for Economic Cooperation and Development (the "OECD") has introduced an action plan with respect to base erosion and profit shifting ("BEPS"). The plan targets, among other things, tax avoidance measures such as hybrid instruments, excessive interest deductions, treaty shopping, and permanent establishment avoidance.

As part of its BEPS actions, the OECD published the "Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting" ("MLI"). The MLI seeks to incorporate agreed tax treaty-related measures combating tax avoidance into bilateral existing tax treaties without the need to negotiate new treaties. The MLI may apply to double tax treaties entered into by other countries in which we have operations (in some cases with effect from as early as January 2019).

The MLI entered into force for Ireland in May 2019, and became effective for withholding tax on January 1, 2020. The MLI changed Ireland's treaties by including a principal purpose test ("PPT"), which will disallow treaty benefits where it is reasonable to conclude that the main purpose or one of the main purposes of a transaction or arrangement is to obtain directly or indirectly the benefits of the treaty. Given the subjectivity of the PPT, there is a risk that each counterparty jurisdiction will interpret it differently, which creates uncertainty in its application to leasing and other arrangements. Until such time as countries develop guidance on how the test will be applied, it will be difficult to determine its effect on us.

Ireland did not adopt the MLI's "dependent agent" permanent establishment threshold. Some countries could seek a bilateral re-negotiation on the point to change the dependent agent provisions in their tax treaty with Ireland. Any such change could take some time to be agreed and subsequently ratified before it could come into effect.

Further changes to tax law will be required in order to fully implement the BEPS action plans. Currently, it is difficult to determine what further BEPS actions the governments of lessee jurisdictions will implement. Depending on the nature of the BEPS action plans adopted, it may result in an increase in our effective tax rate and cash taxes liabilities in future periods.

It is expected that Pillar Two will increase the effective tax rate of the group.

On January 29, 2019, the OECD announced an initiative to create an international consensus on new rules (referred to as "BEPS 2.0") for the framework governing international taxation, which was supported by the publication of the Pillar One and Pillar Two Blueprint Reports (the "Blueprints") on October 12, 2020. The stated aim is to move beyond the arm's length principle and the scope of current taxing rights are limited to businesses with a physical presence in a country. The new rules, if adopted, would readjust the balance of taxing rights and multinational companies ("MNC")

profit allocation between jurisdictions where MNC assets are owned and the markets where users and consumers are based.

On October 8, 2021, Ireland and Bermuda, approved a statement, known as the OECD BEPS Inclusive Framework (the "IF"), providing a framework for BEPS 2.0, which builds upon the Blueprints. The IF and revised Pillar Two Blueprint include a global minimum effective tax rate of 15% for groups with annual consolidated revenue in excess of €750 million, subject to certain exclusions. On December 12, 2022, the E.U. council unanimously agreed to allow E.U. countries until December 31, 2023 to adopt the Pillar 2 rules into domestic legislation. Further guidance is expected from the OECD and the E.U. as to how certain aspects of the Pillar Two rules will operate mechanically, and as such it is difficult to determine the degree to which these changes may result in an increase in our effective tax rate and cash tax liabilities in future periods.

Ireland has enacted the E.U. Minimum Tax Directive into domestic legislation with effect from January 1, 2024. The legislation is largely in line with the E.U. Minimum Tax Directive and OECD Guidance. The implementation of these rules mean that the group must be taxed at a minimum effective tax rate of 15% as calculated under the Pillar 2 Global Anti-Base Erosion rules. Ireland will continue to apply the 12.5% corporation tax rate to companies with consolidated global turnover below this threshold. In Ireland, the E.U. Minimum Tax Directive has been implemented by means of a new top-up tax to achieve the effective rate of 15%. Any further guidance or directives issued by the OECD or the E.U. could alter the operation of this tax and could have an adverse impact on the group's effective tax rate and cash tax liabilities in future periods.

The E.U. Anti-tax Avoidance proposals may impact our effective rate of tax in future periods.

The Council of the E.U. has implemented the E.U. Anti-Tax Avoidance Directives ("E.U. ATAD") and the amending Directive ("E.U. ATAD 2"). These Directives seek to oblige all E.U. member states to introduce a number of anti-tax avoidance measures.

Most of the measures were implemented with effect from January 2019, though certain measures may have been deferred to 2024. The E.U. ATAD contemplates the introduction of a restriction on the deductibility of interest, measures in respect of certain hybrid transactions and instruments, an exit charge, a switch overrule, controlled foreign company rules as well as a general anti-avoidance rule.

The impact of the other measures in respect of certain hybrid transactions and instruments, an exit charge, a switch over rule, controlled foreign company rules as well as a general anti-avoidance rule will depend on the exact scope of these measures. The impact on the Company's tax position (if any), will depend on the implementation of these measures in Ireland and other E.U. jurisdictions where we have operations.

The Irish Finance Bill published on October 21, 2021 included draft legislation to enact the interest limitation measures prescribed by the E.U. ATAD. The implementation date for the new law was January 1, 2022. Based on the final legislation in Finance Act 2021 signed into law on December 21, 2021, the interest limitation rule will apply to limit the deductibility of a company's exceeding borrowing costs (i.e., its interest (and equivalent) borrowing costs as reduced by its interest (and equivalent) income) to 30% of tax adjusted EBITDA. Importantly for companies carrying on a leasing trade, a portion of their operating lease income and expense will be treated as equivalent to interest for the purposes of the test. The legislation was finalized on December 21, 2021 and Irish Revenue released guidance on the application of these rules on August 4, 2022, and updated guidance in February 2023. We currently do not expect these interest limitation rules to have a material impact on our financial position.

On December 22, 2021, the European Commission issued a proposal for a Council Directive laying down rules to prevent the misuse of shell entities for tax purposes within the E.U. ("E.U. ATAD 3") and has since issued a number of draft amendments. On January 17, 2023, the European Parliament approved the report on the Unshell Proposal Directive. While E.U. ATAD 3 was initially expected to be adopted and published into E.U. member states' national laws by June 30, 2023, and become effective as of January 1, 2024, there is considerable uncertainty surrounding the development of the proposal and its implementation. The proposal is subject to a consultation procedure and, in its final form, will require the unanimous approval of the E.U. Council before it is adopted. Until the proposal receives approval and a final Directive is published, it is not possible to provide definitive guidance on the impact of the proposals for us. However, at a minimum, the proposal could result in additional reporting and disclosure obligations for us.

On May 11, 2022, the European Commission issued a proposal for a Council Directive laying down rules providing for a debt-equity bias reduction allowance within the E.U. ("DEBRA"). DEBRA is intended to provide a notional interest deduction in respect of equity invested in a company, with the interest calculated based on the 10-year risk-free rate for the relevant currency, with the maximum deduction available limited to 30% of earnings before interest, tax, depreciation and amortization. At the E.U. Economic and Financial Affairs Council meeting on December 6, 2022, it was agreed that the examination of the DEBRA proposal should be suspended until other proposals in the area of corporate income tax have been put forward. Therefore, it is not clear if DEBRA will be enacted into legislation but, if it is, DEBRA could result in additional reporting and disclosure obligations.

On December 10, 2024 the E.U. Council adopted the proposal on the Faster and Safer Tax Relief of Excess Withholding Taxes ("FASTER") Directive. The FASTER Directive applies to dividends from publicly traded shares and, where applicable, interest from publicly traded bonds paid to registered owners who are resident for tax purposes outside a given E.U. Member State. The FASTER Directive is expected to be published in the E.U. Official Journal in 2025, and Member States will be required to transpose the Directive into national law by December 31, 2028, with the rules becoming applicable as of January 1, 2030. Until final Irish implementing legislation is published, it is not possible to provide definitive guidance on the impact, if any, of the FASTER Directive.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Our cybersecurity program includes the assessment, identification and management of material risks from cybersecurity threats (as defined in Item 106(a) of Regulation S-K). To identify and assess material risks from cybersecurity threats, our annual enterprise risk management assessment considers risks from cybersecurity threats alongside other risks as part of our overall risk assessment process. In addition, we engage with consultants, internal and external auditors and other third parties to gather certain insights designed to identify and assess material risks from cybersecurity threats, their severity and potential mitigations. We also employ a range of tools and services, depending on the environment, including network and endpoint monitoring, malware detection, vulnerability assessments, cloud penetration testing, threat hunting and incident responsiveness, as well as tabletop exercises, to inform our cybersecurity risk identification and assessment. As part of our cybersecurity program, we maintain an incident response plan that includes processes to assess the severity of, escalate, contain, investigate and remediate cybersecurity incidents. We also have risk management processes to oversee and help identify risks from cybersecurity threats associated with our use of third-party service providers.

Our Board of Directors has delegated oversight of our cybersecurity program, which includes oversight of cybersecurity threats, to the Risk and Governance Committee. Throughout the year, at each quarterly Risk and Governance Committee meeting, or as needed, the committee is updated on IT security by senior management, including industry IT breaches, cybersecurity incidents and employee cybersecurity training. Our SVP, IT Operations & Security, is a Certified Information Systems Security Professional who has provided technology-related infrastructure and application management services for over 25 years and is responsible for day-to-day assessment and management of our information systems and cybersecurity program. Our SVP, IT Operations and Security, reports directly to our Chief Financial Officer.

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 materially affect the Company, including its business strategy, results of operations or financial condition. For additional description of risks from cybersecurity threats and potential related impacts on the Company, see our risk factors under Part 1. Item 1A. Risk Factors in this Annual Report on Form 10-K, including "We are dependent upon information technology systems, which are subject to disruption, damage, failure and risks associated with implementation and integration."

ITEM 2. PROPERTIES

We lease office space in Stamford, Connecticut, Dublin, Ireland and Singapore. The lease for our current office in Stamford, Connecticut expires in August 2028. The lease for our Dublin office expires in September 2042 and the lease on our Singapore office expires in July 2025. None of these leases are individually material to the Company's consolidated financial statements.

We believe our current facilities are adequate for our current needs and that suitable additional space will be available as and when needed.

ITEM 3. LEGAL PROCEEDINGS

The Company is not a party to any material legal or adverse regulatory proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Information about our Executive Officers

Executive officers are elected by our Board of Directors, and their terms of office continue until the next annual meeting of the board or until their successors are elected and have been duly qualified. There are no family relationships among our executive officers. Information pertaining to our executive officers who held office as of April 16, 2025 is set forth below:

Michael Inglese, 64, became our Chief Executive Officer and a member of our Board in June 2017, having served as our Acting Chief Executive Officer from January 2017. He was previously our Chief Financial Officer from April 2007. Prior to joining the Company, Mr. Inglese served as an Executive Vice President and Chief Financial Officer of PanAmSat Holding Corporation, where he served as Chief Financial Officer from June 2000 until the closing of PanAmSat's sale to Intelsat in July 2006. Mr. Inglese joined PanAmSat in May 1998 as Vice President, Finance after serving as Chief Financial Officer for DIRECTV Japan, Inc. He is a Chartered Financial Analyst who holds a BS in Mechanical Engineering from Rutgers University School of Engineering and his MBA from Rutgers Graduate School of Business Management.

Douglas C. Winter, 61, became our Chief Commercial Officer in April 2019. Prior to joining Aircastle, Mr. Winter was Vice Chairman of Amedeo, a leading aircraft asset manager, from July 2018 to March 2019, as well as Chief Executive Officer and member of the Board of Managers at Voyager Aviation ("Voyager") from October 2017 to March 2019. Prior to this, he served as President and Chief Commercial Officer at Voyager from September 2015 to September 2017. Mr. Winter joined Voyager in June 2015 as Chief Commercial Officer. Previously, Mr. Winter was an advisor to GE Capital Aviation Services and Chief Executive Officer of Octagon Aviation from June 2013 to May 2015 and, before this, he served as Head of Global Sales at AWAS in Dublin, Ireland from December 2010 to May 2013. Mr. Winter has over 35 years of experience in commercial aviation, having started his career with McDonnell Douglas in 1985, and he holds a BS in Business from Indiana University.

Roy Chandran, 61, became our Chief Financial Officer in September 2022. From March 2020, Mr. Chandran was our Chief Strategy Officer having previously served as our Executive Vice President, Corporate Finance and Strategy from June 2017 to March 2020. He previously served as Executive Vice President of Capital Markets from May 2008. Prior to joining the Company, Mr. Chandran was a Director at Citi in the Global Structured Solutions Group, having originally joined Salomon Brothers in 1997. Before 1997, Mr. Chandran spent eight years in Hong Kong focusing on tax-based cross border leasing of transportation equipment for clients in the Asia Pacific region. Mr. Chandran holds a BS in Chemical Engineering from the Royal Melbourne Institute of Technology, Australia and obtained his MBA from the International Institute of Management Development ("IMD"), Switzerland.

Sarah Clarkin, 52, became our Chief Legal Officer and Secretary in March 2025. From March 2023, Ms. Clarkin was our Associate General Counsel. She joined Aircastle in 2006 and held various senior positions within the Legal

Department. Prior to joining Aircastle, Ms. Clarkin was an associate with McCann FitzGerald LLP. Ms. Clarkin holds a Diploma of Legal Studies from the Dublin Institute of Technology and a BA from University College Dublin.

Paul O'Callaghan, 52, became our Chief Operations Officer in March 2023 and is responsible for portfolio operations, asset management and technical functions. From 2014, Mr. O'Callaghan was our Executive Vice President, Portfolio Management. Mr. O'Callaghan joined Aircastle in 2005 as Vice President of Technical. Prior to this, Mr. O'Callaghan held a number of technical and commercial roles at airlines both in Ireland and the U.S. Mr. O'Callaghan holds a BE in Electronic Engineering from University College Dublin.

Dane Silverman, 38, became our Chief Accounting Officer in July 2021. He was previously our Vice President, Controller from September 2018. Prior to joining Aircastle, Mr. Silverman held Controller and Assistant Controller roles at Voyager Aviation from May 2016. Prior to this, he was a Senior Manager in KPMG LLP's audit practice. He received a BS in Accounting from Marist University and is a CPA.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Not applicable.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis of financial condition and results of operations contains forward-looking statements that involve risks, uncertainties and assumptions. You should read the following discussion in conjunction with our historical consolidated financial statements and the notes thereto appearing elsewhere in this Annual Report. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those described under Item 1A. — "Risk Factors" and elsewhere in this Annual Report. Please see "Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995" for a discussion of the uncertainties, risks and assumptions associated with these statements. Our consolidated financial statements are prepared in accordance with U.S. GAAP and, unless otherwise indicated, the other financial information contained in this Annual Report has also been prepared in accordance with U.S. GAAP. Unless otherwise indicated, all references to "dollars" and "$" in this Annual Report are to, and all monetary amounts in this Annual Report are presented in, U.S. dollars.

OVERVIEW

Aircastle acquires, leases, and sells commercial jet aircraft to airlines throughout the world. We are a leading secondary market investor that sources aircraft through various acquisition channels that primarily include other aircraft lessors, airlines through purchase-leaseback transactions, financial institutions and other aircraft owners, and aircraft manufacturers. We have significant experience in successfully managing aircraft throughout their life cycle, including lease and technical management, aircraft redeliveries, transitions, and sales or disposals. We sell aircraft and engine assets, either with a lease attached or on a part-out basis, with the aim of generating profits and reinvesting proceeds. Our aircraft are managed by an experienced team based in the United States, Ireland and Singapore.

As of February 28, 2025, we owned and managed on behalf of our joint venture 273 aircraft leased to 77 lessees located in 47 countries. The Net Book Value of our fleet was $7.9 billion as of February 28, 2025, up 9% from $7.2 billion as of February 29, 2024. The weighted average age of our fleet was 9.1 years and the weighted average remaining lease term was 5.4 years. The weighted average utilization rate of our fleet was 99% for the year ended February 28, 2025.

Our revenues, net income and Adjusted EBITDA were $821.0 million, $123.6 million, and $789.9 million for the year ended February 28, 2025, respectively, and $855.4 million, $83.3 million and $759.5 million for the year ended February 29, 2024, respectively. The Company's financial performance reflects the strong global passenger demand for air travel and the robust demand for our aircraft due to ongoing OEM delivery delays and supply chain constraints. The increased demand for our aircraft through lease extension requests and strong gains on sales contributed positively to our financial results, which are also partly driven by cash settlement proceeds received in respect of our contingent and possessed insurance policies for aircraft formerly on lease to Russian airlines.

Acquisitions and Sales

During the year ended February 28, 2025, we acquired 50 aircraft for $1.6 billion. As of February 28, 2025, we had commitments to acquire 20 aircraft for $771.7 million, with delivery through March 2027, which include estimated amounts for pre-delivery deposits, contractual price escalations and other adjustments. As of April 16, 2025, we have acquired 9 additional aircraft and have commitments to acquire 26 aircraft for $1.4 billion.

During the year ended February 28, 2025, we sold 27 aircraft and other flight equipment for net proceeds of $565.9 million. We recognized gains on the sale or disposition of aircraft totaling $77.2 million. As of April 16, 2025, we have sold 12 additional aircraft.

Russian Aircraft Insurance Settlements

The Company leased 9 aircraft to Russian airlines that were unrecoverable following Russia's invasion of Ukraine in February 2022. The Company filed claims against the reinsurers of the Russian airlines' insurance and the Company's contingent and possessed insurance policies ("C&P Policies") seeking indemnity.

During the fourth quarter of fiscal year 2024, the Company received cash proceeds of $49.5 million in settlement of the Company's claims against certain of the insurers under its C&P Policies. The settlement proceeds were recorded as a component of other income for the year ended February 28, 2025.

The receipt of the settlement proceeds serve to mitigate, in part, the Company's losses under its aviation insurance policies. We remain in settlement discussions with some of the remaining insurers under our C&P Policies. However, the collection, timing and amount of any future recoveries, including those related to insurance litigation, remain uncertain. Accordingly, at this time, the Company can give no assurance as to when or what amounts it may ultimately collect with respect to these matters.

Finance

We operate in a capital-intensive industry and have a demonstrated track record of raising substantial amounts of capital from debt and equity investors. Since our inception in late 2004, we raised $2.6 billion in equity capital from private and public investors, including $500.0 million received in aggregate during the years ended February 28, 2025 and February 29, 2024, in respect of the Subscription Agreement entered into with our Shareholders – see Note 9 in the Notes to Consolidated Financial Statements. We also obtained $23.1 billion in debt capital from a variety of sources, including the unsecured bond market, commercial banks, export credit agency-backed debt, the aircraft securitization markets and JOLCO financings. The diversity and global nature of our financing sources demonstrates our ability to adapt to changing market conditions and seize new growth opportunities.

We intend to fund new investments through cash on hand, funds generated from operations, maintenance payments received from lessees, equity offerings, unsecured bond offerings, borrowings secured by our aircraft, draws under on our revolving credit facilities and proceeds from any future aircraft sales. We may repay all or a portion of such borrowings from time to time with the net proceeds from subsequent long-term debt financings, additional equity offerings or cash generated from operations and asset sales. Therefore, our ability to execute our business strategy, particularly the acquisition of additional commercial jet aircraft or other aviation assets, depends to a significant degree on our ability to obtain additional debt and equity capital on terms we deem attractive.

See "Liquidity and Capital Resources" below.

AIRCASTLE AIRCRAFT INFORMATION

The following table sets forth certain information with respect to our owned aircraft and aircraft managed by us on behalf of our joint venture as of February 28, 2025 and February 29, 2024:

	As of February 28/29	
	2025	2024
Owned Aircraft	(Dollars in millions)	
Net Book Value of Flight Equipment	$ 7,902	$ 7,223
Net Book Value of Unencumbered Flight Equipment	$ 7,127	$ 5,839
Number of Aircraft	265	243
Number of Unencumbered Aircraft	244	205
Number of Lessees	76	74
Number of Countries	47	43
Weighted Average Age (years)[1]	9.1	9.3
Weighted Average Remaining Lease Term (years)[1]	5.4	5.4
Weighted Average Fleet Utilization during the Fourth Quarter[2]	99.3 %	99.2 %
Weighted Average Fleet Utilization for the Year Ended[2]	99.2 %	98.3 %
Portfolio Yield for the Fourth Quarter[3]	9.6 %	9.2 %
Portfolio Yield for the Year Ended[3]	9.4 %	9.2 %
Managed Aircraft on behalf of Joint Venture		
Net Book Value of Flight Equipment	$ 244	$ 272
Number of Aircraft	8	9

(1) Weighted by Net Book Value.

(2) Aircraft on lease as a percentage of total days in period weighted by net book value.

(3) Lease rental revenue, interest income and cash collections on our net investment in leases for the period as a percent of the average Net Book Value for the period; quarterly information is annualized.

PORTFOLIO DIVERSIFICATION

	Owned Aircraft as of February 28, 2025		Owned Aircraft as of February 29, 2024	
	Number of Aircraft	% of Net Book Value	Number of Aircraft	% of Net Book Value
Aircraft Type				
Passenger:				
Narrow-body - new technology[1]	77	45 %	61	37 %
Narrow-body - current technology	168	46 %	159	49 %
Wide-body	14	7 %	17	11 %
Total Passenger	259	98 %	237	97 %
Freighter	6	2 %	6	3 %
Total	265	100 %	243	100 %
Manufacturer				
Airbus	179	68 %	161	67 %
Boeing	65	24 %	63	25 %
Embraer	21	8 %	19	8 %
Total	265	100 %	243	100 %
Regional Diversification				
Asia and Pacific	67	28 %	63	27 %
Europe	99	30 %	90	30 %
Middle East and Africa	11	5 %	9	5 %
North America	58	26 %	46	23 %
South America	29	11 %	32	14 %
Off-lease	1 [2]	— %	3	1 %
Total	265	100 %	243	100 %

(1) Includes Airbus A320-200neo and A321-200neo, Boeing 737-MAX8 and 737-MAX9, and Embraer E2 aircraft.

(2) We currently have 1 narrow-body freighter aircraft that we are marketing for lease or sale.

The top ten customers for our owned aircraft at February 28, 2025 were as follows:

Customer	Percent of Net Book Value	Country	Number of Aircraft
IndiGo	11.1%	India	18
KLM	5.3%	Netherlands	13
easyJet	4.6%	United Kingdom	22
American Airlines	4.2%	United States	13
United	4.0%	United States	7
Frontier Airlines	3.8%	United States	6
LATAM	3.8%	Chile	10
Lion Air[1]	3.4%	Indonesia	10
Viva Aerobus	3.3%	Mexico	7
Aerolineas Argentinas	3.0%	Argentina	7
Total top ten customers	46.5%		113
All other customers	53.5%		152
Total all customers	100.0%		265

(1) Includes 6 aircraft on lease with 3 affiliated airlines.

COMPARATIVE RESULTS OF OPERATIONS

Results of Operations for the year ended February 28, 2025 as compared to the year ended February 29, 2024:

	Year Ended February 28/29,	
	2025	2024
	(Dollars in thousands)	
Revenues:		
Lease rental revenue	$ 652,379	$ 603,571
Direct financing and sales-type lease revenue	21,295	16,503
Amortization of lease premiums, discounts and incentives	(21,682)	(20,420)
Maintenance revenue	90,490	132,179
Total lease revenue	742,482	731,833
Gain on sale or disposition of flight equipment	77,191	121,646
Other revenue	1,302	1,937
Total revenues	820,975	855,416
Operating expenses:		
Depreciation	355,666	348,229
Interest, net	247,923	229,050
Selling, general and administrative	86,416	82,127
Provision for credit losses	8,715	12,081
Impairment of flight equipment	19,391	55,240
Maintenance and other costs	16,938	29,884
Total operating expenses	735,049	756,611
Other income (expense):		
Gain on extinguishment of debt	285	—
Other	56,247	5,571
Total other income:	56,532	5,571
Income from continuing operations before income taxes	142,458	104,376
Income tax provision	21,948	23,265
Earnings of unconsolidated equity method investment, net of tax	3,103	2,205
Net income	$ 123,613	$ 83,316

Revenues:

Total revenues decreased $34.4 million, attributable to:

Lease rental revenue increased $48.8 million, primarily attributable to an increase of $114.8 million related to 80 aircraft purchased since March 1, 2023.

This was partially offset by:

- a $53.5 million decrease related to the sale of 47 aircraft since March 1, 2023; and
- a $12.5 million decrease due to lease extensions, amendments, transitions, and other changes.

Direct financing and sales-type lease revenue increased $4.8 million, primarily related to the change in classification of 12 aircraft to sales-type leases, partially offset by the sale of 2 aircraft since March 1, 2023.

Amortization of lease premiums, discounts and incentives:

	Year Ended February 28/29,	
	2025	2024
	(Dollars in thousands)	
Amortization of lease premiums	$ (11,128)	$ (11,112)
Amortization of lease discounts	5,773	931
Amortization of lease incentives	(16,327)	(10,239)
Amortization of lease premiums, discounts and incentives	$ (21,682)	$ (20,420)

The amortization of lease discounts increased $4.8 million due to the acquisition of aircraft.

The amortization of lease incentives increased $6.1 million due to the transition of aircraft to new lessees.

Maintenance revenue. For the year ended February 28, 2025, and February 29, 2024, we recorded $90.5 million and $132.2 million of maintenance revenue, respectively, primarily related to maintenance payments received by us and recognized into income as a result of scheduled aircraft lease expirations and engine redeliveries. The decrease in maintenance revenue of $41.7 million is primarily attributable to fewer aircraft returns during the year ended February 28, 2025.

Gain on sale or disposition of flight equipment. During the year ended February 28, 2025, we sold 27 aircraft for gains totaling $77.2 million. During the year ended February 29, 2024, we sold 28 aircraft and recognized gains on the sale or disposition of aircraft totaling $121.6 million, which included $43.2 million related to settlement proceeds received in respect of 4 aircraft formerly on lease to Russian airlines, and gains of $32.7 million related to the change in classification of 10 aircraft from operating leases to sales-type leases.

Operating Expenses:

Total operating expenses decreased $21.6 million attributable to:

Depreciation expense increased $7.4 million, primarily attributable to an increase of $42.1 million related to 80 aircraft purchased since March 1, 2023. This was partially offset by a decrease of $35.0 million related to 49 aircraft sold since March 1, 2023.

Interest, net increased $18.9 million due primarily to a higher average cost of borrowing.

Selling, general and administrative expenses increased $4.3 million primarily due to an increase in personnel costs and ongoing Russian litigation expenses.

Provision for credit losses. During the year ended February 28, 2025, we recorded a credit provision of $8.7 million for certain restructured receivables as part of an airline restructuring. During the year ended February 29, 2024, we recorded a credit provision of $12.1 million primarily related to investment in leases as a result of 12 aircraft that whose classification was changed from operating leases to sales-type leases. We also recognized a credit provision for debt securities received by us as part of an airline restructuring, as well as certain restructured receivables, during the year ended February 29, 2024. See Note 15 in the Notes to Consolidated Financial Statements.

Impairment of aircraft. During the year ended February 28, 2025, the Company recorded impairment charges totaling $19.4 million, including $11.0 million of transactional impairments related to a scheduled lease expiration and an aircraft lease amendment. The Company recognized $24.0 million of maintenance revenue for these aircraft during the year ended February 28, 2025.

During the year ended February 29, 2024, the Company recorded impairment charges totaling $55.2 million, of which $39.5 million were transactional impairments related to scheduled aircraft lease expirations and engine redeliveries. The Company recognized $48.0 million of maintenance revenue for these aircraft and engines.

Maintenance and other costs decreased $12.9 million, primarily attributable to fewer aircraft transitions. The year ended February 29, 2024 included higher costs due to the timing of transition of aircraft to new lessees, which largely related to aircraft for which the previous lease was terminated early, and the aircraft was repossessed from the prior operator.

***Other Income (Expense)*:**

Total other income increased by $51.0 million. During the year ended February 28, 2025, the Company received cash proceeds of $49.5 million in settlement of the Company's claims against certain of the insurers under its C&P Policies in respect of aircraft formerly on lease to Russian airlines.

During the year ended February 29, 2024, the Company recognized $5.6 million of other income primarily consisting of cash received in connection with claims settlements from various airline customers that had entered into bankruptcy proceedings or similar-type restructurings.

***Income Tax Provision*:**

We recognized income tax provision of $21.9 million and $23.3 million and our effective tax rate was 15.4% and 22.3% for the years ended February 28, 2025 and February 29, 2024, respectively. The decrease in our effective tax rate is primarily attributable to the mix of profits in taxable and nontaxable jurisdictions. The year ended February 28, 2025 included $49.5 million of settlement proceeds, a portion of which was recorded in a nontaxable jurisdiction.

Results of Operations for the year ended February 29, 2024, as compared to the year ended February 28, 2023:

We have omitted discussion of the above two periods covered by our consolidated financial statements presented in this Annual Report because that disclosure was already included in our Annual Report on Form 10-K for the fiscal year ended February 29, 2024, filed with the SEC on April 25, 2024. You are encouraged to reference Part II, Item 7, within that report, for a discussion of our financial condition and result of operations for the year ended February 29, 2024 to the year ended February 28, 2023.

Aircraft Valuation

For complete information on impairment of flight equipment, see Note 2 in the Notes to the Consolidated Financial Statements and "Comparative Results of Operations" above.

APPLICATION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Our estimates and assumptions are based on historical experiences and currently available information. Actual results may differ from such estimates under different conditions, sometimes materially. A summary of our significant accounting policies is presented in the notes to our consolidated financial statements included elsewhere in this Annual Report. Critical accounting policies and estimates are defined as those that are both most important to the portrayal of our financial condition and results and require our most subjective judgments, estimates and assumptions. Our most critical accounting policies and estimates are described below.

Lease Revenue Recognition

We lease flight equipment under net operating leases with lease terms typically ranging from three to seven years. We generally do not offer renewal terms or purchase options in our leases, although certain of our operating leases allow the lessee the option to extend the lease for an additional term. Operating leases with fixed rentals and step rentals are recognized on a straight-line basis over the term of the initial lease, assuming no renewals.

Our aircraft lease agreements generally provide for the periodic payment of a fixed amount of rent over the life of the lease, and the amount of the contracted rent will depend upon the type, age, specification and condition of the aircraft and market conditions at the time the lease is committed. The amount of rent we receive will depend on a number of factors, including the creditworthiness of our lessees and the occurrence of delinquencies, restructurings and defaults. Our lease rental revenues are also affected by the extent to which aircraft are off-lease and our ability to remarket aircraft that are nearing the end of their leases in order to minimize their off-lease time. Our success in re-leasing aircraft is affected by market conditions relating to our aircraft and by general industry conditions and trends. An increase in the percentage of off-lease aircraft or a reduction in lease rates upon remarketing would negatively impact our revenues.

In certain instances, we may provide lease concessions to customers, generally in the form of lease rental deferrals. While these deferral arrangements affect the timing of lease rental payments, the total amount of lease rental payments required over the lease term is generally the same as that which was required under the original lease agreement. We account for the deferrals as if no modifications to the lease agreements were made and record the deferred rentals as a receivable within other assets.

Should we determine that the collectability of rental payments is no longer probable, including any deferral thereof, we will recognize lease rental revenue using a cash basis of accounting rather than an accrual method. In the period we conclude that collection of lease payments is no longer probable, we recognize any difference between revenue amounts recognized to date under the accrual method and payments that have been collected from the lessee, including security deposit amounts held, as a current period adjustment to lease rental revenue.

Maintenance Payments and Maintenance Revenue

Our aircraft are net leases, whereby the lessee must pay operating expenses accrued or payable during the term of the lease, which would normally include maintenance, overhaul, fuel, crew, landing, airport and navigation charges; certain taxes, licenses, consents and approvals; aircraft registration; and insurance premiums. Many of our leases also contain provisions requiring us to pay a portion of the cost of modifications to the aircraft performed by the lessee at its expense if such modifications are mandated by recognized airworthiness authorities.

Typically, the lessee is responsible for performing maintenance on the relevant aircraft and is required to make payments to us for heavy maintenance, overhaul or replacement of certain high-value components of the aircraft. These maintenance payments are based on hours or cycles of utilization or on calendar time, depending upon the component, and would be made either monthly in arrears or at the end of the lease term. Our determination of whether to require such payments to be made monthly or to permit a lessee to make a single maintenance payment at the end of the lease term depends on a variety of factors, including the creditworthiness of the lessee, the level of security deposit which may be provided by the lessee and market conditions at the time we enter into the lease. 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, usually following completion of the relevant

work. If a lessee makes a single end of lease maintenance payment, the lessee would typically be required to pay us for its utilization of the aircraft during the lease. In some cases, however, we may owe a net payment to the lessee in the event heavy maintenance is performed and paid for by the lessee during the lease term and the aircraft is returned to us in better condition than at lease inception.

We record monthly maintenance payments by the lessee during a lease as accrued maintenance liabilities in recognition of our obligation in the lease to refund such payments, and therefore we typically do not recognize such maintenance payments as maintenance revenue during the lease. Reimbursements to the lessee upon the receipt of evidence of qualifying maintenance work are charged against the existing accrued maintenance payments liability. We currently defer maintenance revenue recognition of most monthly maintenance payments until we are able to determine the amount, if any, by which the monthly maintenance payments received from a lessee exceed costs to be incurred by that lessee in performing heavy maintenance, which generally occurs at or near the end of a lease. End of lease term maintenance payments made to us are recognized as maintenance revenue and end of lease term maintenance payments we make to a lessee are recorded as contra maintenance revenue.

The amount of maintenance revenue or contra maintenance revenue we recognize in any reporting period is inherently volatile and is dependent upon a number of factors, including the timing of lease expiries, including scheduled expiries and early lease terminations, the timing of maintenance events and the utilization of the aircraft by the lessee.

Lease Incentives and Amortization

Many of our leases contain provisions that may require us to pay a portion of the lessee's costs for heavy maintenance, overhaul or replacement of certain high-value components. We account for these expected payments as lease incentives, which are amortized as a reduction of revenue over the life of the lease. We estimate the amount of our portion for such costs, typically for the first major maintenance event for the airframe, engines, landing gear and auxiliary power units, expected to be paid to the lessee based on assumed utilization of the related aircraft by the lessee, the anticipated cost of the maintenance event and the estimated amounts the lessee is responsible to pay. The assumptions supporting these estimates are reevaluated annually.

This estimated lease incentive is not recognized as a lease incentive liability at the inception of the lease. We recognize the lease incentive as a reduction of lease revenue on a straight-line basis over the life of the lease, with the offset being recorded as a lease incentive liability, which is included in maintenance payments on the balance sheet. The payment to the lessee for the lease incentive liability is first recorded against the lease incentive liability, and any excess above the lease incentive liability is recorded as a prepaid lease incentive asset, which is included in other assets on the balance sheet and continues to amortize over the remaining life of the lease.

Flight Equipment Held for Lease and Depreciation

Flight equipment held for lease is stated at cost and depreciated using the straight-line method, typically over a 25-year life from the date of manufacture for passenger aircraft and over a 30 to 35-year life for freighter aircraft, depending on whether the aircraft is a converted or purpose-built freighter, to estimated residual values. Estimated residual values are generally determined to be approximately 15% of the manufacturer's estimated realized price for passenger aircraft when new and 5% to 10% for freighter aircraft when new. Management may make exceptions to this policy on a case-by-case basis when, in its judgment, the residual value calculated pursuant to this policy does not appear to reflect current expectations of value. Examples of situations where exceptions may arise include but are not limited to:

- flight equipment where estimates of the manufacturers' realized sales prices are not relevant (e.g., freighter conversions);
- flight equipment where estimates of the manufacturers' realized sales prices are not readily available; and
- flight equipment which may have a shorter useful life due to obsolescence.

In accounting for flight equipment held for lease, we make estimates about the expected useful lives, the fair value of attached leases, acquired maintenance assets or liabilities and the estimated residual values. In making these estimates, we rely upon actual industry experience with the same or similar aircraft types and our anticipated utilization of the aircraft. As part of our due diligence review of each aircraft we purchase, we prepare an estimate of the expected maintenance payments and any excess costs which may become payable by us, taking into consideration the then-current maintenance status of the aircraft and the relevant provisions of any existing lease.

For planned major maintenance activities for aircraft off-lease, the Company capitalizes the actual maintenance costs by applying the deferral method. Under the deferral method, we capitalize the actual cost of major maintenance events, which are typically depreciated on a straight-line basis over the period until the next maintenance event is required.

For purchase-lease back transactions, we account for the transaction as a single arrangement. We allocate the consideration paid based on the fair value of the aircraft and lease. The fair value of the lease may include a maintenance premium and a lease premium or discount.

When we acquire an aircraft with a lease, determining the fair value of the attached lease requires us to make assumptions regarding the current fair values of leases for specific aircraft. We estimate a range of current lease rates of like aircraft in order to determine if the attached lease is within a fair value range. If a lease is below or above the range of current lease rates, we present value the estimated amount below or above fair value range over the remaining term of the lease. The resulting lease discount or premium is amortized into lease revenue over the remaining term of the lease.

Impairment of Flight Equipment

We perform a recoverability test of all aircraft and other flight equipment on a quarterly and annual basis. We perform a customer or aircraft specific recoverability test whenever events or changes in circumstances, or indicators, suggest 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 change in an aircraft type's storage levels, the introduction of newer technology aircraft or engines, an aircraft type is no longer in production or a significant airworthiness directive is issued. We focus on aircraft with near-term lease expirations, customers that have entered judicial insolvency proceedings and any additional customers that may become subject to similar-type proceedings, and certain other customers or aircraft variants that are more susceptible to value deterioration.

For assets with indicators of impairment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceed its net book value. The undiscounted cash flows consist of cash flows from currently contracted lease rentals and maintenance payments, future projected lease rates and maintenance payments, transition costs, estimated down time, and estimated residual or scrap values for an aircraft. In the event that an aircraft does not meet the recoverability test, the aircraft will be adjusted to fair value, resulting in an impairment charge.

Our assumptions are based on current and future expectations of the global demand for a particular aircraft type and historical experience in the aircraft leasing market and aviation industry, as well as information received from third-party industry sources. The factors considered in estimating the undiscounted net cash flows are impacted by changes in future periods due to changes in projected lease rental and maintenance payments, residual values, economic conditions, technology, airline demand for a particular aircraft type and other factors, such as the location of the aircraft and accessibility to records and technical documentation. If our estimates or assumptions change, we may revise our cash flow assumptions and record future impairment charges. See Note 2 in the Notes to Consolidated Financial Statements.

Net Investment in Leases

If a lease meets specific criteria at lease commencement or at the effective date of a lease modification, we recognize the lease as a direct financing or sales-type lease. The net investment in leases consists of the lease receivable, estimated unguaranteed residual value of the leased flight equipment at lease-end and, for direct financing leases, deferred selling profit. For sales-type leases, we recognize the difference between the net book value of the aircraft and the net investment in the lease as a gain or loss on sale of fight equipment. Selling profit on a direct financing lease is deferred and amortized over the lease term, and a selling loss is recognized at lease commencement. Interest income on our net investment in leases is recognized as direct financing and sales-type lease revenue over the lease term in a manner that produces a constant rate of return on the net investment in the lease.

The net investment in leases is recorded in the consolidated financial statements net of an allowance for credit losses. The allowance for credit losses is recorded upon the initial recognition of the net investment in the lease based on the Company's estimate of expected credit losses over the lease term. The allowance reflects the Company's estimate of lessee default probabilities and loss given default percentages. When determining the credit loss allowance, we consider relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the net investment in the lease. The allowance also considers potential losses due to non-credit risk

related to unguaranteed residual values. A provision for credit losses is recorded as a component of operating expenses to adjust the allowance for changes to management's estimate of expected credit losses.

Fair Value Measurements

We measure the fair value of certain assets and liabilities 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 our aircraft and investment in unconsolidated equity method investment.

We record aircraft at fair value when we determine the carrying value may not be recoverable. Fair value measurements for aircraft in impairment tests are based on the average of the market approach (Level 2 or 3), which include third party appraisal data and an income approach (Level 3), which include the Company's assumptions and appraisal data as to the present value of future cash proceeds from leasing and selling aircraft.

We account for our unconsolidated equity method investment under the equity method of accounting. Investments are reviewed for impairment whenever events or changes in circumstances indicate the fair value is less than its carrying value and the decline is other-than-temporary

Income Taxes

The Company records an income tax provision in accordance with the various tax laws for those jurisdictions within which our transactions occur. Aircastle uses an asset and liability based approach in accounting for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement and tax basis of existing assets and liabilities using enacted rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount estimated by us to be realizable. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities. We did not have any unrecognized tax benefits.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

See Note 1 in the Notes to Consolidated Financial Statements below.

RECENTLY PROPOSED ACCOUNTING PRONOUNCEMENTS

See Note 1 in the Notes to Consolidated Financial Statements below.

LIQUIDITY AND CAPITAL RESOURCES

Our business is very capital intensive, requiring significant investments in order to expand our fleet and to maintain and improve our existing portfolio. Our operations have historically generated a significant amount of cash, primarily from lease rentals and maintenance collections. We have also met our liquidity and capital resource needs by utilizing several sources over time, including:

- unsecured indebtedness, including our current unsecured revolving credit facilities and senior notes;
- various forms of borrowing secured by our aircraft, including term facilities, term financings and limited recourse securitization financings for new aircraft acquisitions;
- asset sales; and
- issuance of common and preference shares.

Going forward, we expect to continue to seek liquidity from these sources and other sources, subject to pricing and conditions we consider satisfactory.

During the year ended February 28, 2025, we met our liquidity and capital resource needs with $464.0 million of cash flows from operations and $565.9 million of proceeds from the sale of aircraft and other flight equipment.

As of February 28, 2025, the weighted average maturity of our secured and unsecured debt financings was 3.4 years and we were in compliance with all applicable covenants. We have also determined that as of February 28, 2025, our consolidated subsidiaries' restricted net assets, as defined by Rule 4-08(e)(3) of Regulation S-X, are less than 25% of our consolidated net assets.

We believe we have sufficient liquidity to meet our contractual obligations over the next 12 months. As of April 1, 2025, total liquidity of $2.7 billion included $2.1 billion of undrawn credit facilities, $0.5 billion of projected adjusted operating cash flows and sales through April 1, 2026 and $0.1 billion of unrestricted cash. In addition, we believe payments received from lessees and other funds generated from operations, unsecured bond offerings, borrowings secured by our aircraft, borrowings under our revolving credit facilities and other borrowings and proceeds from future aircraft sales will be sufficient to satisfy our liquidity and capital resource needs over the next 12 months. Our liquidity and capital resource needs include payments due under our aircraft purchase obligations, required principal and interest payments under our long-term debt facilities, expected capital expenditures, lessee maintenance payment reimbursements and lease incentive payments.

Cash Flows

	Year Ended February 28/29,	
	2025	2024
	(Dollars in thousands)	
Net cash flow provided by operating activities	$ 464,021	$ 370,254
Net cash flow used in investing activities	(970,232)	(879,115)
Net cash flow provided by financing activities	655,286	406,977

Operating Activities:

Cash flow provided by operating activities was $464.0 million and $370.3 million for the years ended February 28, 2025 and February 29, 2024, respectively. The net increase was primarily attributable to higher customer collections during the year ended February 28, 2025, partially offset by slightly lower cash paid for interest related to the timing of interest.

Investing Activities:

Cash flow used in investing activities was $970.2 million and $879.1 million for the years ended February 28, 2025 and February 29, 2024, respectively. The net increase of $91.1 million was primarily attributable to a $348.0 million increase in cash used for the acquisition and improvement of flight equipment. This was partially offset by an increase of $204.1 million in proceeds from the sale or disposition of aircraft and other flight equipment during the year ended February 28, 2025. Additionally, we received cash proceeds of $49.5 million in settlement of the Company's claims against certain of the insurers under its C&P Policies — see Note 3 to the Notes to Consolidated Financial Statements.

Financing Activities:

Cash flow provided by financing activities was $655.3 million and $407.0 million for the years ended February 28, 2025 and February 29, 2024, respectively. The net increase of $248.3 million was primarily attributable to a $100.0 million increase in proceeds from the issuance of our common shares, in addition to a $137.7 million decrease in proceeds from secured and unsecured financings, net of repayments.

Debt Obligations

For complete information on our debt obligations, please see Note 8 in the Notes to Consolidated Financial Statements below.

Contractual Obligations

Our contractual obligations consist of principal and interest payments on debt financings, aircraft acquisitions and rent payments pursuant to our office leases. Total contractual obligations increased to $6.7 billion at February 28, 2025 from $6.1 billion at February 29, 2024, due to higher outstanding debt and interest payment obligations and higher aircraft purchase commitments.

The following table presents our actual contractual obligations and their payment due dates as of February 28, 2025.

Contractual Obligations	Payments Due by Period as of February 28, 2025				
	Total	1 year or less	2-3 years	4-5 years	More than 5 years
	(Dollars in thousands)				
Principal payments:					
Senior Notes due 2025-2031	$ 4,350,000	$ 650,000	$ 1,400,000	$ 1,300,000	$ 1,000,000
Revolving Credit Facilities	150,000	—	150,000	—	—
Bank Financings	509,104	31,948	69,618	307,558	99,980
Total principal payments	5,009,104	681,948	1,619,618	1,607,558	1,099,980
Interest payments on debt obligations[(1)]	932,936	241,001	406,350	208,767	76,818
Office leases[(2)]	25,117	2,742	5,392	3,027	13,956
Purchase obligations[(3)]	771,676	524,734	246,942	—	—
Total	$ 6,738,833	$ 1,450,425	$ 2,278,302	$ 1,819,352	$ 1,190,754

(1) Future interest payments on variable rate, SOFR-based debt obligations are estimated using the interest rate in effect at February 28, 2025.

(2) Represents contractual payment obligations for our office leases in the United States, Ireland and Singapore.

(3) At February 28, 2025, we had signed purchase agreements to acquire 20 aircraft for $771.7 million. These amounts include estimates for pre-delivery deposits, contractual price escalation and other adjustments. As of April 16, 2025, we have commitments to acquire 26 aircraft for $1.4 billion.

Capital Expenditures

From time to time, we make capital expenditures to maintain or improve our aircraft. These expenditures include the cost of major overhauls necessary to place an aircraft in service and modifications made at the request of lessees. For the years ended February 28, 2025, February 29, 2024 and February 28, 2023, we incurred a total of $20.4 million, $76.0 million and $90.8 million, respectively, of capital expenditures, including lease incentives, related to the acquisition and improvement of flight equipment.

As of February 28, 2025, the weighted average age by Net Book Value of our aircraft was 9.1 years. In general, the costs of operating an aircraft, including maintenance expenditures, increase with the age of the aircraft. Our lease agreements call for the lessee to be primarily responsible for maintaining the aircraft. Maintenance reserves are generally paid by the lessee to provide for future maintenance events. Provided a lessee performs scheduled maintenance of the aircraft, we are required to reimburse the lessee for scheduled maintenance payments. In certain cases, we are also required to make lessor contributions, in excess of amounts a lessee may have paid, towards the costs of maintenance events performed by or on behalf of the lessee. We may incur additional maintenance and modification costs in the future in the event we are required to remarket an aircraft or a lessee fails to meet its maintenance obligations under the lease agreement.

Actual maintenance payments to us by lessees in the future may be less than projected as a result of a number of factors, such as in the event of a lessee default. Maintenance reserves may not cover the entire amount of actual maintenance expenses incurred and, where these expenses are not otherwise covered by the lessees, there can be no assurance that our operational cash flow and maintenance reserves will be sufficient to fund maintenance requirements, particularly as our aircraft age. See Item 1A. "Risk Factors — Risks Related to Our Business — Risks related to our leases — *If lessees are unable to fund their maintenance obligations on our aircraft, we may incur increased costs at the conclusion of the applicable lease.*

Off-Balance Sheet Arrangements

We have an unconsolidated equity method investment in an aircraft leasing entity with Mizuho Leasing. We hold a 25% equity interest in this entity, which was established to help expand our base of new business opportunities. As of February 28, 2025, the net book value of its 8 aircraft was $244.3 million.

The assets and liabilities of this entity are not included in our consolidated balance sheets and we record our investment under the equity method of accounting. See Note 7 in the Notes to Consolidated Financial Statements.

Foreign Currency Risk and Foreign Operations

At February 28, 2025, more than 99% of our leases are payable to us in U.S. dollars. However, we incur Euro- and Singapore dollar-denominated expenses in connection with our subsidiaries in Ireland and Singapore. For the year ended February 28, 2025, expenses, such as payroll and office costs, denominated in currencies other than the U.S. dollar totaled $21.9 million in U.S. dollar equivalents and represented approximately 25% of total selling, general and administrative expenses.

Our international operations are a significant component of our business strategy and permit us to more effectively source new aircraft, service the aircraft we own and maintain contact with our lessees. Therefore, it is likely that our international operations and our exposure to foreign currency risk will increase over time. Although we have not entered into foreign currency hedges because our exposure to date has not been significant, if our foreign currency exposure increases we may enter into hedging transactions in the future to mitigate this risk. For the years ended February 28, 2025, February 29, 2024 and February 28, 2023, we incurred insignificant net gains and losses on foreign currency transactions.

Management's Use of EBITDA and Adjusted EBITDA

We define EBITDA as income (loss) from continuing operations before interest expense, income taxes, 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.

The table below shows the reconciliation of net income to EBITDA and Adjusted EBITDA for the years ended February 28, 2025, February 29, 2024 and February 28, 2023.

	Year Ended February 28/29,		
	2025	2024	2023
	(Dollars in thousands)		
Net income	$ 123,613	$ 83,316	$ 62,759
Depreciation	355,666	348,229	332,663
Amortization of lease premiums, discounts and incentives	21,682	20,420	20,574
Interest, net	247,923	229,050	204,606
Income tax provision	21,948	23,265	25,466
EBITDA	$ 770,832	$ 704,280	$ 646,068
Adjustments:			
Impairment of flight equipment	19,391	55,240	85,623
(Gain) loss on extinguishment of debt	(285)	—	636
Adjusted EBITDA	$ 789,938	$ 759,520	$ 732,327

Limitations of EBITDA and Adjusted EBITDA

An investor or potential investor may find EBITDA and Adjusted EBITDA important measures in evaluating our performance, results of operations and financial position. We use these non-U.S. GAAP measures to supplement our U.S. GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be viewed in isolation or as substitutes for U.S. GAAP measures of income (loss). Material limitations in making the adjustments to our income (loss) to calculate EBITDA and Adjusted EBITDA, and using these non-U.S. GAAP measures as compared to U.S. GAAP net income (loss), income (loss) from continuing operations and cash flows provided by or used in operations, include:

- depreciation and amortization, though not directly affecting our current cash position, represent the wear and tear and/or reduction in value of our aircraft, which affects the aircraft's availability for use and may be indicative of future needs for capital expenditures;
- the cash portion of income tax provision (benefit) generally represents charges (gains), which may significantly affect our financial results; and
- adjustments required in calculating covenant ratios and compliance as that term is defined in the indenture governing our senior unsecured notes which may not be comparable to similarly titled measures used by other companies.

EBITDA and Adjusted EBITDA are not alternatives to net income (loss), income (loss) from operations or cash flows provided by or used in operations as calculated and presented in accordance with U.S. GAAP. You should not rely on these non-U.S. GAAP measures as a substitute for any such U.S. GAAP financial measure. We strongly urge you to review the reconciliations to U.S. GAAP net income (loss), along with our consolidated financial statements included elsewhere in this report. We also strongly urge you not to rely on any single financial measure to evaluate our business. In addition, because EBITDA and Adjusted EBITDA are not measures of financial performance under U.S. GAAP and are susceptible to varying calculations, EBITDA and Adjusted EBITDA as presented in this report, may differ from and may not be comparable to similarly titled measures used by other companies.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET 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. These risks are highly sensitive to many factors, including U.S. monetary and tax policies, U.S. and international 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 exposures relate to our floating rate debt obligations. Rent payments under our aircraft lease agreements typically do not vary during the term of the lease according to changes in interest rates. However, our borrowing agreements generally require payments based on a variable interest rate index, such as SOFR or an alternative reference rate. 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 securities.

Sensitivity Analysis

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. 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 February 28, 2025, a hypothetical 100-basis point increase/decrease in our variable interest rate on our borrowings would result in an interest expense increase/decrease of $4.4 million and $4.4 million, respectively, over the next 12 months.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements and notes thereto, referred to in Item 15(A)(1) of this Annual Report, are filed as part of this Annual Report and appear in this Annual Report beginning on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") as appropriate, to allow timely decisions regarding required disclosure. An evaluation was performed under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the Company's disclosure controls and procedures as of February 28, 2025. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of February 28, 2025.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The 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.

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 because the degree of compliance with policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an assessment of the effectiveness of our internal control over financial reporting as of February 28, 2025. The assessment was based on criteria established in the Internal Control — Integrated Framework (2013), issued by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission. Based on this assessment, management concluded that our internal control over financial reporting was effective as of February 28, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended February 28, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Pursuant to Item 401(b) of Regulation S-K, the requisite information pertaining to our executive officers is reported immediately following Item 4 of Part I of this Annual Report. The identification of our Audit Committee and our Audit Committee financial experts is posted on our website at www.aircastle.com under "ABOUT - COMMITTEE COMPOSITION". Information regarding our Code of Business Ethics and Conduct, any material amendments thereto and any related waivers is posted on our website at www.aircastle.com under "ESG".

Information about our Directors. The members of the Board of Directors of the Company (the "Board") are Douglas A. Hacker, Naoshi Hirose, Michael J. Inglese, Keiji Okuno, Charles W. Pollard, Takayuki Sakakida and Takashi Tsunoda.

Name	Age
Douglas A. Hacker	69
Naoshi Hirose	62
Michael J. Inglese	64
Keiji Okuno	61
Charles W. Pollard	67
Takayuki Sakakida (Chairman)	53
Takashi Tsunoda	50

Douglas A. Hacker was appointed to our Board on March 27, 2020 following the consummation of the Merger and served on the prior Board of Aircastle Limited from August 2, 2006 to the consummation of the Merger. Mr. Hacker is currently an independent business executive and formerly served as Executive Vice President, Strategy for UAL Corporation, an airline holding company, and has served in such position from December 2002 to May 2006. Prior to that, Mr. Hacker served with UAL Corporation as President, UAL Loyalty Services from September 2001 to December 2002, and as Executive Vice President and Chief Financial Officer from July 1999 to September 2001. Mr. Hacker served as a director of Travelport from 2016 until May 2019. Mr. Hacker serves as the Co-Chair of a series of open-end investment companies that are part of the Columbia Threadneedle family of mutual funds and as an independent director and Chair of the Board of Directors of SpartanNash Company.

Naoshi Hirose was appointed to our Board on April 8, 2024. Currently holding the position of Managing Executive Officer and serving as the Regional CEO for the Americas at Marubeni, he also holds the role of President and CEO of Marubeni America Corporation. Mr. Hirose joined Marubeni in January 2023 and from April 2023 he held the positions of Managing Executive Officer and Senior Operating Officer for CSO, in which he served as a Member of the Corporate Management Committee, exercising oversight of Marubeni group's business operations. Prior to joining Marubeni, Mr. Hirose served the Ministry of Economy, Trade, and Industry in Japan for over 35 years, holding key positions, including Vice-Minister for International Affairs. Mr. Hirose's academic background includes a bachelor's degree from the Faculty of Law at Tokyo University in Tokyo and a Master's degree from the Princeton School of Public and International Affairs at Princeton University. With over three decades of such experience, Mr. Hirose contributes a wealth of expertise to the Board, notably in operational management, strategic planning, and financial matters pertinent to the aviation sector.

Michael J. Inglese was appointed to our Board on March 27, 2020 following the consummation of the Merger and served on the prior Board of Aircastle Limited from June 2017 to the consummation of the Merger. He became our Chief Executive Officer in June 2017, having served as Aircastle's Acting Chief Executive Officer from January 2017. He was previously our Chief Financial Officer from April 2007 to January 2017. Prior to joining the Company, Mr. Inglese served as Chief Financial Officer of PanAmSat Holding Corporation from June 2000 until the closing of PanAmSat's sale to Intelsat in July 2006. Mr. Inglese joined PanAmSat in May 1998 as Vice President, Finance after serving as Chief Financial Officer for DIRECTV Japan, Inc. He is a Chartered Financial Analyst who holds a BS in Mechanical Engineering from Rutgers University College of Engineering and his MBA from Rutgers Graduate School of Business Management.

Keiji Okuno was appointed to our Board on September 26, 2022. Before joining Aircastle, Mr. Okuno was Senior Vice President of PNB-Mizuho Leasing & Finance Corporation and is also a Director of PNB-Mizuho Equipment & Rental Corporation. From January 2019 to November 2019, Mr. Okuno was Deputy General Manager of Mizuho Leasing Ltd. Prior to joining Mizuho Leasing Co. Ltd., Mr. Okuno had over 15 years at ORIX Group in various roles, including Vice President, Global Business Group, Executive Vice President, and Managing Director. Mr. Okuno received a BA from Dokkyo University and a diploma from New York University. Mr. Okuno is a CPA.

Charles W. Pollard was appointed to our Board on March 27, 2020 following the consummation of the Merger and served on the prior Board of Aircastle Limited from July 6, 2010 to the consummation of the Merger. Mr. Pollard joined Omni Air International, Inc., a passenger charter carrier, in 1997, where he served variously as Managing Director, President and CEO, and Vice Chairman until 2009. Previously, he spent 10 years in senior management positions, including President and CEO, at World Airways, Inc. Prior to joining World Airways, Inc., he practiced corporate law at Skadden, Arps, Slate, Meagher & Flom. He currently serves on the board of directors of Allegiant Travel Company.

Takayuki Sakakida was appointed to our Board on March 27, 2020 upon the consummation of the Merger and served on the prior Board of Aircastle Limited from June 9, 2017 to the consummation of the Merger, and was nominated by Marubeni. Mr. Sakakida was appointed Chairman of our Board on April 17, 2024. In December 2020, Mr. Sakakida was appointed as Senior Advisor to the CEO of the Company. In April 2019, Mr. Sakakida was appointed as General Manager, Finance & Leasing Business Dept. - II, Marubeni Corporation. In April 2017, Mr. Sakakida was appointed as Vice President and General Manager, Aerospace and Ship Unit, Marubeni America Corporation. From April 2015 to April 2016, he served as General Manager, Business Administration Section, Aerospace and Defense Systems Department of Marubeni Corporation. From April 2011 to 2015, he seconded to MD Aviation Capital Pte Ltd (Singapore) as Managing Director. Mr. Sakakida has over 20 years' experience in the aviation industry and brings to the Board extensive experience in operations, strategic planning and financial matters relevant to the aviation industry.

Takashi Tsunoda was appointed to our Board on June 7, 2024. Mr. Tsunoda joined Marubeni in 1997 and is currently General Manager of the Asset Finance Department. Previously, he was the President and CEO of Marubeni Capital America, a wholly-owned subsidiary of Marubeni Corporation and also served as a Board Member of Nowlake Technology LLC, a U.S. fintech company, from April 2021 to March 2024. Mr. Tsunoda holds an MBA in finance and accounting from Indiana University's Kelley School of Business and a BA in Political Science from Waseda University, Tokyo.

Information about our Executive Officers. The names of the executive officers of the Company and their ages, titles and biographies may be found in: Information about our Executive Officers.

Code of Business Conduct and Ethics. To help ensure that the Company abides by applicable corporate governance standards, our Board has adopted a Code of Business Conduct and Ethics and a Code of Ethics for Chief Executive and Senior Financial Officers, which are posted on our website at http://www.aircastle.com under "ESG" and which are available in print to any shareholder of the Company upon request.

Insider Trading Policies and Procedures. We are a privately held, voluntary reporting company and there is no established public trading market for our securities. As a result, the Company has not adopted insider trading policies and procedures governing the purchase, sale, and/or other dispositions of our securities by directors, officers, employees and the Company itself.

Audit Committee of the Board of Directors. Takayuki Sakakida (Chairman), Keiji Okuno and Douglas A. Hacker are designated as members of the Audit Committee. Roy Chandran, our Chief Financial Officer, is also a member of the Audit Committee.

In addition, our Board has determined that Mr. Hacker is qualified as an audit committee financial expert, under the SEC rules.

ITEM 11. EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Our 2024 fiscal year began on March 1, 2024 and ended on February 28, 2025. All references herein to a year shall mean our fiscal year unless otherwise noted.

This Compensation Discussion and Analysis describes and analyzes our executive compensation philosophy and programs. This Compensation Discussion and Analysis focuses on the compensation paid for our 2024 fiscal year to our Chief Executive Officer, Chief Financial Officer and three other most highly compensated executive officers, together referred to as our named executive officers ("NEOs"). For 2024, our NEOs were:

Named Executive Officer	Title
Michael J. Inglese	Chief Executive Officer
Roy Chandran	Chief Financial Officer
Douglas C. Winter	Chief Commercial Officer
Christopher L. Beers	Former Chief Legal Officer & Secretary
Paul O'Callaghan	Chief Operations Officer

Christopher L. Beers, our former Chief Legal Officer & Secretary, retired from the Company effective February 28, 2025.

Pay for Performance Philosophy

We believe executive compensation should be tied to Company performance weighted in favor of long-term performance, and our compensation program for 2024 rewarded executives and employees in two areas:

- Annual Corporate Performance: Achievement of internal corporate financial metrics focused on: (i) profit before tax; (ii) cash flow; and (iii) growth through new investments (as described below); and
- Individual Performance: Achievement of individual performance goals set at the beginning of each year.

For 2024, we granted an annual incentive compensation award in the form of a cash bonus, the payment of which was based on the achievement of a mix of corporate financial metrics and individual performance goals. For more highly compensated employees, including our NEOs, achievement of the corporate financial metrics carried a greater weighting relative to individual performance, as illustrated in the table below:

Position	Corporate Performance	Individual Performance
CEO	85%	15%
Other NEOs	80%	20%

2024 Corporate Financial Metrics. We based corporate performance targets on the Company's business plan and established a performance range for each metric. Results below the low end of each range would yield a minimum contribution of 50% to the Company's incentive compensation pool for that metric. Conversely, performance above target would result in an enhanced contribution to the Company's incentive compensation pool, up to a 150% contribution at the upper end of the performance range for each metric. For 2024, we established the following targets, performance ranges and relative weightings for the corporate financial metrics:

Metric	2024 Target (in millions)	Performance Range	Weighted Score
Profit before tax[(1)]	$ 100.0	50%-150%	50%
Cash flow[(2)]	$ 383.0	50%-150%	25%
Net investments[(3)]	$ 1,720.0	50%-150%	25%

(1) Profit before tax is Income from continuing operations before income taxes and earnings of unconsolidated equity method investments, plus earnings of unconsolidated equity method investments.
(2) Cash flow for a period is Cash Flow from Operations plus distributions from our joint venture investment, if any.
(3) New investments measures the total annual amount invested in aviation assets.

Individual Performance Goals. We set individual performance goals for every employee at the beginning of each year and measure each employee's performance against those goals at the end of the year to determine incentive compensation levels. We set individual bonus targets based on an employee's function, role and seniority within the organization, among other factors.

For 2024, we determined the final amount of our annual incentive compensation awards for each employee by applying the weighted corporate financial metrics and individual performance goals, and such awards were paid out to our executive officers in the form of cash.

For additional retention purposes, we also granted long term incentive awards in 2024 as part of our long term incentive award program – see below for further discussion of our long-term incentive award program.

Compensation Overview

For 2024, there were three primary elements of total direct compensation: base salary, annual incentive compensation in the form of a cash bonus, and a long term incentive plan award.

Base Salary. Base salaries provide fixed compensation and allow us to attract and retain talented management. We set base salaries for our NEOs and review them periodically by taking into account the current market environment and the responsibilities, experience, value to the Company and demonstrated performance of our NEOs.

Annual Incentive Compensation. We grant an annual incentive compensation award in the form of a cash bonus based on the Company's performance against corporate financial metrics and performance against individual performance goals.

Long-Term Incentive Plan. In 2021, we introduced a long term incentive ("LTI") award program, in the form of long term cash awards, for our executive officers and certain other senior professionals. The LTI awards are intended to enhance management retention by rewarding participants for exceptional performance over a three-year performance period using the internal rate of return with respect to our common shareholders' book equity ("Book Equity IRR") as the measure of long-term performance. Each fiscal year within the three-year performance period constitutes a performance year. Our LTI awards are granted with a target award amount, whereby one-third of the target award relates to each performance year. The annual award earned in respect of a given performance year is adjusted based on the Book Equity IRR achieved for the given performance year. The Book Equity IRR for each performance year is evaluated against a performance range in order to determine the target annual award earned. The LTI awards yield a minimum payout of 50% and a maximum payout of 150% of the target annual award.

For maximum retention, our executive officers' LTI awards cliff-vest at the end of the three-year performance period subject to continued employment through such date. Prior to his appointment as our Chief Operations Officer effective March 1, 2023, Mr. O'Callaghan was granted non-executive officer LTI awards in 2022 and 2021 that vest annually on the last day of each performance year, subject to his continued employment through such date.

Our LTI awards granted in 2024, 2023 and 2022 have the following performance ranges with results between the minimum and target and the maximum and target being interpolated on a linear basis.

Annual Performance Range for LTI Awards

Book Equity IRR			
2024 LTI Awards	**2023 LTI Awards**	**2022 LTI Awards**	**% of Target Annual Award Earned**
Equal to or greater than 6.2%	Equal to or greater than 5%	Equal to or greater than 4%	150%
Greater than 3.7% and less than 6.2%	Greater than 2.5% and less than 5%	Greater than 1.5% and less than 4%	Interpolated
Equal to 2.2% through 3.7%	Equal to 1.0% through 2.5%	Equal to 0.5% through 1.5%	100%
Greater than -0.3% and less than 2.2%	Greater than -1.5% and less than 1.0%	Greater than -2.0% and less than 0.5%	Interpolated
Less than or equal to -0.3%	Less than or equal to -1.5%	Less than or equal to -2.0%	50%

Actual Performance for 2024 Performance Year. The Company's financial performance reflects the strong global passenger demand for air travel and robust demand for our narrow-body aircraft due to ongoing OEM delivery delays and supply chain constraints. The increased demand for our aircraft through lease extension requests and strong gains on sales contributed positively to our financial results, which are also partly driven by cash settlement proceeds received in respect of our contingent and possessed insurance policies for aircraft formerly on lease to Russian airlines. As a result, the Book Equity IRR for the 2024 performance year was 5.3%. Therefore, the portion of our 2024, 2023 and 2022 LTI awards related to the 2024 performance year were earned at 132%, 150% and 150%, respectively. For our executive officers other than Mr. O'Callaghan, the 2022 LTI Awards cliff-vested on February 28, 2025. For all of our executive officers, the 2023 and 2024 LTI awards will cliff-vest on February 28, 2026 and 2027, respectively.

For our executive officers other than Mr. O'Callaghan, the 2022 LTI Awards that cliff-vested on February 28, 2025, were earned with respect to each performance year during the three-year performance period as follows:

2022 LTI Awards		
Performance Year	**Book Equity IRR**	**% of Target Annual Award Earned**
Fiscal Year 2022	2.9%	128%
Fiscal Year 2023	3.9%	148%
Fiscal Year 2024	5.3%	150%

For Mr. O'Callaghan, the portion of his 2022 LTI Award payable for the 2024 performance year was earned at 150% and vested on February 28, 2025.

Other Compensation. Our NEOs are eligible to receive severance payments and accelerated vesting of LTI awards in certain circumstances, as described in greater detail below in the section entitled "Potential Payments upon Termination or Change in Control". Severance and change in control benefits provide transitional assistance for separated employees and are essential to recruiting and retaining talented executives in a competitive market. In addition, our NEOs are also eligible to participate in our employee benefit plans, including medical, dental, life insurance and retirement plans. These plans are available to all employees and do not discriminate in favor of our NEOs.

Recoupment Policy. In January 2016, we adopted a clawback policy covering certain incentive compensation awarded to our executive officers. The policy requires reimbursement of incentive payments awarded to an executive officer based upon financial results that were subsequently the subject of a restatement due to the Company's material noncompliance with financial reporting requirements. The amount of reimbursement would be to the extent that a lower payment would have been awarded to the executive based on the restated financial results. The policy applies to all incentive compensation awarded or paid to an executive officer in the three years prior to the restatement, even if the executive officer did not engage in conduct which contributed to the restatement. In addition, we may seek to recover any portion of incentive compensation when we determine that an executive officer engaged in a certain misconduct.

Retirement. For our executive officers, we have designed a qualifying retirement feature that will allow the LTI awards to continue to vest following retirement, subject to satisfaction of the Book Equity IRR performance objectives. For purposes of the LTI awards, a qualifying retirement means: (a) a retirement date no earlier than March 27, 2024; (b) the executive provides at least 12 months' notice; (c) the executive is at least 55 years old on the date of retirement and (d) such individual is not an executive officer (or serving in any other senior commercial role) with certain competitors prior to the vesting date.

Summary. The primary goals of our compensation programs are to attract, motivate and retain the most talented and dedicated employees and to align incentive compensation with Company performance.

2024 Compensation

Performance versus Corporate Financial Metrics. For 2024, the Company's performance against its corporate financial metrics resulted in an incentive compensation pool equal to 130% of the total target, as shown in the table below. Certain financial metrics, such as profit before tax, were impacted by the effects of the increased demand for our aircraft, strong gains on sales and settlement proceeds received in respect of our contingent and possessed insurance policies for aircraft formerly on lease to Russian airlines.

Metric	2024 Target (in millions)	Weighting	2024 Performance (in millions)	Performance Range	Performance	Weighted Score
Profit before tax	$ 100.0	50%	$ 145.6	50% - 150%	138%	69 %
Cash flow	$ 383.0	25%	$ 464.0	50% - 150%	150%	37 %
New investments	$ 1,720.0	25%	$ 1,637.1	50% - 150%	95%	24 %
Total						130 %

Performance versus Individual Performance Goals. For 2024, the performance of each of our NEOs against the individual performance goals was equal to 115% of target, with the exception of Mr. Chandran whose performance was equal to 125% of target.

The Compensation Committee took the following actions related to fiscal year 2024 annual incentive compensation for our NEOs, which was determined solely based on the achievement of the corporate financial metrics and individual performance goals:

Named Executive Officer	2024 Incentive Compensation
Michael J. Inglese	$959,974 cash
Roy Chandran	$743,084 cash
Douglas C. Winter	$731,584 cash
Christopher L. Beers	$731,584 cash
Paul O'Callaghan	$542,764 cash

How We Make Decisions

Risk. The Compensation Committee reviews the risks and rewards associated with the Company's compensation programs. We believe that our compensation programs encourage prudent business judgment and appropriate risk-taking, with the overall goal of building sustainable and profitable growth.

We believe none of our compensation programs create risks that are reasonably likely to have a material adverse impact on the Company.

Role of Executive Officers. For 2024, the Compensation Committee set the corporate financial metrics at the beginning of the year based on the annual business plan endorsed by the Board. The Compensation Committee also set individual performance goals for the Chief Executive Officer, who in turn established individual performance goals for the other NEOs. Regularly during the year, the senior management team presented to us the Company's actual performance against the corporate performance metrics. The Compensation Committee shared these discussions with the full Board on a regular basis.

Grant Policies and Practices. We do not currently grant equity-based awards. As such, we do not currently have any policies or practices in place with respect to the timing of equity-based awards in relation to the disclosure of material non-public information.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board is currently comprised of three Directors and operates pursuant to a written charter, which is available at http://www.aircastle.com under "ESG."

The Compensation Committee is primarily responsible for reviewing, approving and overseeing the Company's compensation plans and practices and works with management to establish the Company's executive compensation philosophy and programs.

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with management and based on that review and discussion, has recommended to the Board that it be included in this Form 10-K.

Respectfully submitted,
The Compensation Committee

Charles W. Pollard, Chair
Takayuki Sakakida
Michael J. Inglese

Summary Compensation Table for 2024

The table below sets forth information regarding fiscal years 2024, 2023 and 2022 compensation for each of our NEOs.

Name and Principal Position	Fiscal Year	Salary	Awards			Total
			Bonus[1]	Non-Equity Incentive Plan[2]	All Other Compensation[3]	
Michael J. Inglese	2024	$ 750,000	$ 951,788	$ 3,551,503	$ 16,657	$ 5,269,948
Chief Executive Officer	2023	750,000	939,660	2,298,667	15,540	4,003,867
	2022	750,000	1,036,185	—	14,607	1,800,792
Roy Chandran	2024	$ 575,000	$ 707,280	$ 1,136,481	$ 16,657	$ 2,435,418
Chief Financial Officer	2023	575,000	639,026	551,680	15,540	1,781,246
	2022	525,000	568,407	—	14,607	1,108,014
Douglas C. Winter	2024	$ 575,000	$ 715,280	$ 1,420,603	$ 16,657	$ 2,727,540
Chief Commercial Officer	2023	575,000	704,838	919,467	15,540	2,214,845
	2022	575,000	692,133	—	14,607	1,281,740
Christopher L. Beers[4]	2024	$ 575,000	$ 715,280	$ 1,420,603	$ 67,478	$ 2,778,361
Chief Legal Officer &	2023	575,000	704,838	919,467	15,540	2,214,845
Secretary	2022	575,000	692,133	—	14,607	1,281,740
Paul O'Callaghan[5]	2024	$ 445,312	$ 496,177	$ 51,903	$ 57,335	$ 1,050,727
Chief Operations Officer	2023	450,025	372,838	96,160	54,003	973,026

(1) Bonus compensation consists of: (i) cash bonuses, (ii) the portion of 2020 bonus restricted cash awards vested in 2022, 2023 and 2024, and (iii) the portion of 2019 bonus restricted cash awards vested in 2022.

(2) See Compensation Overview-Long Term Incentive Plan above for information regarding our cash-based LTI awards granted in 2024, 2023 and 2022. Pursuant to SEC rules, amounts paid out to our NEOs with respect to our cash-based LTI awards will be reported in the "Non-Equity Incentive Plan" column of the Summary Compensation Table for the year earned, not the year in which the LTI award was originally granted. Accordingly, the amounts reported represents (i) for 2024, the 2022 LTI awards granted to our NEOs (other than Mr. O'Callaghan), which vested on February 28, 2025 and (ii) for 2023, the 2021 LTI awards granted to our NEOs (other than Mr. O'Callaghan), which vested on February 29, 2024. See footnote (5) below for additional information regarding Mr. O'Callaghan's cash-based LTI awards.

(3) The amounts reported in this column consist of Company contributions made to each named executive officer's retirement plan account and certain insurance premiums paid by the Company.

(4) The amount reported in the "All Other Compensation" column for Mr. Beers also includes $50,821 of accrued vacation time paid as part of his retirement. See "Mr. Beers' Retirement Agreement" below.

(5) Paul O'Callaghan became one of the Company's NEOs for 2023 as a result of his appointment and promotion to Chief Operations Officer effective March 1, 2023. The amount reported in the "Non-Equity Incentive Plan" column relates to non-executive, cash-based LTI awards granted to Mr. O'Callaghan in 2022 and 2021 prior to his appointment as Chief Operations Officer, which vested with respect to the 2024 and 2023 performance years on February 28, 2025 and February 29, 2024, respectively, and were paid out immediately upon vesting.

Grants of Plan-Based Awards for 2024

Name	Grant Date	Vesting Date	Grant of Cash LTI Award [1]	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[2][3]		
				Minimum ($)	Target ($)	Maximum ($)
Michael J. Inglese	April 17, 2024	February 28, 2027	$ 2,500,000	$ 1,935,002	$ 2,768,336	$ 3,601,670
Roy Chandran	April 17, 2024	February 28, 2027	$ 1,000,000	$ 774,002	$ 1,107,336	$ 1,440,670
Douglas C. Winter	April 17, 2024	February 28, 2027	$ 1,000,000	$ 774,002	$ 1,107,336	$ 1,440,670
Christopher L. Beers	April 17, 2024	February 28, 2027	$ 1,000,000	$ 774,002	$ 1,107,336	$ 1,440,670
Paul O'Callaghan	April 17, 2024	February 28, 2027	$ 411,831	$ 318,757	$ 456,034	$ 593,311

(1) Represents the aggregate target amount of our cash-based LTI awards granted to our NEOs in 2024.

(2) The LTI awards yield a minimum payout of 50% and a maximum payout of 150% of the target annual award. These amounts in the table reflect actual performance for the 2024 performance year (132%) and estimated minimum, target, and maximum amounts for the 2024 and 2025 performance years. See Compensation Overview – Long Term Incentive Plan above for information regarding our cash-based LTI awards.

(3) Pursuant to SEC rules, amounts paid out to our NEOs with respect to our cash-based LTI awards will be reported in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table for the year earned, not the year granted. Accordingly, see the Summary Compensation Table for 2024 for the total amounts paid out to our NEOs with respect to the 2022 LTI awards granted to our NEOs (other than Mr. O'Callaghan), which vested on February 28, 2025. See footnote (5) to the Summary Compensation Table for 2024 for additional information regarding the vesting and payment of Mr. O'Callaghan's 2021 and 2022 LTI awards.

Employment Agreements with NEOs

Through our subsidiaries, Aircastle Advisor LLC and Aircastle (Ireland) Designated Activity Company, we have entered into an employment agreement (as amended) with each of our NEOs. These employment agreements generally provide for payment of an annual base salary and the executives' eligibility to receive an performance-based incentives with indicated target annual cash bonus and LTI award levels.

Each employment agreement provides that the NEO is employed "at-will" and may be terminated at any time and for whatever reason by either us or him. A summary of the payments and benefits to be provided to the NEOs upon a termination of employment, along with a description of the restrictive covenants applicable to each NEO, is set forth below in the section entitled "Potential Payments upon Termination or Change in Control."

Mr. Beers' Retirement and Consulting Agreement

On October 21, 2024, we entered into a retirement and consulting agreement with Mr. Beers in connection with his retirement, effective February 28, 2025 (the "Retirement Date"). Pursuant to his retirement and consulting agreement, Mr. Beers continued to serve as Chief Legal Officer & Secretary through the Retirement Date and received his base salary and all other components of his usual and customary compensation and benefits, including a cash bonus for the 2024 performance year paid at the regular time based on actual achievement of the corporate financial metrics and individual performance goals for 2024. He will not receive any new cash-based LTI awards for 2025 or any year thereafter, however he will continue to vest in all of his outstanding unvested LTI awards in accordance with the qualifying retirement feature as if he were a full-time employee of the Company, subject to satisfaction of the Book Equity IRR performance objectives. Additionally, during the period starting on March 1, 2025 and continuing for a period of 12 months thereafter, Mr. Beers will be engaged as an independent senior adviser to the Company, providing advice on matters as needed by the Company, including with respect to ongoing Russian aircraft litigation and insurance settlements. The provisions of the retirement and consulting agreement are subject to Mr. Beers' execution and non-revocation of a release of claims and his continued compliance with the restrictive covenants applicable to him.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The following table and summary set forth potential amounts payable to our NEOs upon termination of employment or a change in control, as described below. The table below reflects amounts payable to our NEOs assuming termination of employment on February 28, 2025:

Name and Principal Position	Voluntary resignation by executive	Termination by us for cause	Termination by us without cause	Termination by us without cause or by executive for good reason following change in control[1]	Termination by executive for good reason	Normal retirement	Death or disability
Michael J. Inglese							
Cash Severance	$ —	$ —	$ 1,500,000	$ 3,000,000	$ 1,500,000	$ —	$ —
Pro-rata Bonus (assumes February 28 termination)	—	—	750,000	750,000	750,000	—	750,000
COBRA Reimbursement	—	—	78,484	78,484	78,484	—	78,484
Vacation	80,769	80,769	80,769	80,769	80,769	80,769	80,769
Remainder of Restricted Cash and LTI Awards[1]	—	—	9,470,258	9,470,258	9,470,258	—	9,470,258
Roy Chandran							
Cash Severance	$ —	$ —	$ 1,150,000	$ 2,300,000	$ 1,150,000	$ —	$ —
Pro-rata Bonus (assumes February 28 termination)	—	—	575,000	575,000	575,000	—	575,000
COBRA Reimbursement	—	—	78,484	78,484	78,484	—	78,484
Vacation	61,923	61,923	61,923	61,923	61,923	61,923	61,923
Remainder of Restricted Cash and LTI Awards[1]	—	—	3,503,986	3,503,986	3,503,986	—	3,503,986
Douglas C. Winter							
Cash Severance	$ —	$ —	$ 1,150,000	$ 2,300,000	$ 1,150,000	$ —	$ —
Pro-rata Bonus (assumes February 28 termination)	—	—	575,000	575,000	575,000	—	575,000
COBRA Reimbursement	—	—	60,943	60,943	60,943	—	60,943
Vacation	61,923	61,923	61,923	61,923	61,923	61,923	61,923
Remainder of Restricted Cash and LTI Awards[1]	—	—	3,788,108	3,788,108	3,788,108	—	3,788,108
Christopher L. Beers[2]							
Cash Severance	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Pro-rata Bonus (assumes February 28 termination)	—	—	—	—	—	731,584	—
COBRA Reimbursement	—	—	—	—	—	—	—
Vacation	—	—	—	—	—	50,821	—
Remainder of Restricted Cash and LTI Awards[1]	—	—	—	—	—	3,788,108	—
					—		
Paul O'Callaghan							
Cash Severance	$ —	$ —	$ 845,334	$ 1,690,669	$ 845,334	$ —	$ —
Pro-rata Bonus (assumes February 28 termination)	—	—	411,830	411,830	411,830	—	411,830
Health Insurance Benefits	—	—	4,122	4,122	4,122	—	4,122
Vacation	46,685	46,685	46,685	46,685	46,685	46,685	46,685
Remainder of Restricted Cash and LTI Awards[1]	—	—	1,026,912	1,026,912	1,026,912	—	1,026,912

(1) Includes the 2022 LTI awards (or for Mr. O'Callaghan, the applicable portion thereof) vesting on February 28, 2025, the 2023 LTI awards vesting on February 28, 2026 and the 2024 LTI awards vesting on February 28, 2027.

(2) Christopher L. Beers, our former Chief Legal Officer & Secretary, retired from the Company effective February 28, 2025. See the section entitled "Mr. Beer's Retirement and Consulting Agreement" above for information regarding his retirement payments and benefits.

As described above in the section entitled "Employment Agreements with NEOs," we, through our subsidiaries, Aircastle Advisor LLC and Aircastle (Ireland) Designated Activity Company, have entered into employment agreements (as amended) with our named executive officers which set forth certain terms and conditions of their employment relating to termination and termination payments.

Under the employment agreements for our named executive officers:

- if the employment of such named executive officer is terminated without "cause" or with "good reason" (as defined in such employment agreement), and if he signs a general release of claims and complies with the covenants described below, then he will be entitled to receive: (i) an amount equal to the sum of the base salary and target annual cash bonus for the year of termination, payable over a one-year period (two times such amount and payable in a lump sum if the termination occurs within 120 days prior to or within two years following a "change in control" as defined in such employment agreement); (ii) a pro-rata annual bonus for the year of termination; (iii) reimbursement of COBRA premiums or health insurance benefits for up to 12 months; (iv) accelerated vesting of any remaining cash-based LTI awards; and
- such named executive officer covenants not to compete with Aircastle for six months following termination of his employment for any reason and will not solicit the employees of Aircastle or the clients or customers of Aircastle for competing business, in each case, for a period of 12 months following termination.

For a description of the retirement and consulting agreement we entered into with Mr. Beers in connection with his retirement, see the section entitled "Mr. Beers Retirement and Consulting Agreement" above.

Director Compensation Table for 2024

The table below describes our compensation of Directors for the fiscal year ended February 28, 2025:

Name	Fees Earned or Paid in Cash ($)	Total ($)
Douglas A. Hacker	$ 170,000	$ 170,000
Charles W. Pollard	170,000	170,000

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners and Management. The table below sets forth information as of April 16, 2025, as to the beneficial ownership of our Common Shares.

Name and Address of Beneficial Owner	Common Shares Held	Percent of Class
Marubeni Corporation[1] 4-2 Ohtemachi 1-chome Chiyoda-ku, Tokyo, 100-8088 Japan	8,920	50 %
MM Air Limited[2] c/o Compass Administration Services Ltd. Crawford House 50 Cedar Avenue Hamilton, HM11, Bermuda	8,920	50 %

(1) Marubeni beneficially owns 8,920 Common Shares through its wholly owned subsidiary Marubeni Aviation Corporation. During the year ended February 28, 2025, we issued 1,138 shares to Marubeni.

(2) MM Air Limited beneficially owns 8,920 Common Shares. MM Air Limited is controlled by affiliates of Marubeni and Mizuho Leasing. During the year ended February 28, 2025, we issued 1,138 shares to MM Air Limited.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Party Transactions

The following is a summary of material provisions of certain transactions we entered into with our executive officers, Directors or 5% or greater shareholders. We believe the terms and conditions set forth in such agreements were reasonable and customary for transactions of this type.

See Note 10 in the Notes to Consolidated Financial Statements for additional information.

Policies and Procedures for Review, Approval or Ratification of Transactions with Related Persons

Our Board has adopted a Policy and Procedures with Respect to Related Person Transactions, our Related Person Policy. Pursuant to the terms of the Related Person Policy, the Audit Committee must review and approve in advance any transaction involving an affiliate or related party (as defined under Accounting Standards Codification Topic 850), in which the amount involved exceeds $5.0 million, other than those that are pre-approved pursuant to pre-approval guidelines or rules that may be established by the Audit Committee to cover specific categories of transactions, including the guidelines described below. All Related Persons, as defined below, are required to report to our legal department any such related person transaction prior to its completion, and the legal department will determine whether it should be submitted to the Audit Committee for consideration.

Our Related Person Policy covers all transactions, arrangements or relationships (or any series of similar transactions, arrangements or relationships) in which the Company or any of its subsidiaries was, is or will be a participant, in which the amount involved exceeds $120.0 thousand, and in which any Related Person had, has or will have a direct or indirect material interest.

A Related Person is any person who is, or at any time since the beginning of the Company's last fiscal year was, a Director or executive officer of the Company or a nominee to become a Director of the Company; Marubeni and Mizuho Leasing or their affiliates; any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Director, executive officer, nominee or Marubeni and Mizuho Leasing or their affiliates, and any person (other than a tenant or employee) sharing the household of such Director, executive officer, nominee or Marubeni and Mizuho Leasing or their affiliates.

Director Independence

Although our Common Shares are no longer listed on the NYSE or any other national securities exchange and we are therefore not required to have a majority of independent directors, the Board considers the current Directors Messrs. Hacker and Pollard to be independent and that Directors Messrs. Hirose, Inglese, Tsunoda and Okuno to be not independent. The Board also considers the current Chairman Mr. Sakakida to be not independent. Our standing Risk and Governance, Audit and Compensation Committees include independent and non-independent Directors.

In addition, the Board considered transactions described above under "Item 13. Certain Relationships and Related Transactions, and Director Independence—Certain Relationships and Related Party Transactions" in making the independence determinations.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees, Audit Related Fees, Tax Fees and All Other Fees. In connection with the audit of the fiscal year 2024 and 2023 financial statements, the Company entered into an engagement letter with Ernst & Young LLP ("EY") that sets forth the terms by which EY has performed audit services for the Company. Professional services rendered by EY for the years ended February 28, 2025 and February 29, 2024 were as follows:

	Year Ended February 28/29,	
	2025	2024
Audit fees[1]	$ 2,514,000	$ 2,315,000
Tax fees[2]	1,004,300	844,800
All other fees[3]	7,600	5,200

(1) Represents fees for the audit of the Company's consolidated financial statements and internal control over financial reporting, the reviews of interim financial statements included in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, certain Current Reports on Form 8-K, audits of IBJ Air joint venture, consultations concerning financial accounting and reporting standards, statutory audits and services rendered relating to the Company's registration statements.

(2) Represents fees related primarily to assistance with tax compliance matters, including international, federal and state tax return preparation, and consultations regarding tax matters.

(3) Represents fee for online research tool subscription.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has policies and procedures that require the pre-approval by the Audit Committee or one of its members of all services performed by the Company's independent registered public accounting firm and related fee arrangements. In the early part of each year, the Audit Committee approves the proposed services, including the nature, type and scope of services contemplated, and the related fees, to be rendered by these firms during the year. In addition, pre-approval by the Audit Committee or one of its members is also required for those engagements that may arise during the course of the year that are outside the scope of the initial services and fees pre-approved by the Audit Committee pursuant to the Sarbanes-Oxley Act. In accordance with this policy, the Audit Committee pre-approved all services to be performed by the Company's independent registered accounting firm.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(A) 1. Consolidated Financial Statements.

The following is a list of the "Consolidated Financial Statements" of Aircastle Limited and its subsidiaries included in this Annual Report on Form 10-K, which are filed herewith pursuant to Item 8:

Report of Independent Registered Public Accounting Firm.

Consolidated Balance Sheets as of February 28, 2025 and February 29, 2024.

Consolidated Statements of Income and Comprehensive Income for the years ended February 28, 2025, February 29, 2024 and February 28, 2023.

Consolidated Statements of Cash Flows for the years ended February 28, 2025, February 29, 2024 and February 28, 2023.

Consolidated Statements of Changes in Shareholders' Equity for the years ended February 28, 2025, February 29, 2024 and February 28, 2023.

Notes to Consolidated Financial Statements.

2. Financial Statement Schedules.

There are no Financial Statement Schedules filed as part of this Annual Report, since the required information is included in the Consolidated Financial Statements, including the notes thereto, or the circumstances requiring inclusion of such schedules are not present.

3. Exhibits.

The exhibits filed herewith are listed on the Exhibit Index filed as part of this Annual Report on Form 10-K.

(B) EXHIBIT INDEX

Exhibit No.	Description of Exhibit
3.1	Amended and Restated Memorandum of Association of Aircastle Limited (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 27, 2020).
3.2	Amended and Restated Bye-laws of Aircastle Limited (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on March 27, 2020).
3.3	Certificate of Designations, dated June 8, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 8, 2021).
4.1	Specimen Share Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 (Amendment No. 2) (No. 333-134669) filed on July 25, 2006).
4.2	Amended and Restated Shareholder Agreement, dated as of February 18, 2015, by and between Aircastle Limited and Marubeni Corporation (incorporated by reference to Exhibit 4.8 to the Company's Quarterly Report on Form 10-Q filed on May 6, 2015).
4.3	Amendment Agreement No. 1 to the Amended and Restated Shareholder Agreement, dated as of September 23, 2016, by and between Aircastle Limited and Marubeni Corporation (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 26, 2016).
4.4	Indenture, dated as of December 5, 2013, by and between Aircastle Limited and Wells Fargo Bank, National Association, as trustee, Citigroup Global Markets, Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC and RBC Capital Markets, LLC (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 6, 2013).
4.5	Seventh Supplemental Indenture, dated as of June 13, 2019, between Aircastle Limited and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 13, 2019).
4.6	Indenture, dated as of August 11, 2020, by and between Aircastle Limited and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 11, 2020).
4.7	Indenture, dated as of January 26, 2021, by and between Aircastle Limited and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 26, 2021).
4.8	Description of Aircastle Limited's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.13 to the Company's Annual Report on Form 10-K filed on February 13, 2020).
4.9	Deposit Agreement, dated June 8, 2021, among Aircastle Limited, Computershare Inc. and Computershare Trust Company, N.A., acting jointly as depositary, and the holders from time to time of depositary receipts issued thereunder (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 8, 2021).
4.10	Indenture, dated as of July 18, 2023, between Aircastle Limited and Computershare Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 18, 2023).
4.11	Indenture, dated as of January 22, 2024, between Aircastle Limited and Computershare Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 22, 2024).
4.12	Indenture, dated as of July 18, 2024, among Aircastle Limited, Aircastle (Ireland) Designated Activity Company and Computershare Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 18, 2024).
4.13	Guarantee Supplemental Indenture (6.500% Senior Notes due 2028), dated as of July 18, 2024, among Aircastle Limited, Aircastle (Ireland) Designated Activity Company and Computershare Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.12 to the Company's Quarterly Report on Form 10-Q filed on October 10, 2024).

Exhibit No.	Description of Exhibit
4.14	Guarantee Supplemental Indenture (4.250% Senior Notes due 2026), dated as of July 18, 2024, among Aircastle Limited, Aircastle (Ireland) Designated Activity Company and Computershare Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.13 to the Company's Quarterly Report on Form 10-Q filed on October 10, 2024).
4.15	Guarantee Supplemental Indenture (5.250% Senior Notes due 2025), dated as of July 18, 2024, among Aircastle Limited, Aircastle (Ireland) Designated Activity Company and Computershare Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.14 to the Company's Quarterly Report on Form 10-Q filed on October 10, 2024).
4.16	Guarantee Supplemental Indenture (5.950% Senior Notes due 2029), dated as of July 18, 2024, among Aircastle Limited, Aircastle (Ireland) Designated Activity Company and Computershare Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.15 to the Company's Quarterly Report on Form 10-Q filed on October 10, 2024).
4.17	Guarantee Supplemental Indenture (2.850% Senior Notes due 2028), dated as of July 18, 2024, among Aircastle Limited, Aircastle (Ireland) Designated Activity Company and Computershare Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.16 to the Company's Quarterly Report on Form 10-Q filed on October 10, 2024).
4.18	Indenture, dated as of January 31, 2025, among Aircastle Limited, Aircastle (Ireland) Designated Activity Company and Computershare Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 31, 2025).
10.1	Form of Employment Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 8, 2017). #
10.2	Form of Amendment to Executive Employment Agreement (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K filed on February 13, 2020). #
10.3	Form of Amended and Restated Indemnification Agreement with directors and officers (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 8, 2011).
10.4	Registration Rights Agreement, dated as of April 4, 2012, by and among Aircastle Limited and Goldman, Sachs & Co., Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, as representatives of the several Initial Purchasers named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 5, 2012).
10.5	Share Purchase Agreement, dated as of August 7, 2012, by and among Aircastle Limited and the Fortress Shareholders named therein (incorporated by reference to Exhibit 1.2 to the Company's Current Report on Form 8-K filed on August 13, 2012).
10.6	Registration Rights Agreement, dated as of November 30, 2012, by and among Aircastle Limited and J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Goldman, Sachs & Co and RBC Capital Markets, LLC, as representatives of the several Initial Purchasers named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 30, 2012).
10.7	Aircastle Limited Amended and Restated 2014 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed on May 25, 2017). #
10.8	Purchase Agreement COM0270-15, dated as of June 12, 2015, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on August 6, 2015). Ø
10.9	Amendment No. 1 to Purchase Agreement COM0270-15, dated as of June 22, 2016, by and between Aircastle Holding Corporation and Embraer S. A. (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K filed on February 14, 2017). Ø
10.10	Amendment No. 2 to Purchase Agreement COM0270-15, dated as of November 11, 2016, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K filed on February 14, 2017). Ø
10.11	Amendment No. 3 to Purchase Agreement COM0270-15, dated as of January 13, 2017, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K filed on February 14, 2017). Ø

Exhibit No.	Description of Exhibit
10.12	Amendment No. 4 to Purchase Agreement COM0270-15, dated as of August 11, 2017, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on November 2, 2017). Ø
10.13	Amendment No. 5 to Purchase Agreement COM0270-15, dated as of April 19, 2018, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2018). Ø
10.14	Amendment No. 6 to Purchase Agreement COM0270-15, dated as of June 29, 2018, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 1, 2018). Ø
10.15	Amendment No. 7 to Purchase Agreement COM0270-15, dated as of February 5, 2019, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 2, 2019). ØØ
10.16	Amendment No. 8 to Purchase Agreement COM0270-15, dated as of October 24, 2019, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K filed on February 13, 2020). ØØ
10.17	Amendment No. 9 to Purchase Agreement COM0270-15, dated as of August 28, 2020, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on October 13, 2021). ØØ
10.18	Amendment No. 10 to Purchase Agreement COM0270-15, dated as of September 18, 2020, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on October 13, 2021). ØØ
10.19	Amendment No. 11 to Purchase Agreement COM0270-15, dated as of December 4, 2020, by and between Aircastle Holding Corporation and Yaborã Indústria Aeronáutics S.A. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on October 13, 2021). ØØ
10.20	Amendment No. 12 to Purchase Agreement COM0270-15, dated as of June 2, 2021, by and between Aircastle Holding Corporation and Yaborã Indústria Aeronáutics S.A. (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on October 13, 2021). ØØ
10.21	Amendment No. 13 to Purchase Agreement COM0270-15, dated as of September 2, 2021, by and between Aircastle Holding Corporation, Embraer S.A. and Yaborã Indústria Aeronáutics S.A. (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K filed on April 28, 2022). ØØ
10.22	Amendment No. 14 to Purchase Agreement COM0270-15, dated as of September 17, 2021, by and between Aircastle Holding Corporation, Embraer S.A. and Yaborã Indústria Aeronáutics S.A. (incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K filed on April 28, 2022). ØØ
10.23	Amendment No. 15 to Purchase Agreement COM0270-15, dated as of December 3, 2021, by and between Aircastle Holding Corporation, Embraer S.A. and Yaborã Indústria Aeronáutics S.A. (incorporated by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K filed on April 28, 2022). ØØ
10.24	Amendment No. 16 to Purchase Agreement COM0270-15, dated as of February 9, 2022, by and between Aircastle Holding Corporation, Embraer S.A. and Yaborã Indústria Aeronáutics S.A. (incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K filed on April 28, 2022). ØØ
10.25	Amendment No. 17 to Purchase Agreement COM0270-15, dated as of August 24, 2022 (Amendment No. 17), by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on October 12, 2022). ** ØØ
10.26	Amendment No. 18 to Purchase Agreement COM0270-15, dated as of December 8, 2022 (Amendment No. 18), by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on January 12, 2023). ** ØØ
10.27	Amendment No. 19 to Purchase Agreement COM0270-15, dated as of April 18, 2023 (Amendment No. 19), by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on July 12, 2023). ** ØØ
10.28	Amendment No. 22 to Purchase Agreement COM0270-15, dated as of May 28, 2024 (Amendment No. 22), by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on July 11, 2024). ** ØØ

Exhibit No.	Description of Exhibit
10.29	Amendment No. 23 to Purchase Agreement COM0270-15, dated as of July 23, 2024 (Amendment No. 23), by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on October 10, 2024). ** ØØ
10.30	Amendment No. 24 to Purchase Agreement COM0270-15, dated as of January 6, 2025 (Amendment No. 24), by and between Aircastle Holding Corporation and Embraer S.A. * ** ØØ
10.31	Amendment No. 1 to Letter Agreement COM0271-15 in Purchase Agreement COM0270-15, dated as of November 11, 2016, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K filed on February 14, 2017). Ø
10.32	Amendment No. 2 to Letter Agreement COM0271-15 in Purchase Agreement COM0270-15, dated as of August 11, 2017, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on November 2, 2017). Ø
10.33	Amendment No. 3 to Letter Agreement COM0271-15 in Purchase Agreement COM0270-15, dated as of February 23, 2018, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2018). Ø
10.34	Amendment No. 4 to Letter Agreement COM271-15 in Purchase Agreement COM0270-15, dated as of April 19, 2018, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2018). Ø
10.35	Amendment No. 5 to Letter Agreement COM0270-15, dated as of October 24, 2019, by and between Aircastle Holding Corporation and Embraer S.A. (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K filed on February 13, 2020). ØØ
10.36	Amendment No. 6 to Letter Agreement COM0270-15, dated as of December 4, 2020, by and between Aircastle Holding Corporation and Yaborã Indústria Aeronáutics S.A. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on October 13, 2021). ØØ
10.37	Amendment No. 7 to Letter Agreement COM0270-15, dated as of December 3, 2021, by and between Aircastle Holding Corporation, Embraer S.A. and Yaborã Indústria Aeronáutics S.A. (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K filed on April 28, 2022). ØØ
10.38	Notice and Consent COM0439-19, dated as of September 18, 2020, between Aircastle Holding Corporation, Embraer S.A. and Yaborã Indústria Aeronáutics S.A. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on October 13, 2021). ^ ØØ
10.39	Voting and Support Agreement, dated as of November 5, 2019, by and among Aircastle Limited, Marubeni Corporation, Marubeni Aviation Corporation and Marubeni Aviation Holding Coöperatief U.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 7, 2019).
10.40	Form of Indemnification Agreement with directors and officers (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 27, 2020).
10.41	Subscription Agreement, dated July 5, 2023, by and among Aircastle Limited, MM Air Ltd. and Marubeni Aviation Holdings Coöperatief U.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 7, 2023).
10.42	Amendment Agreement to the Seventh Amended and Restated Credit Agreement, dated as of February 8, 2024, by and among Aircastle Limited, the several lenders from time to time parties thereto, and Citibank N.A., in its capacity as agent for the lenders (incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K filed on April 25, 2024). *
10.43	Retirement and Consulting Agreement, dated October 21, 2024, by and between Aircastle Advisor LLC and Christopher L. Beers (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on January 10, 2025). ** ØØ #
21.1	Subsidiaries of the Subsidiaries of the Registrant. *
31.1	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002. *
31.2	Certification by the Chief Financial Officer 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 of 2002. *

Exhibit No.	Description of Exhibit
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 Act of 2002. *
101	The following materials from the Company's Annual Report on Form 10-K for the year ended February 28, 2025, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of February 28, 2025 and February 29, 2024; (ii) Consolidated Statements of Income and Comprehensive Income for the years ended February 28, 2025, February 29, 2024 and February 28, 2023; (iii) Consolidated Statements of Cash Flows for the years ended February 28, 2025, February 29, 2024 and February 28, 2023; (iv) Consolidated Statements of Changes in Shareholders' Equity for the years ended February 28, 2025, February 29, 2024 and February 28, 2023; and (v) Notes to Consolidated Financial Statements*
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

#	Management contract or compensatory plan or arrangement.
*	Filed herewith.
**	Certain attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K.
Ø	Portions of this exhibit have been omitted pursuant to a request for confidential treatment.
^	Certain schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted schedules to the SEC upon request.
ØØ	Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

ITEM 16. FORM 10-K SUMMARY

None.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Aircastle Limited and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Aircastle Limited and subsidiaries (the Company) as of February 28, 2025 and February 29, 2024, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended February 28, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at February 28, 2025 and February 29, 2024, and the results of its operations and its cash flows for each of the three years in the period ended February 28, 2025, 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 and in accordance with auditing standards generally accepted in the United States of America. 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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 provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the 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 financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the 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 account or disclosure to which it relates.

Accounting for Income Tax

Description of the Matter

The Company is incorporated in Bermuda and leases its aircraft within over 40 countries. The Company's income is subject to U.S. federal, state and local income taxes, as well as foreign income tax in many of the jurisdictions it leases aircraft. As more fully described in Note 11 to the consolidated financial statements, the Company recognized a consolidated provision for income taxes of $22 million for the year ended February 28, 2025.

Auditing the Company's income tax accounting was especially challenging due to the international tax structure maintained by the Company. Specifically, the auditing of the application of changes in tax law and transactions to transfer, buy or sell aircraft in foreign jurisdictions required increased auditor effort, including the use of tax professionals with specialized skills, to evaluate the Company's application of the tax laws in relevant jurisdictions and the related income tax.

How We Addressed the Matter in Our Audit

To test the Company's application of tax laws in relevant jurisdictions and the related income tax, we performed audit procedures that included, among others, understanding the Company's tax structure as it relates to current leases through review of its organization chart and various lease documents. We evaluated the Company's treatment of tax law changes, if any, in the foreign jurisdictions it operates to current tax laws. We also obtained, and assessed the completeness of, a list of transactions to transfer, purchase and sell aircraft during the period and evaluated the tax treatment of certain transactions through review of the lease documents and our assessment of the tax law. Our audit procedures were performed with the assistance of our tax professionals with specialized skills and knowledge.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2004.

Stamford, CT

April 23, 2025

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

	February 28/29,	
	2025	2024
ASSETS		
Cash and cash equivalents	$ 279,052	$ 129,977
Accounts receivable	9,662	12,518
Flight equipment held for lease, net	7,644,867	6,940,502
Net investment in leases, net	257,249	282,439
Unconsolidated equity method investment	45,813	42,710
Other assets	273,521	271,807
Total assets	$ 8,510,164	$ 7,679,953
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Borrowings from secured financings, net	$ 502,609	$ 875,397
Borrowings from unsecured financings, net	4,452,781	3,823,099
Accounts payable, accrued expenses and other liabilities	295,132	219,588
Lease rentals received in advance	68,120	52,654
Security deposits	82,477	69,544
Maintenance payments	583,658	505,897
Total liabilities	5,984,777	5,546,179
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, 2025 and February 29, 2024	—	—
Common shares, $0.01 par value, 250,000,000 shares authorized, 17,840 and 15,564 shares issued and outstanding at February 28, 2025 and February 29, 2024, respectively	—	—
Additional paid-in capital	2,378,774	2,078,774
Retained earnings	146,613	55,000
Total shareholders' equity	2,525,387	2,133,774
Total liabilities and shareholders' equity	$ 8,510,164	$ 7,679,953

The accompanying notes are an integral part of these consolidated financial statements.

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

	Year Ended February 28/29,		
	2025	**2024**	**2023**
Revenues:			
Lease rental revenue	$ 652,379	$ 603,571	$ 586,508
Direct financing and sales-type lease revenue	21,295	16,503	9,030
Amortization of lease premiums, discounts and incentives	(21,682)	(20,420)	(20,574)
Maintenance revenue	90,490	132,179	138,099
Total lease revenue	742,482	731,833	713,063
Gain on sale or disposition of flight equipment	77,191	121,646	70,860
Other revenue	1,302	1,937	12,110
Total revenues	820,975	855,416	796,033
Operating expenses:			
Depreciation	355,666	348,229	332,663
Interest, net	247,923	229,050	204,606
Selling, general and administrative	86,416	82,127	76,857
Provision for credit losses	8,715	12,081	1,507
Impairment of flight equipment	19,391	55,240	85,623
Maintenance and other costs	16,938	29,884	22,196
Total operating expenses	735,049	756,611	723,452
Other income (expense):			
Gain (loss) on extinguishment of debt	285	—	(636)
Other	56,247	5,571	14,092
Total other income	56,532	5,571	13,456
Income from continuing operations before income taxes and earnings of unconsolidated equity method investment	142,458	104,376	86,037
Income tax provision	21,948	23,265	25,466
Earnings of unconsolidated equity method investment, net of tax	3,103	2,205	2,188
Net income	$ 123,613	$ 83,316	$ 62,759
Preference share dividends	(21,000)	(21,000)	(21,000)
Net income available to common shareholders	$ 102,613	$ 62,316	$ 41,759
Total comprehensive income available to common shareholders	$ 102,613	$ 62,316	$ 41,759

The accompanying notes are an integral part of these consolidated financial statements.

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

	Year Ended February 28/29,		
	2025	**2024**	**2023**
Cash flows from operating activities:			
Net income	$ 123,613	$ 83,316	$ 62,759
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	355,666	348,229	332,663
Amortization of deferred financing costs	17,033	17,090	14,338
Amortization of lease premiums, discounts and incentives	21,682	20,420	20,574
Deferred income taxes	17,550	20,053	13,690
Collections on net investments in leases	7,628	3,557	6,505
Security deposits, maintenance payments and insurance settlements included in earnings	(59,959)	(54,373)	(66,194)
Gain on sale or disposition of flight equipment	(77,191)	(121,646)	(70,860)
(Gain) loss on extinguishment of debt	(285)	—	636
Impairment of aircraft	19,391	55,240	85,623
Provision for credit losses	8,715	12,081	1,507
Other	(3,188)	(2,512)	(2,211)
Changes on certain assets and liabilities:			
Accounts receivable	(6,984)	(443)	17,338
Other assets	13,532	(9,317)	(12,510)
Accounts payable, accrued expenses and other liabilities	7,475	(15,907)	4,278
Lease rentals received in advance	19,343	14,466	29,601
Net cash and restricted cash provided by operating activities	464,021	370,254	437,737
Cash flows from investing activities:			
Acquisition and improvement of flight equipment	(1,588,197)	(1,240,183)	(994,040)
Proceeds from sale or disposition of flight equipment	565,921	361,826	426,454
Proceeds from settlement of insurance claims	49,500	—	—
Aircraft purchase deposits and progress payments, net of returned deposits and aircraft sales deposits	4,157	5,650	28,393
Other	(1,613)	(6,408)	1,319
Net cash and restricted cash used in investing activities	(970,232)	(879,115)	(537,874)
Cash flows from financing activities:			
Proceeds from issuance of common shares	300,000	200,000	—
Proceeds from secured and unsecured debt financings	1,702,048	2,029,750	493,848
Repayments of secured and unsecured debt financings	(1,452,340)	(1,917,744)	(420,372)
Deferred financing costs	(9,849)	(25,035)	(13,242)
Debt extinguishment costs	285	—	(310)
Security deposits and maintenance payments received	152,521	159,792	142,699
Security deposits and maintenance payments returned	(16,379)	(18,786)	(20,307)
Dividends paid	(21,000)	(21,000)	(21,000)
Net cash and restricted cash provided by financing activities	655,286	406,977	161,316
Net increase (decrease) in cash and restricted cash	149,075	(101,884)	61,179
Cash and restricted cash at beginning of year	129,977	231,861	170,682
Cash and restricted cash at end of year	$ 279,052	$ 129,977	$ 231,861

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

	Year Ended February 28/29,		
	2025	**2024**	**2023**
Supplemental disclosures of cash flow information:			
Cash paid during the year for interest	$ 233,284	$ 240,715	$ 193,283
Cash paid during the year for income taxes	$ 4,170	$ 5,135	$ 9,511
Supplemental disclosures of non-cash investing activities:			
Advance lease rentals, security deposits, maintenance payments, other liabilities and other assets settled in sale of flight equipment	$ 113,641	$ 55,046	$ 50,758
Advance lease rentals, security deposits, maintenance payments, other liabilities and other assets assumed in asset acquisitions	$ 77,976	$ 28,350	$ 10,810
Transfers from Flight equipment held for lease, net to Net investment in leases, net and Other assets	$ 54,151	$ 220,648	$ 1,695
Acquisition of investments, at fair value	$ —	$ —	$ 10,819

The accompanying notes are an integral part of these consolidated financial statements.

Aircastle Limited and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
(Dollars in thousands, except share amounts)

	Common Shares		Preference Shares		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			
Balance, February 28, 2022	14,048	$ —	400	$ —	$ 1,878,774	$ (49,075)	$ 1,829,699
Preference share dividends	—	—	—	—	—	(21,000)	(21,000)
Net income	—	—	—	—	—	62,759	62,759
Balance, February 28, 2023	14,048	$ —	400	$ —	$ 1,878,774	$ (7,316)	$ 1,871,458
Issuance of common shares	1,516	—	—	—	200,000	—	200,000
Preference share dividends	—	—	—	—	—	(21,000)	(21,000)
Net income	—	—	—	—	—	83,316	83,316
Balance, February 29, 2024	15,564	$ —	400	$ —	$ 2,078,774	$ 55,000	$ 2,133,774
Issuance of common shares	2,276	—	—	—	300,000	—	300,000
Preference share dividends	—	—	—	—	—	(21,000)	(21,000)
Common share dividends	—	—	—	—	—	(11,000)	(11,000)
Net income	—	—	—	—	—	123,613	123,613
Balance, February 28, 2025	17,840	$ —	400	$ —	$ 2,378,774	$ 146,613	$ 2,525,387

The accompanying notes are an integral part of these consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Organization

Aircastle Limited ("Aircastle," the "Company," "we," "us" or "our") is a Bermuda company that was incorporated on October 29, 2004 under the provisions of Section 14 of the Companies Act of 1981 of Bermuda. Aircastle's business is acquiring, leasing, managing and selling commercial jet aircraft.

The Company is controlled by affiliates of Marubeni Corporation ("Marubeni") and Mizuho Leasing Company, Limited ("Mizuho Leasing" and, together with Marubeni, our "Shareholders").

Aircastle is a holding company and conducts its business through subsidiaries that are wholly-owned, either directly or indirectly, by Aircastle.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements presented are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and include the accounts of Aircastle and all its subsidiaries, including any Variable Interest Entity ("VIE") of which Aircastle is the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation.

The Company's management has reviewed and evaluated all events or transactions for potential recognition and/or disclosure subsequent to the balance sheet date of February 28, 2025, through the date on which the consolidated financial statements included in this Annual Report were issued.

Segment Reporting

We manage and analyze our business and report our results of operations based on one operating and reportable segment: leasing, financing, selling and managing commercial flight equipment. Our Chief Executive Officer is the chief operating decision maker (the "CODM"). As a single reportable segment entity, the CODM utilizes consolidated net income to evaluate segment performance and allocate resources. The significant segment expenses and other segment items, such as total assets, that are provided to the CODM align with expense information that is included in the Company's consolidated balance sheets and statements of income.

Risk and Uncertainties

In the normal course of business, Aircastle encounters several significant types of economic risk, including credit, market, aviation industry and capital market risks. Credit risk is the risk of a lessee's inability or unwillingness to make contractually required payments and to fulfill its other contractual obligations to Aircastle. Market risk reflects the change in the value of financings due to changes in interest rate spreads or other market factors, including the value of collateral underlying financings. Aviation industry risk is the risk of a downturn in the commercial aviation industry which could adversely impact a lessee's ability to make payments, increase the risk of early lease terminations and depress lease rates and the value of the Company's aircraft. 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.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. While Aircastle believes the estimates and related assumptions used in the preparation of the consolidated financial statements are appropriate, actual results could differ from those estimates.

Cash and Cash Equivalents

Aircastle considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Virtually all our cash and cash equivalents are held or managed by five major financial institutions.

Flight Equipment Held for Lease and Depreciation

Flight equipment held for lease is stated at cost and depreciated using the straight-line method, typically over a 25-year life from the date of manufacture for passenger aircraft and over a 30 to 35-year life for freighter aircraft, depending on whether the aircraft is a converted or purpose-built freighter, to estimated residual values. Estimated residual values are generally determined to be 15% of the manufacturer's estimated realized price for passenger aircraft when new and 5% to 10% for freighter aircraft when new. Management may make exceptions to this policy on a case-by-case basis when, in its judgment, the residual value calculated pursuant to this policy does not appear to reflect current expectations of value. Examples of situations where exceptions may arise include but are not limited to:

- flight equipment where estimates of the manufacturer's realized sales prices are not relevant (e.g., freighter conversions);
- flight equipment where estimates of the manufacturer's realized sales prices are not readily available; and
- flight equipment which may have a shorter useful life due to obsolescence.

Major improvements and modifications incurred in connection with the acquisition of aircraft that are required to get the aircraft ready for initial service are capitalized and depreciated over the remaining life of the flight equipment.

For planned major maintenance activities for aircraft off-lease, the Company capitalizes the actual maintenance costs by applying the deferral method. Under the deferral method, we capitalize the actual cost of major maintenance events, which are typically depreciated on a straight-line basis over the period until the next maintenance event is required.

In accounting for flight equipment held for lease, we make estimates about the expected useful lives, the fair value of attached leases, acquired maintenance assets or liabilities and the estimated residual values. In making these estimates, we rely upon actual industry experience with the same or similar aircraft types and our anticipated lessee's utilization of the aircraft.

For purchase lease-back transactions, we account for the transaction as a single arrangement. We allocate the consideration paid based on the fair value of the aircraft and lease. The fair value of the lease may include a maintenance premium and a lease premium or discount.

When we acquire an aircraft with a lease, determining the fair value of attached leases requires us to make assumptions regarding the current fair values of leases for specific aircraft. We estimate a range of current lease rates of like aircraft in order to determine if the attached lease is within a fair value range. If a lease is below or above the range of current lease rates, we present value the estimated amount below or above the fair value range over the remaining term of the lease. The resulting lease discount or premium is amortized into lease revenue over the remaining term of the lease.

Impairment of Flight Equipment

We perform a recoverability test of all aircraft and other flight equipment on a quarterly and annual basis. We perform a customer or aircraft specific recoverability test whenever events or changes in circumstances, or indicators, suggest 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 change in an aircraft type's storage levels, the introduction of newer technology aircraft or engines, an aircraft type is no longer in production or a significant airworthiness directive is issued. We focus on aircraft with near-term lease expirations, customers that have entered

judicial insolvency proceedings and any additional customers that may become subject to similar-type proceedings, and certain other customers or aircraft variants that are more susceptible to value deterioration.

For assets with indicators of impairment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceed its net book value. The undiscounted cash flows consist of cash flows from currently contracted lease rental and maintenance payments, future projected lease rates and maintenance payments, transition costs, estimated down time, and estimated residual or scrap values for an aircraft. In the event that an aircraft does not meet the recoverability test, the aircraft will be adjusted to fair value, resulting in an impairment charge.

Our assumptions are based on current and future expectations of the global demand for a particular aircraft type and historical experience in the aircraft leasing market and aviation industry, as well as information received from third party industry sources. The factors considered in estimating the undiscounted cash flows are impacted by changes in future periods due to changes in projected lease rental and maintenance payments, residual values, economic conditions, technology, airline demand for a particular aircraft type and other factors, such as the location of the aircraft and accessibility to records and technical documentation.

If our estimates or assumptions change, we may revise our cash flow assumptions and record future impairment charges. While we believe that the estimates and related assumptions used in our recoverability assessments are appropriate, actual results could differ from those estimates.

Net Investment in Leases

If a lease meets specific criteria at lease commencement or at the effective date of a lease modification, we recognize the lease as a direct financing or sales-type lease. The net investment in direct financing and sales-type leases consists of the lease receivable, estimated unguaranteed residual value of the leased flight equipment at lease-end and, for direct financing leases, deferred selling profit. For sales-type leases, we recognize the difference between the net book value of the aircraft and the net investment in the lease as a gain or loss on sale of flight equipment. Selling profit on a direct financing lease is deferred and amortized over the lease term, and a selling loss is recognized at lease commencement. Interest income on our net investment in leases is recognized as direct financing and sales-type leases revenue over the lease term in a manner that produces a constant rate of return on the net investment in the lease.

The net investment in leases is recorded net of an allowance for credit losses. The allowance for credit losses is recorded upon the initial recognition of the net investment in the lease based on the Company's estimate of expected credit losses over the lease term. The allowance reflects the Company's estimate of lessee default probabilities and loss given default percentages. When determining the credit loss allowance, we consider relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the net investment in the lease. The allowance also considers potential losses due to non-credit risk related to unguaranteed residual values. A provision for credit losses is recorded as a component of operating expenses to adjust the allowance for changes to management's estimate of expected credit losses.

Unconsolidated Equity Method Investment

We have an unconsolidated equity method investment in an aircraft leasing entity that is accounted for using the equity method as we do not exercise control over the entity. Under the equity method, the investment is initially recorded at cost and the carrying amount is affected by our share of the unconsolidated equity method investment's undistributed earnings and losses and distributions of dividends and capital. The investment may also reflect an equity loss in the event that circumstances indicate an other-than-temporary impairment.

Security Deposits

Most of our operating leases require the lessee to pay Aircastle a security deposit or provide a letter of credit. Security deposits represent cash received from the lessee that is held on deposit until lease expiration or termination. If a lease is terminated, we recognize security deposits in excess of outstanding lease payments as other revenue.

Maintenance Payments

Typically, the lessee will be responsible for performing maintenance on the aircraft and will be required to make payments to us for heavy maintenance, overhaul or replacement of certain high-value components of the aircraft. These maintenance payments are based on hours or cycles of utilization or on calendar time, depending upon the component, and would be made either monthly in arrears or at the end of the lease term. Our determination of whether to require such payments to be made monthly or to permit a lessee to make a single maintenance payment at the end of the lease term depends on a variety of factors, including the creditworthiness of the lessee, the level of security deposit which may be provided by the lessee and market conditions at the time we enter into the lease. 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, usually following completion of the relevant work. If a lessee makes a single end of lease maintenance payment, the lessee would be required to pay us for its utilization of the aircraft during the lease. In some cases, however, we may owe a net payment to the lessee in the event heavy maintenance is performed and paid for by the lessee during the lease term and the aircraft is returned to us in better condition than at lease inception.

We record monthly maintenance payments by the lessee as accrued maintenance payments liabilities in recognition of our obligation in the lease to refund such receipts, and therefore we typically do not recognize such maintenance payments as maintenance revenue during the lease. Reimbursements to the lessee upon the receipt of evidence of qualifying maintenance work are charged against the existing accrued maintenance payments liability. We currently defer maintenance revenue recognition of most monthly maintenance payments until we are able to determine the amount, if any, by which the monthly maintenance payments received from a lessee exceed costs to be incurred by that lessee in performing heavy maintenance, which generally occurs at or near the end of the lease. End of lease term maintenance payments made to us are recognized as maintenance revenue, and end of lease term maintenance payments we make to a lessee are recorded as contra maintenance revenue.

Lease Incentives and Amortization

Many of our leases contain provisions that may require us to pay a portion of the lessee's costs for heavy maintenance, overhaul or replacement of certain high-value components. We account for these expected payments as lease incentives, which are amortized as a reduction of revenue over the life of the lease. We estimate the amount of our portion for such costs, typically for the first major maintenance event for the airframe, engines, landing gear and auxiliary power units, expected to be paid to the lessee based on assumed utilization of the related aircraft by the lessee, the anticipated amount of the maintenance event cost and the estimated amounts the lessee is responsible to pay. The assumptions supporting these estimates are reevaluated annually.

This estimated lease incentive is not recognized as a lease incentive liability at the inception of the lease. We recognize the lease incentive as a reduction of lease revenue on a straight-line basis over the life of the lease, with the offset being recorded as a lease incentive liability which is included in maintenance payments on the balance sheet. The payment to the lessee for the lease incentive liability is first recorded against the lease incentive liability, and any excess above the lease incentive liability is recorded as a prepaid lease incentive asset, which is included in other assets on the balance sheet and continues to amortize over the remaining life of the lease.

Lease acquisition costs related to reconfiguration of the aircraft cabin, other lessee specific modifications and other direct costs are capitalized and amortized into revenue over the initial life of the lease, assuming no lease renewals, and are included in other assets.

Income Taxes

The Company records an income tax provision in accordance with the various tax laws for those jurisdictions within which our transactions occur. Aircastle uses an asset and liability based approach in accounting for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement and tax basis of existing assets and liabilities using enacted rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount estimated by us to be realizable. The Company recognizes the tax benefit from an

uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. We did not have any unrecognized tax benefits.

Fair Value Measurements

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We measure the fair value of our cash and cash equivalents and certain of our investments in debt and equity securities on a recurring basis and measure the fair value of our aircraft and investment in unconsolidated joint venture on a non-recurring basis. See Note 2.

Lease Revenue Recognition

We lease flight equipment under net operating leases with lease terms typically ranging from 3 to 7 years. We generally do not offer renewal terms or purchase options in our leases, although certain of our operating leases allow the lessee the option to extend the lease for an additional term. Operating leases with fixed rentals and step rentals are recognized on a straight-line basis over the term of the initial lease, assuming no renewals.

In certain instances, we may provide lease concessions to customers, generally in the form of lease rental deferrals. While these deferral arrangements affect the timing of lease rental payments, the total amount of lease rental payments required over the lease term is generally the same as that which was required under the original lease agreement. We account for the deferrals as if no modifications to the lease agreements were made and record the deferred rentals as a receivable within other assets.

Should we determine that the collectability of rental payments is no longer probable, including any deferral thereof, we will recognize lease rental revenue using a cash basis of accounting rather than an accrual method. In the period we conclude that collection of lease payments is no longer probable, we recognize any difference between revenue amounts recognized to date under the accrual method and payments that have been collected from the lessee, including security deposit amounts held, as a current period adjustment to lease rental revenue.

Comprehensive Income

Comprehensive income consists of net income and other gains and losses, net of income taxes, if any, affecting shareholders' equity that, under U.S. GAAP, are excluded from net income.

Deferred Financing Costs

Deferred financing costs, which are included in borrowings from secured and unsecured financings, net, are amortized using the interest method for amortizing loans over the lives of the relevant related debt.

Recent Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires all public entities, including single reportable segment entities, to provide the segment measures of profitability used by the CODM to allocate resources and assess performance in interim and annual periods. The standard also requires disclosure of significant segment expenses and other segment items that are regularly provided to the CODM. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 using the retrospective method. We adopted the standard during the year ended February 28, 2025, which did not have a material impact on our consolidated financial statements; see Note 1.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASC 740"). ASC 740 enhances the transparency of income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The standard requires disclosure of specific categories in the rate reconciliation, using both percentages and reporting currency amounts, as well as disclosure of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign taxes and individual jurisdictions. The standard is effective

for annual periods beginning after December 15, 2024 and should be applied on a prospective basis. We are currently evaluating the standard; however, it is not expected to have a material impact on our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This standard requires entities to provide additional disclosure around certain costs and expenses presented within the Income Statement. This standard aims to improve the disclosures around the entity's expenses and address requests from investors for more detailed information about the types of expenses. The standard is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The Company does not anticipate that the adoption of the standard will have a material impact on its consolidated financial statements or related disclosures.

Note 2. 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 us to develop our 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:

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- The income approach uses valuation techniques to convert future amounts to a single present amount based on current market expectation about those future amounts.
- The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Assets Measured at Fair Value on a Recurring Basis

The following tables set forth our financial assets as of February 28, 2025 and February 29, 2024, that we measured at fair value on a recurring basis by level within the fair value hierarchy. Assets measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement.

	Fair Value as of February 28, 2025	Fair Value Measurements at February 28, 2025 Using Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Valuation Technique
Assets:					
Cash and cash equivalents	$ 279,052	$ 279,052	$ —	$ —	Market
Investments, at fair value					
Investment in debt securities	$ 5,029	$ —	$ —	$ 5,029	Income
Investment in equity securities	4,883	985	—	3,898	Market/Income
Total investments, at fair value	$ 9,912	$ 985	$ —	$ 8,927	

	Fair Value as of February 29, 2024	Fair Value Measurements at February 29, 2024 Using Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Valuation Technique
Assets:					
Cash and cash equivalents	$ 129,977	$ 129,977	$ —	$ —	Market
Investments, at fair value					
Investment in debt securities	$ 5,029	$ —	$ —	$ 5,029	Income
Investment in equity securities	5,131	1,687	—	3,444	Market/Income
Total investments, at fair value	$ 10,160	$ 1,687	$ —	$ 8,473	

Our cash and cash equivalents consist largely of money market securities that are highly liquid and easily tradable. These securities are valued using inputs observable in active markets for identical securities (Level 1). Our investments in debt and equity securities consist of notes and shares received as a result of claims settlements from various airline customers that had entered into bankruptcy proceedings or similar-type restructurings. Our investment in equity securities that are traded in an active market have been valued using quoted market prices (Level 1). Our investments in other equity securities and debt securities for which there is no active market or there is limited market data have been valued using the income approach (Level 3).

For the years ended February 28, 2025 and February 29, 2024, we had no transfers into or out of Level 3.

Assets Measured at Fair Value on a Non-recurring Basis

We measure the fair value of certain assets and liabilities on a non-recurring basis, when U.S. GAAP requires the application of fair value, including events or changes in circumstances that indicate the carrying amounts of these assets may not be recoverable. Assets subject to these measurements include our aircraft and unconsolidated equity method investment.

We record aircraft at fair value when we determine the carrying value may not be recoverable. Fair value measurements for aircraft in impairment tests are based on the average of the market approach (Level 2 or 3), which includes third-party appraisal data, and an income approach (Level 3), which includes the Company's assumptions and appraisal data as to the present value of future cash proceeds from leasing and selling aircraft. Level 3 valuations contain significant non-observable inputs. See "Aircraft Valuation" below for further information.

We account for our unconsolidated equity method investment under the equity method of accounting. Our investment is recorded at cost and is adjusted by undistributed earnings and losses and the distributions of dividends and capital. This investment is reviewed for impairment whenever events or changes in circumstances indicate the fair value is less than its carrying value and the decline is other-than-temporary.

Financial Instruments

Our financial instruments, other than cash, consist principally of cash equivalents, accounts receivable, investments in debt and equity securities, accounts payable and secured and unsecured financings. The fair value of cash and cash equivalents, accounts receivable and accounts payable approximates the carrying value of these financial instruments because of their short-term nature.

The fair value of our investments, which consist of debt and equity securities, have been valued using either quoted market prices to the extent such securities are traded in an active market (Level 1), or using the income approach for those securities where there is no active market or there is limited market data (Level 3). The fair value of our senior notes is estimated using quoted market prices (Level 1), whereas all our other financings are valued using a discounted cash flow analysis, based on our current incremental borrowing rates for similar types of borrowing arrangements (Level 2).

The carrying amounts and fair values of our financial instruments at February 28, 2025 and February 29, 2024, were as follows:

	February 28/29,			
	2025		2024	
Assets	Carrying Amount of Asset	Fair Value of Asset	Carrying Amount of Asset	Fair Value of Asset
Investments, at fair value[1]	$ 9,912	$ 9,912	$ 10,160	$ 10,160
Other investments, net[2]	4,916	4,916	5,079	5,079
Liabilities	Carrying Amount of Liability	Fair Value of Liability	Carrying Amount of Liability	Fair Value of Liability
Credit Facilities	$ 150,000	$ 150,000	$ 20,000	$ 20,000
Term Financings	509,104	513,161	883,451	885,139
Senior Notes	4,350,000	4,387,341	3,850,000	3,738,146

(1) See Assets Measured at Fair Value on a Recurring Basis.

(2) We had a $4.1 million and $3.2 million allowance for credit losses on certain investments in debt securities that are carried at amortized cost as of February 28, 2025 and February 29, 2024, respectively – see Note 15.

Aircraft Valuation

Impairment of Flight Equipment

During the year ended February 28, 2025, the Company recorded impairment charges totaling $19.4 million, including $11.0 million of transactional impairments related to a scheduled lease expiration and an aircraft lease amendment. The Company recognized $24.0 million of maintenance revenue for these aircraft during the year ended February 28, 2025. Total impairment charges also included $8.4 million related to flight equipment that was recorded as a component of other assets and subject to tear-down and parts sales programs.

During the year ended February 29, 2024, the Company recorded impairments charges totaling $55.2 million. Of the total impairments, $39.5 million were transactional impairments related to scheduled aircraft lease expirations and engine redeliveries during the year ended February 29, 2024. The Company recognized $48.0 million of maintenance revenue for these aircraft and engines.

Recoverability Assessment

We perform a recoverability assessment of all aircraft and other flight equipment on a quarterly basis and annually during the third quarter of fiscal year 2024.

We perform a recoverability test when events or changes in circumstances, or indicators, suggest that the carrying amount or net book value of an aircraft or other flight equipment may not be recoverable. For assets with indicators of impairment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceed its net book value. The undiscounted cash flows consist of cash flows from currently contracted lease rentals and maintenance payments, future projected lease rates and maintenance payments, transition costs, estimated down time, and estimated residual or scrap values for an aircraft. In the event that an aircraft does not meet the recoverability test, the aircraft will be adjusted to fair value, resulting in an impairment charge.

Management assumptions are based on current and future expectations of the global demand for a particular aircraft type and historical experience in the aircraft leasing market and aviation industry, as well as information received from third-party industry sources. The factors considered in estimating the undiscounted cash flows are impacted by changes in future periods due to changes in projected lease rental and maintenance payments, residual values, economic conditions, technology, airline demand for a particular aircraft type and other factors, such as the location of the aircraft and accessibility to records and technical documentation.

If our estimates or assumptions change, including those related to our customers that have entered judicial insolvency proceedings or similar-type proceedings or restructurings, we may revise our cash flow assumptions and record future impairment charges. While we believe that the estimates and related assumptions used in our recoverability assessments are appropriate, actual results could differ from those estimates.

Note 3. Flight Equipment Held for Lease, Net

The following table summarizes the activities for the Company's flight equipment held for lease for the years ended February 28, 2025 and February 29, 2024:

	February 28/29,	
	2025	2024
Beginning balance	$ 6,940,502	$ 6,567,606
Additions	1,670,063	1,264,369
Depreciation	(353,395)	(347,297)
Disposals and transfers to net investment in leases and held for sale	(601,331)	(492,818)
Impairments	(10,972)	(51,358)
Ending balance	$ 7,644,867	$ 6,940,502
Accumulated depreciation	$ 2,163,084	$ 2,328,354

Russian Aircraft Insurance Settlements

The Company leased 9 aircraft to Russian airlines that were unrecoverable following Russia's invasion of Ukraine in February 2022. The Company filed claims against the reinsurers of the Russian airlines' insurance and the Company's contingent and possessed insurance policies ("C&P Policies") seeking indemnity.

During the fourth quarter of fiscal year 2024, the Company received cash proceeds of $49.5 million in settlement of the Company's claims against certain of the insurers under its C&P Policies. The settlement proceeds were recorded as a component of other income for the year ended February 28, 2025. The receipt of the insurance proceeds serve to mitigate in part, the Company's losses under its aviation insurance policies. We remain in settlement discussions with some of the remaining insurers under our C&P Policies. However, the collection, timing and amount of any future recoveries, including those related to insurance litigation, remain uncertain. Accordingly, at this time, the Company can give no assurance as to when or what amounts it may ultimately collect with respect to these matters.

During the year ended February 29, 2024, the Company received cash settlement proceeds of $43.2 million in settlement of the Company's claims under the insurance policies of Joint Stock Company Aurora Airlines and Joint Stock Company Rossiya Airlines (collectively, the "Airlines") in respect of 4 aircraft (collectively, the "Aircraft") formerly on lease to the Airlines, which has been recorded within gain on sale or disposition of flight equipment. The settlement resolves claims against the Airlines, their respective insurers, and transfers the Aircraft title to a Russian insurer.

Note 4. Lease Rental Revenues

Minimum future lease rentals contracted to be received under our existing operating leases of flight equipment at February 28, 2025 were as follows:

Year Ended February 28/29,	Amount[1]
2026	$ 706,174
2027	633,400
2028	530,198
2029	446,034
2030	362,417
Thereafter	941,765
Total	$ 3,619,988

(1) Reflects impact of lessee lease rental deferrals.

At February 28, 2025 and February 29, 2024, the amounts of lease incentive liabilities recorded in maintenance payments on the consolidated balance sheets were $34.8 million and $26.6 million, respectively.

Note 5. Net Investment in Leases, Net

At February 28, 2025 and February 29, 2024, our net investment in leases consisted of 14 and 15 aircraft, respectively. We sold 1 aircraft that was subject to a sales-type lease during the year ended February 28, 2025.

The components of our net investment in leases at February 28, 2025 and February 29, 2024 were as follows:

	February 28/29,	
	2025	2024
Lease receivable	$ 121,202	$ 142,983
Unguaranteed residual value of flight equipment	142,849	147,170
Net investment in leases	264,051	290,153
Allowance for credit losses	(6,802)	(7,714)
Net investment in leases, net	$ 257,249	$ 282,439

As of February 28, 2025, future lease payments on net investment in leases were as follows:

Year Ending February 28/29,	Amount
2026	$ 15,517
2027	25,260
2028	26,263
2029	25,994
2030	22,891
Thereafter	42,252
Total lease payments to be received	158,177
Present value of lease payments – lease receivable	(121,202)
Difference between undiscounted lease payments and lease receivable	$ 36,975

Note 6. Concentration of Risk

The classification of regions in the tables below is based on our customers' principal place of business.

The geographic concentration of our Net Book Value as of February 28, 2025 and February 29, 2024 was as follows:

	February 28/29,			
	2025		2024	
Region	Number of Aircraft	Net Book Value %	Number of Aircraft	Net Book Value %
Asia and Pacific	67	28 %	63	27 %
Europe	99	30 %	90	30 %
Middle East and Africa	11	5 %	9	5 %
North America	58	26 %	46	23 %
South America	29	11 %	32	14 %
Off-lease	1 (1)	— %	3	1 %
Total	265	100 %	243	100 %

(1) We currently have 1 narrow-body freighter aircraft that we are marketing for lease or sale.

The following table sets forth net book value of flight equipment attributable to individual countries representing at least 10% of net book value of flight equipment based on each lessee's principal place of business as of:

	February 28/29,					
	2025			2024		
Region	Net Book Value	Net Book Value %	Number of Lessees	Net Book Value	Net Book Value %	Number of Lessees
United States	$ 1,223,496	16%	7	$ 806,162	11%	5
India	1,046,978	14%	3	750,498	11%	4

The geographic concentration of our lease rental revenue earned from flight equipment held for lease was as follows:

	Year Ended February 28/29,		
Region	2025	2024	2023
Asia and Pacific	29 %	29 %	33 %
Europe	31 %	30 %	29 %
Middle East and Africa	4 %	4 %	5 %
North America	25 %	23 %	19 %
South America	11 %	14 %	14 %
Total	100 %	100 %	100 %

The following table shows the number of lessees with lease rental revenue of at least 5% of total lease rental revenue and their combined total percentage of lease rental revenue for the periods indicated:

	Year Ended February 28/29,					
	2025		2024		2023	
	Number of Lessees	Combined % of Lease Rental Revenue	Number of Lessees	Combined % of Lease Rental Revenue	Number of Lessees	Combined % of Lease Rental Revenue
Largest lessees by lease rental revenue	3	20%	3	21%	3	21%

For the year ended February 28, 2025, total revenue attributable to the United States, Spain and India was 15%, 10% and 10%, respectively. Total revenue attributable to the United States and Spain included $37.8 million and $40.5 million, respectively, from gains on sale or disposition of flight equipment and maintenance revenue.

For the year ended February 29, 2024, no single country comprised 10% or more of total revenue.

For the year ended February 28, 2023, total revenue attributable to the United States and India was 15% and 12%, respectively, and was partially driven by maintenance and other revenue and gains on sale of aircraft.

Note 7. Unconsolidated Equity Method Investment

We have an equity method investment with Mizuho Leasing which has 8 aircraft with a net book value of $244.3 million at February 28, 2025.

	February 28/29,	
	2025	2024
Beginning balance	$ 42,710	$ 40,505
Earnings of unconsolidated equity method investment, net of tax	3,103	2,205
Ending balance	$ 45,813	$ 42,710

On October 29, 2024, we entered into a loan agreement to provide our equity method investee with a $4.5 million unsecured loan facility, which bears interest at a rate of Term SOFR (as defined in the credit agreement) plus 2% and is payable on October 29, 2025. This transaction was approved by our management as an arm's length transaction under our related party policy. On January 6, 2025, $3.5 million of the outstanding principle amount was repaid by our equity method investee.

Note 8. Borrowings from Secured and Unsecured Debt Financings

The outstanding amounts of our secured and unsecured term debt financings were as follows:

	At February 28, 2025				At February 29, 2024
Debt Obligation	Outstanding Borrowings	Number of Aircraft	Interest Rate	Final Stated Maturity	Outstanding Borrowings
Secured Debt Financings:					
Term Financings[(1)]	$ 509,104	21	2.36% to 6.67%	11/21/29 to 06/27/32	$ 883,451
Less: Debt issuance costs	(6,495)				(8,054)
Total secured debt financings, net of debt issuance costs and discounts	502,609				875,397
Unsecured Debt Financings:					
Senior Notes due 2024[(2)]	—		4.125%	05/01/24	500,000
Senior Notes due 2025	650,000		5.25%	08/11/25	650,000
Senior Notes due 2026	650,000		4.25%	06/15/26	650,000
2.850% Senior Notes due 2028	750,000		2.85%	01/26/28	750,000
6.500% Senior Notes due 2028	650,000		6.50%	07/18/28	650,000
Senior Notes due 2029	650,000		5.95%	02/15/29	650,000
Senior Notes due 2030	500,000		5.25%	03/15/30	—
Senior Notes due 2031	500,000		5.75%	10/01/31	—
Revolving Credit Facilities	150,000		5.67% to 6.60%	05/24/25 to 02/08/28	20,000
Less: Debt issuance costs and discounts	(47,219)				(46,901)
Total unsecured debt financings, net of debt issuance costs and discounts	4,452,781				3,823,099
Total secured and unsecured debt financings, net of debt issuance costs and discounts	$ 4,955,390				$ 4,698,496

(1) The borrowings under these financings at February 28, 2025 have a weighted-average fixed rate of interest of 5.85%.

(2) Repaid at their final stated maturity date.

Secured Debt Financings:

Term Financings

On August 28, 2024, we repaid in full the $206.3 million outstanding principal amount of one of our term financings secured by 8 aircraft, and $1.9 million of accrued interest. The secured term financing had a final stated maturity date of September 13, 2024, and we recognized a gain on the early extinguishment of debt of $0.3 million.

On December 27, 2024, we repaid in full the $60.6 million outstanding principal amount of one of our term financings secured by 7 aircraft, and $0.6 million of accrued interest, at its stated maturity date.

On February 28, 2025, we repaid in full the $79.7 million outstanding principal amount of one of our term financings secured by 3 aircraft, and $0.6 million of accrued interest. The secured term financing had a final stated maturity date of March 6, 2025.

Unsecured Debt Financings:

5.750% Senior Notes due 2031

On July 18, 2024, the Company and Aircastle (Ireland) Designated Activity Company ("AIDAC"), a wholly-owned subsidiary of the Company, issued $500.0 million aggregate principal amount of 5.750% Senior Notes due 2031 (the

"Senior Notes due 2031") at an issue price of 99.64%. The Senior Notes due 2031 will mature on October 1, 2031, and bear interest at a rate of 5.75% per annum, payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2025. Interest accrues on the Senior Notes due 2031 from July 18, 2024.

5.250% Senior Notes due 2030

On January 31, 2025, the Company and AIDAC issued $500.0 million aggregate principal amount of 5.250% Senior Notes due 2030 (the "Senior Notes due 2030") at an issue price of 99.171%. The Senior Notes due 2030 will mature on March 15, 2030, and bear interest at a rate of 5.25% per annum, payable semi-annually on March 15 and September 15 of each year, commencing on September 15, 2025. Interest accrues on the Senior Notes due 2030 from January 31, 2025.

Revolving Credit Facilities

As of February 28, 2025, we had $150.0 million in borrowings outstanding under our revolving credit facilities and had $2.0 billion available for borrowing.

AIDAC Guarantees

In connection with AIDAC co-issuing the Senior Notes due 2031 with the Company, AIDAC agreed to fully and unconditionally guarantee (the "AIDAC Guarantees") the Company's obligations under its: (i) revolving credit facilities; (ii) 5.250% Senior Notes due 2025; (iii) 4.250% Senior Notes due 2026; (iv) 2.850% Senior Notes due 2028; (v) 6.500% Senior Notes due 2028 and (vi) 5.950% Senior Notes due 2029 (collectively, the "Existing Unsecured Debt"). As a result of the AIDAC Guarantees, the Senior Notes due 2030 and the Senior Notes due 2031 rank pari passu in right of payment with the Existing Unsecured Debt.

Maturities of the secured and unsecured debt financings over the next five years and thereafter are as follows:

Year Ending February 28/29,	Amount
2026	$ 681,948
2027	703,818
2028	915,800
2029	1,337,850
2030	269,708
Thereafter	1,099,980
Total	$ 5,009,104

As of February 28, 2025, we were in compliance with all applicable covenants in our financings.

Note 9. Shareholders' Equity

Issuance of Common Shares

On July 5, 2023, the Company entered into a Subscription Agreement with its Shareholders, pursuant to which the Company agreed to make a pro rata issuance of the Company's common shares, $0.01 par value per share (the "Shares"), for an aggregate purchase price of up to $500.0 million. On July 18, 2023, 1,516 Shares in the aggregate were issued to the Shareholders for an aggregate purchase price of $200.0 million. On June 28, 2024, 2,276 Shares in the aggregate were issued to the Shareholders for an aggregate purchase price of $300.0 million, representing the second and final tranche of Shares to be issued under the Subscription Agreement. The number of Shares and the subscription price per share were determined and agreed to by the parties at the time of issuance. The Shares rank pari passu in all respects with other common shares of the Company. The Company has used, and intends to continue to use, the net proceeds from the issuance of Shares for general corporate purposes.

Common Share Dividends

On March 17, 2025, the Company paid a dividend to its Shareholders in the amount of $11.0 million, which was accrued as of February 28, 2025. The common share dividend was approved by the Company's Board of Directors and the Shareholders.

Preference Share Dividends

On March 15, 2024, the Company paid a semi-annual dividend in the amount of $10.5 million for its preference shares, which was accrued as of February 29, 2024.

On September 16, 2024, the Company paid a semi-annual dividend in the amount of $10.5 million for its preference shares, which was accrued as of August 31, 2024.

On March 17, 2025, the Company paid a semi-annual dividend in the amount of $10.5 million for its preference shares, which was accrued as of February 28, 2025.

All semi-annual dividends for our preference shares were approved by the Company's Board of Directors.

Note 10. Related Party Transactions

We incurred fees from our Shareholders as part of intra-company service agreements totaling $8.7 million and $8.3 million during the years ended February 28, 2025 and February 29, 2024, respectively, whereby our Shareholders provide certain management and administrative services to the Company. These fees are recorded in selling, general and administrative costs in the consolidated statements of income.

See Note 9 for additional information regarding our Subscription Agreement entered into with our Shareholders and Note 7 for our loan agreement entered into with our equity method investee during the year ended February 28, 2025.

Note 11. Income Taxes

Income taxes have been provided for based upon the tax laws and rates in countries in which our operations are conducted and income is earned. In December 2023, the Government of Bermuda enacted the Bermuda Corporate Income Tax Act ("CIT Act") which imposes a 15% corporate income tax effective for tax years beginning on or after January 1, 2025. The Company will be subject to Bermuda corporate income tax with respect to its fiscal year beginning March 1, 2025 and in subsequent years. The provision for income taxes relates to income earned by certain subsidiaries of the Company which are located in, or earn income in, jurisdictions that currently impose income taxes, primarily the United States and Ireland.

The sources of income from continuing operations before income taxes and earnings of unconsolidated equity method investment for the years ended February 28, 2025, February 29, 2024 and February 28, 2023, were as follows:

	Year Ended February 28/29,		
	2025	2024	2023
U.S. operations	$ 27,253	$ 25,029	$ 21,172
Non-U.S. operations	115,205	79,347	64,865
Income from continuing operations before income taxes and earnings of unconsolidated equity method investment	$ 142,458	$ 104,376	$ 86,037

The components of the income tax provision for the years ended February 28, 2025, February 29, 2024 and February 28, 2023, consisted of the following:

	Year Ended February 28/29,		
	2025	2024	2023
Current:			
United States:			
Federal	$ 2,069	$ 2,484	$ 5,671
State	771	2,249	1,667
Non-U.S.	1,558	(1,521)	4,438
Current income tax provision	4,398	3,212	11,776
Deferred:			
United States:			
Federal	3,536	5,415	(728)
State	12	1,120	(341)
Non-U.S.	14,002	13,518	14,759
Deferred income tax	17,550	20,053	13,690
Total	$ 21,948	$ 23,265	$ 25,466

Significant components of the Company's deferred tax assets and liabilities at February 28, 2025 and February 29, 2024, consisted of the following:

	Year Ended February 28/29,	
	2025	2024
Deferred tax assets:		
Net operating loss carry forwards	$ 282,103	$ 239,306
Interest expense carry forwards	2,648	2,085
Other	21,369	23,426
Valuation allowance	(45,641)	(53,408)
Total deferred tax assets	260,479	211,409
Deferred tax liabilities:		
Accelerated depreciation	(370,989)	(299,957)
Other	(8,124)	(11,809)
Total deferred tax liabilities	(379,113)	(311,766)
Net deferred tax liabilities	$ (118,634)	$ (100,357)

The Company had $283.1 million of federal net operating loss ("NOL") carry forwards available at February 28, 2025 with no expiration date to offset future taxable income subject to U.S. graduated tax rates. The Company also had NOL carry forwards of $1.3 billion with no expiration date to offset future Irish taxable income. The CIT Act includes a provision which would allow the Company to carry forward losses incurred in Bermuda for the year ended February 28, 2021 and subsequent fiscal years. The Company has NOL carryforwards of $302.3 million with no expiration date to offset future Bermuda taxable income. A full valuation allowance of $302.3 million has been recognized against the Bermuda tax loss carry forwards based on all available information, including projections of future taxable income.

Deferred tax assets and liabilities are included in other assets and accounts payable, accrued expenses and other liabilities, respectively.

We do not expect to incur income taxes on future distributions of undistributed earnings of non-U.S. subsidiaries and accordingly, no deferred income taxes have been provided for the distributions of such earnings. As of February 28, 2025, we have elected to permanently reinvest our accumulated undistributed U.S. earnings of $44.6 million. Accordingly, no U.S. withholding taxes have been provided. Withholding tax of $2.2 million would be due if such earnings were remitted.

Our aircraft-owning subsidiaries generally earn income from sources outside the United States and typically are not subject to U.S. federal, state or local income taxes. The aircraft owning subsidiaries resident in Ireland and the U.S. are currently subject to tax in those respective jurisdictions.

We have a U.S.-based subsidiary which provides management services to our subsidiaries and is subject to U.S. federal, state and local income taxes. We also have Ireland and Singapore based subsidiaries which provide management services to our non-U.S. subsidiaries and are subject to tax in those respective jurisdictions.

Differences between statutory income tax rates and our effective income tax rates applied to pre-tax income from continuing operations for the years ended February 28, 2025, February 29, 2024 and February 28, 2023, consisted of the following:

	Year Ended February 28/29,		
	2025	2024	2023
Notional U.S. federal income tax expense at the statutory rate:	$ 29,916	$ 21,919	$ 18,068
U.S. state and local income tax, net	1,086	1,098	928
Non-U.S. operations:			
Bermuda	(11,233)	(6,659)	(12,039)
Ireland	2,531	5,709	19,279
Singapore	(10)	(2)	27
Other low tax jurisdictions	54	64	152
Non-deductible expenses in the U.S.	37	29	19
Other	(433)	1,107	(968)
Provision for income taxes	$ 21,948	$ 23,265	$ 25,466

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. We did not have any unrecognized tax benefits.

We conduct business globally and, as a result, the Company and its subsidiaries or branches are subject to foreign, U.S. federal and various state and local income taxes, as well as withholding taxes. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world, including such major jurisdictions as Ireland and the United States.

Our policy is that we will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. We did not accrue interest or penalties associated with any unrecognized tax benefits, nor was any interest expense or penalty recognized during the year.

Ireland and Bermuda Tax Law Changes

On December 18, 2023, Ireland enacted Finance (No. 2) Bill 2023 (the "Finance Bill") which includes legislative changes for new tax measures and amendments to the Irish tax code, such as provisions to implement the Pillar Two GloBE rules, new outbound payment rules, and a dividend withholding tax, among other changes. The Finance Bill requires a 20% withholding tax be applied to certain payments, such as interest payments, from Irish companies to recipients in no-tax and zero-tax jurisdictions, effective April 1, 2024. The Finance Bill also requires a 25% withholding tax be applied to dividends and distributions, subject to certain exemptions, as well as introduces new interest deduction rules for a qualifying finance company. The Finance Bill did not have a significant impact on our consolidated financial statements for the year ended February 28, 2025.

On December 18, 2023, Bermuda enacted a 15% corporate income tax regime, the CIT Act, 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 Company's exemption from Bermuda corporate income, withholding and capital gains taxes ceased on February 28, 2025. The Company has appropriately considered the impact of the Bermuda CIT and its impact on current and deferred income taxes.

Note 12. Interest, Net

The following table shows the components of interest, net.

	Year Ended February 28/29,		
	2025	2024	2023
Interest on borrowings and other liabilities	$ 244,044	$ 228,539	$ 196,502
Amortization of deferred financing fees and debt discount	17,033	17,090	14,338
Interest expense	261,077	245,629	210,840
Less: Interest income	(12,492)	(13,710)	(3,954)
Less: Capitalized interest	(662)	(2,869)	(2,280)
Interest, net	$ 247,923	$ 229,050	$ 204,606

Note 13. Commitments and Contingencies

Rent expense, primarily for the corporate office and sales and marketing facilities, was $1.9 million, $2.3 million and $2.1 million for the years ended February 28, 2025, February 29, 2024 and February 28, 2023, respectively.

As of February 28, 2025, Aircastle is obligated under non-cancelable operating leases relating principally to office facilities in the United States, Ireland and Singapore for future minimum lease payments as follows:

Year Ending February 28/29,	Amount
2026	$ 2,742
2027	2,680
2028	2,712
2029	1,918
2030	1,109
Thereafter	13,956
Total	$ 25,117

At February 28, 2025, we had commitments to acquire 20 aircraft for $771.7 million.

Commitments under signed purchase agreements, including $34.4 million of remaining progress payments, contractual price escalations and other adjustments for these aircraft at February 28, 2025, net of amounts already paid, were as follows:

Year Ending February 28/29,	Amount
2026	$ 524,734
2027	83,951
2028	162,991
2029	—
2030	—
Thereafter	—
Total	$ 771,676

Note 14. Other Assets

Other assets consisted of the following as of February 28, 2025 and February 29, 2024:

	February 28/29,	
	2025	2024
Deferred income tax asset	$ 78	$ 48
Lease incentives and premiums, net of accumulated amortization of $73,915 and $90,408, respectively	43,285	37,459
Flight equipment held for sale	56,983	19,190
Aircraft purchase deposits and Embraer E-2 progress payments	30,166	42,784
Right-of-use asset[(1)]	14,655	16,053
Deferred rent receivable, net[(2)]	20,086	15,825
Investments, at fair value[(3)]	9,912	10,160
Other investments, net[(2)(3)]	4,916	5,079
Other assets	93,440	125,209
Total other assets	$ 273,521	$ 271,807

(1) Net of lease incentives and tenant allowances.

(2) Net of an allowance for credit losses as of February 28, 2025 and February 29, 2024 – see Note 15.

(3) See Note 2.

Note 15. Allowance for Credit Losses

The activity in the allowance for credit losses related to our net investment in leases, other investments, and deferred rent receivables for the years ended February 28, 2025 and February 29, 2024, were as follows:

	Net Investment in Leases, net	Other Investments, net	Deferred Rent Receivables, net	Total
Balance at February 28, 2023	$ 1,267	$ —	$ —	$ 1,267
Provision for credit losses	6,726	3,209	2,146	12,081
Write-offs	(279)	—	—	(279)
Balance at February 29, 2024	7,714	3,209	2,146	13,069
Provision for credit losses	(300)	890	8,125	8,715
Write-offs	(612)	—	—	(612)
Balance at February 28, 2025	$ 6,802	$ 4,099	$ 10,271	$ 21,172

During the year ended February 28, 2025, we recognized an additional provision for credit losses in respect of debt securities and certain receivables that were restructured as part of an airline restructuring.

Note 16. Accounts Payable, Accrued Expenses and Other Liabilities

Accounts payable, accrued expenses and other liabilities consisted of the following as of February 28, 2025 and February 29, 2024:

	February 28/29,	
	2025	2024
Accounts payable and accrued expenses	$ 51,889	$ 57,685
Dividends payable	21,500	10,500
Deferred income tax liability	118,712	100,405
Accrued interest payable	37,607	27,507
Lease liability	17,480	19,193
Lease discounts, net of accumulated amortization of $21,707 and $43,519, respectively	47,944	4,298
Total accounts payable, accrued expenses and other liabilities	$ 295,132	$ 219,588

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, Aircastle Limited has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: April 23, 2025

Aircastle Limited
By: /s/ Michael Inglese
Michael Inglese
Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Aircastle Limited and in the capacities and on the date indicated.

SIGNATURE	TITLE	DATE
/s/ Michael Inglese Michael Inglese	Chief Executive Officer and Director	April 23, 2025
/s/ Roy Chandran Roy Chandran	Chief Financial Officer	April 23, 2025
/s/ Dane Silverman Dane Silverman	Chief Accounting Officer	April 23, 2025
/s/ Takayuki Sakakida Takayuki Sakakida	Chairman of the Board	April 23, 2025
/s/ Douglas A. Hacker Douglas A. Hacker	Director	April 23, 2025
/s/ Naoshi Hirose Naoshi Hirose	Director	April 23, 2025
/s/ Keiji Okuno Keiji Okuno	Director	April 23, 2025
/s/ Charles W. Pollard Charles W. Pollard	Director	April 23, 2025
/s/ Takashi Tsunoda Takashi Tsunoda	Director	April 23, 2025

Exhibit 10.30
Executed Version

Certain identified information marked with "[***]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

AMENDMENT No. 24 TO PURCHASE AGREEMENT COM0270-15

This Amendment No. 24 [COM0815-24] ("Amendment No. 24") dated as of January 6, 2025 is between **EMBRAER S.A.** ("Embraer") and **AIRCASTLE HOLDING CORPORATION LIMITED** ("Buyer"), collectively referred to herein as the "Parties", and constitutes an amendment and modification to Purchase Agreement COM0270-15, dated June 12th, 2015, as amended from time to time (the "Purchase Agreement").

All capitalized terms not otherwise defined herein shall have the same meaning when used herein as provided in the Purchase Agreement and in case of any conflict between this Amendment No. 24 and the Purchase Agreement, this Amendment No. 24 shall control.

[***]

NOW, THEREFORE, for good and valuable consideration, which is hereby acknowledged by the Parties, Embraer and Buyer hereby agree as follows:

1. [***].

2. REINSTATEMENT OF PURCHASE AGREEMENT

All other provisions and conditions of the Purchase Agreement, as well as its related Attachments and Letter Agreement, which are not specifically modified by this Amendment No. 24 shall remain in full force and effect without any change.

3. COUNTERPARTS

This Amendment No. 24 may be signed by the Parties hereto in any number of separate counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument and all of which when taken together shall constitute one and the same instrument.

This Amendment No. 24 may be signed by facsimile with originals duly signed to follow by an internationally recognized courier.

[INTENTIONALLY LEFT BLANK –SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Embraer and Buyer, by their duly authorized officers, have entered into and executed this Amendment No. 24 to be effective as of the date first written above.

EMBRAER S.A.

By /s/ Marcelo Santiago
Name: Marcelo Santiago
Title: Vice President Contracts & Asset Management

By /s/ Fernando Bueno
Name: Fernando Bueno
Title: Director, Proposal and Contracts

Place: São José dos Campos, SP, Brazil

AIRCASTLE HOLDING CORPORATION LIMITED

By /s/ Dane Silverman
Name: Dane Silverman
Title: Chief Accounting Officer

Place: Stamford, CT, USA

ATTACHMENT E
AIRCRAFT DELIVERY SCHEDULE

[***]

Exhibit 21.1

Subsidiaries of Aircastle Limited
As of February 28, 2025

	Name of Subsidiary	Jurisdiction
1.	ACS 2007-1 Limited	Bermuda
2.	ACS 2008-1 Limited	Bermuda
3.	AHCL Two Limited	Bermuda
4.	Aircastle (Ireland) Designated Activity Company	Ireland
5.	Aircastle Advisor (International) Limited	Bermuda
6.	Aircastle Advisor (Ireland) Limited	Ireland
7.	Aircastle Advisor Asia Pacific Limited	Bermuda
8.	Aircastle Advisor LLC	Delaware
9.	Aircastle Bermuda Securities Limited	Bermuda
10.	Aircastle Funding (Ireland) Designated Activity Company	Ireland
11.	Aircastle Holding Corporation Limited	Bermuda
12.	Aircastle Investment Holdings 2 Limited	Bermuda
13.	Aircastle Investment Holdings 3 Limited	Bermuda
14.	Aircastle Singapore Pte. Limited	Singapore
15.	Aircraft MSN 1006 LLC	Delaware
16.	Aircraft MSN 1012 LLC	Delaware
17.	Aircraft MSN 1015 LLC	Delaware
18.	Aircraft MSN 1055 LLC	Delaware
19.	Aircraft MSN 1179 LLC	Delaware
20.	Aircraft MSN 1261 LLC	Delaware
21.	Aircraft MSN 1279 LLC	Delaware
22.	Aircraft MSN 1295 LLC	Delaware
23.	Aircraft MSN 1329 LLC	Delaware
24.	Aircraft MSN 1411 LLC	Delaware
25.	Aircraft MSN 1466 LLC	Delaware
26.	Aircraft MSN 1481 LLC	Delaware
27.	Aircraft MSN 1513 LLC	Delaware
28.	Aircraft MSN 1572 LLC	Delaware
29.	Aircraft MSN 1673 LLC	Delaware
30.	Aircraft MSN 1742 LLC	Delaware
31.	Aircraft MSN 1780 LLC	Delaware
32.	Aircraft MSN 19000484 LLC	Delaware
33.	Aircraft MSN 19000575 LLC	Delaware
34.	Aircraft MSN 19000588 LLC	Delaware
35.	Aircraft MSN 19000609 LLC	Delaware
36.	Aircraft MSN 19000628 LLC	Delaware
37.	Aircraft MSN 2104 LLC	Delaware
38.	Aircraft MSN 2220 LLC	Delaware
39.	Aircraft MSN 2472 LLC	Delaware
40.	Aircraft MSN 2928 LLC	Delaware
41.	Aircraft MSN 2956 LLC	Delaware
42.	Aircraft MSN 3117 LLC	Delaware
43.	Aircraft MSN 3182 LLC	Delaware
44.	Aircraft MSN 3209 LLC	Delaware
45.	Aircraft MSN 3223 LLC	Delaware
46.	Aircraft MSN 32457 LLC	Delaware
47.	Aircraft MSN 3291 LLC	Delaware
48.	Aircraft MSN 3421 LLC	Delaware
49.	Aircraft MSN 34409 LLC	Delaware
50.	Aircraft MSN 3486 LLC	Delaware
51.	Aircraft MSN 35093 LLC	Delaware
52.	Aircraft MSN 35233 LLC	Delaware
53.	Aircraft MSN 35236 LLC	Delaware

	Name of Subsidiary	Jurisdiction
54.	Aircraft MSN 3524 LLC	Delaware
55.	Aircraft MSN 3582 LLC	Delaware
56.	Aircraft MSN 3628 LLC	Delaware
57.	Aircraft MSN 3637 LLC	Delaware
58.	Aircraft MSN 3673 LLC	Delaware
59.	Aircraft MSN 36826 LLC	Delaware
60.	Aircraft MSN 36829 LLC	Delaware
61.	Aircraft MSN 37742 LLC	Delaware
62.	Aircraft MSN 4070 LLC	Delaware
63.	Aircraft MSN 4088 LLC	Delaware
64.	Aircraft MSN 4968 LLC	Delaware
65.	Aircraft MSN 5010 LLC	Delaware
66.	Aircraft MSN 5127 LLC	Delaware
67.	Aircraft MSN 5598 LLC	Delaware
68.	Aircraft MSN 5796 LLC	Delaware
69.	Aircraft MSN 6077 LLC	Delaware
70.	Aircraft MSN 6201 LLC	Delaware
71.	Aircraft MSN 6253 LLC	Delaware
72.	Aircraft MSN 7160 LLC	Delaware
73.	Aircraft MSN 7316 LLC	Delaware
74.	Aircraft MSN 7791 LLC	Delaware
75.	Aircraft MSN 997 LLC	Delaware
76.	Aircraft MSN EMB 10 LLC	Delaware
77.	Aircraft MSN EMB 11 LLC	Delaware
78.	Aircraft MSN EMB 8 LLC	Delaware
79.	Aircraft MSN EMB 9 LLC	Delaware
80.	ALC A320 4694, LLC	Delaware
81.	Anfield Funding Limited	Bermuda
82.	AYR Delaware LLC	Delaware
83.	AYR Freighter LLC	Delaware
84.	AYR Ireland Holdco Limited	Ireland
85.	Blue Coast Aircraft Leasing (France) SARL	France
86.	Constellation Aircraft Leasing (France) SARL	France
87.	Constitution Aircraft Leasing (Ireland) 10 Limited	Ireland
88.	Constitution Aircraft Leasing (Ireland) 1086 Limited	Ireland
89.	Constitution Aircraft Leasing (Ireland) 3 Limited	Ireland
90.	Constitution Aircraft Leasing (Ireland) 5 Limited	Ireland
91.	Constitution Aircraft Leasing (Ireland) 9 Limited	Ireland
92.	Delphie Aircraft Leasing Limited	Bermuda
93.	Dolphin Leasing (Ireland) Limited	Ireland
94.	Dunvegan Aircraft Leasing (Ireland) Limited	Ireland
95.	Endeavor Aircraft Leasing (Sweden) AB	Sweden
96.	Enterprise Aircraft Leasing (France) SARL	France
97.	Gold Coast Aircraft Leasing (France) SARL	France
98.	Grayston Aircraft Leasing PTC	Cayman Islands
99.	Intrepid Aircraft Leasing (France) SARL	France
100.	Jakarta Aircraft Leasing (Ireland) Limited	Ireland
101.	Kale Aircraft Leasing (Ireland) Limited	Ireland
102.	Macstay Aircraft Leasing Limited	Bermuda
103.	Momo Aircraft Leasing Limited	Bermuda
104.	Orchard Aviation 41522 (UK) Limited	United Kingdom
105.	Platypus Aircraft Leasing (Ireland) Limited	Ireland
106.	Salmon Aircraft Leasing (Ireland) Limited	Ireland
107.	Trojan Aircraft Leasing (France) SARL	France
108.	Zebra Aircraft Leasing PTC	Cayman Islands

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Inglese, certify that:

1. I have reviewed this annual report on Form 10-K of Aircastle Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2025

/s/ Michael Inglese
Michael Inglese
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Roy Chandran, certify that:

1. I have reviewed this annual report on Form 10-K of Aircastle Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2025

/s/ Roy Chandran
Roy Chandran
Chief Financial Officer

Exhibit 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

In connection with the Annual Report on Form 10-K of Aircastle Limited (the "Company") for the fiscal year ended February 28, 2025, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Michael Inglese, as Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

/s/ Michael Inglese
Michael Inglese
Chief Executive Officer
Date: April 23, 2025

Exhibit 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

In connection with the Annual Report on Form 10-K of Aircastle Limited (the "Company") for the fiscal year ended February 28, 2025, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Roy Chandran, as Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

/s/ Roy Chandran
Roy Chandran
Chief Financial Officer
Date: April 23, 2025