UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended November 30, 2024

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)	**(IRS 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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of January 7, 2025, there were 17,840 outstanding shares of the registrant's common shares, par value $0.01 per share.

Aircastle Limited and Subsidiaries
Form 10-Q
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PART I. — FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

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

	November 30, 2024	February 29, 2024
	(Unaudited)	
ASSETS		
Cash and cash equivalents	$ 523,753	$ 129,977
Accounts receivable	16,411	12,518
Flight equipment held for lease, net	6,858,065	6,940,502
Net investment in leases, net	258,639	282,439
Unconsolidated equity method investment	44,447	42,710
Other assets	240,453	271,807
Total assets	$ 7,941,768	$ 7,679,953
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Borrowings from secured financings, net	$ 650,739	$ 875,397
Borrowings from unsecured financings, net	3,827,359	3,823,099
Accounts payable, accrued expenses and other liabilities	260,456	219,588
Lease rentals received in advance	62,006	52,654
Security deposits	71,879	69,544
Maintenance payments	583,220	505,897
Total liabilities	5,455,659	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 November 30, 2024 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 November 30, 2024 and February 29, 2024, respectively	—	—
Additional paid-in capital	2,378,774	2,078,774
Retained earnings	107,335	55,000
Total shareholders' equity	2,486,109	2,133,774
Total liabilities and shareholders' equity	$ 7,941,768	$ 7,679,953

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

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

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	**2023**	**2024**	**2023**
Revenues:				
Lease rental revenue	$ 158,440	$ 156,820	$ 483,389	$ 453,906
Direct financing and sales-type lease revenue	5,294	4,835	16,177	10,993
Amortization of lease premiums, discounts and incentives	(5,288)	(2,641)	(18,005)	(16,972)
Maintenance revenue	14,517	58,657	76,044	108,223
Total lease revenue	172,963	217,671	557,605	556,150
Gain on sale or disposition of flight equipment	20,483	20,193	56,909	67,240
Other revenue	130	882	903	1,803
Total revenues	193,576	238,746	615,417	625,193
Operating expenses:				
Depreciation	87,604	86,647	264,637	261,764
Interest, net	58,752	57,037	185,989	170,963
Selling, general and administrative	18,426	18,500	60,571	58,217
Provision for credit losses	—	5,280	281	11,405
Impairment of flight equipment	8,419	34,959	19,391	37,156
Maintenance and other costs	4,872	7,107	13,411	24,494
Total operating expenses	178,073	209,530	544,280	563,999
Other income:				
Gain on extinguishment of debt	—	—	285	—
Other	6,135	1,529	6,557	6,238
Total other income	6,135	1,529	6,842	6,238
Income from continuing operations before income taxes and earnings of unconsolidated equity method investment	21,638	30,745	77,979	67,432
Income tax provision	4,281	6,025	16,881	15,286
Earnings of unconsolidated equity method investment, net of tax	738	925	1,737	1,787
Net income	$ 18,095	$ 25,645	$ 62,835	$ 53,933
Preference share dividends	—	—	(10,500)	(10,500)
Net income available to common shareholders	$ 18,095	$ 25,645	$ 52,335	$ 43,433
Total comprehensive income available to common shareholders	$ 18,095	$ 25,645	$ 52,335	$ 43,433

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

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

	Nine Months Ended November 30,	
	2024	**2023**
Cash flows from operating activities:		
Net income	$ 62,835	$ 53,933
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Depreciation	264,637	261,764
Amortization of deferred financing costs	12,722	12,611
Amortization of lease premiums, discounts and incentives	18,005	16,972
Deferred income taxes	10,480	11,082
Collections on net investment in leases	5,285	1,565
Security deposits and maintenance payments included in earnings	(9,543)	(37,654)
Gain on sale or disposition of flight equipment	(56,909)	(67,240)
Gain on extinguishment of debt	(285)	—
Impairment of flight equipment	19,391	37,156
Provision for credit losses	281	11,405
Other	(1,746)	(1,769)
Changes in certain assets and liabilities:		
Accounts receivable	(4,132)	504
Other assets	(3,661)	(16,164)
Accounts payable, accrued expenses and other liabilities	35,993	8,351
Lease rentals received in advance	13,709	16,551
Net cash and cash equivalents provided by operating activities	367,062	309,067
Cash flows from investing activities:		
Acquisition and improvement of flight equipment	(583,541)	(669,597)
Proceeds from sale or disposition of flight equipment	474,053	198,816
Aircraft purchase deposits and progress payments, net of deposits returned and aircraft sales deposits	(2,269)	3,126
Other	(4,796)	(5,548)
Net cash and cash equivalents used in investing activities	(116,553)	(473,203)
Cash flows from financing activities:		
Proceeds from issuance of common shares	300,000	200,000
Proceeds from secured and unsecured debt financings	1,076,193	1,383,709
Repayments of secured and unsecured debt financings	(1,304,352)	(1,632,983)
Debt extinguishment costs	285	—
Deferred financing costs	(5,361)	(7,673)
Security deposits and maintenance payments received	109,668	130,068
Security deposits and maintenance payments returned	(12,166)	(14,014)
Dividends paid	(21,000)	(21,000)
Net cash and cash equivalents provided by financing activities	143,267	38,107
Net increase (decrease) in cash and cash equivalents:	393,776	(126,029)
Cash and cash equivalents at beginning of period	129,977	231,861
Cash and cash equivalents at end of period	$ 523,753	$ 105,832

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

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

	Nine Months Ended November 30,	
	2024	**2023**
Supplemental disclosures of cash flow information:		
Cash paid for interest, net of amounts capitalized	$ 140,296	$ 158,730
Cash paid for income taxes	$ 666	$ 4,142
Supplemental disclosures of non-cash investing activities:		
Advance lease rentals, security deposits, maintenance payments, other liabilities and other assets assumed in asset acquisitions	$ 40,318	$ 13,414
Advance lease rentals, security deposits, maintenance payments, other liabilities and other assets settled in sale of flight equipment	$ 65,357	$ 54,335
Transfers from flight equipment held for lease to Net investment in leases and Other assets	$ 6,310	$ 184,236

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

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

	Common Shares		Preference Shares		Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			
Balance, February 29, 2024	15,564	$ —	400	$ —	$ 2,078,774	$ 55,000	$ 2,133,774
Net income	—	—	—	—	—	16,081	16,081
Balance, May 31, 2024	15,564	$ —	400	$ —	$ 2,078,774	$ 71,081	$ 2,149,855
Issuance of common shares	2,276	—	—	—	300,000	—	300,000
Net income	—	—	—	—	—	28,659	28,659
Preference share dividends	—	—	—	—	—	(10,500)	(10,500)
Balance, August 31, 2024	17,840	$ —	400	$ —	$ 2,378,774	$ 89,240	$ 2,468,014
Net income	—	—	—	—	—	18,095	18,095
Balance, November 30, 2024	17,840	$ —	400	$ —	$ 2,378,774	$ 107,335	$ 2,486,109

	Common Shares		Preference Shares		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			
Balance, February 28, 2023	14,048	$ —	400	$ —	$ 1,878,774	$ (7,316)	$ 1,871,458
Net income	—	—	—	—	—	22,770	22,770
Balance, May 31, 2023	14,048	$ —	400	$ —	$ 1,878,774	$ 15,454	$ 1,894,228
Issuance of common shares	1,516	—	—	—	200,000	—	200,000
Net income	—	—	—	—	—	5,518	5,518
Preference share dividends	—	—	—	—	—	(10,500)	(10,500)
Balance, August 31, 2023	15,564	$ —	400	$ —	$ 2,078,774	$ 10,472	$ 2,089,246
Net income	—	—	—	—	—	25,645	25,645
Balance, November 30, 2023	15,564	$ —	400	$ —	$ 2,078,774	$ 36,117	$ 2,114,891

The accompanying notes are an integral part of these unaudited 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 consists of 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").

The accompanying consolidated financial statements are unaudited and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial reporting and, in our opinion, reflect all adjustments, including normal recurring items, which are necessary to present fairly the results for interim periods. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the entire year. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been omitted in accordance with the rules and regulations of the SEC. However, we believe that the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended February 29, 2024.

The consolidated financial statements 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.

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 (the "CODM"). The significant segment expenses and other segment items that are provided to the CODM align with expense information that is included in the Company's consolidated income statement.

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 November 30, 2024, through the date on which the consolidated financial statements included in this Form 10-Q were issued.

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.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("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 the use of unobservable inputs.

Assets Measured at Fair Value on a Recurring Basis

The following tables set forth our financial assets as of November 30, 2024, 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 Measurements at November 30, 2024 Using Fair Value Hierarchy			
	Fair Value as of November 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique
Assets:					
Cash and cash equivalents	$ 523,753	$ 523,753	$ —	$ —	Market
Investments, at fair value:					
Investment in debt securities	$ 5,029	$ —	$ —	$ 5,029	Income
Investment in equity securities	5,333	1,435	—	3,898	Market/Income
Total investments, at fair value	$ 10,362	$ 1,435	$ —	$ 8,927	

	Fair Value as of February 29, 2024	Fair Value Measurements at February 29, 2024 Using Fair Value Hierarchy			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (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 three and nine months ended November 30, 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 November 30, 2024, and February 29, 2024 were as follows:

	November 30, 2024		February 29, 2024	
Assets	**Carrying Amount of Asset**	**Fair Value of Asset**	**Carrying Amount of Asset**	**Fair Value of Asset**
Investments, at fair value[1]	$ 10,362	$ 10,362	$ 10,160	$ 10,160
Other investments, net[2]	5,063	5,063	5,079	5,079
Liabilities	**Carrying Amount of Liability**	**Fair Value of Liability**	**Carrying Amount of Liability**	**Fair Value of Liability**
Credit Facilities	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Term Financings	657,091	655,079	883,451	885,139
Senior Notes	3,850,000	3,861,008	3,850,000	3,738,146

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

(2) As of November 30, 2024, we had a $4.0 million allowance for credit losses on certain investments in debt securities that are carried at amortized cost – see Note 15.

Aircraft Valuation

Impairment of Flight Equipment

During the three months ended November 30, 2024, the Company recorded impairments totaling $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 nine months ended November 30, 2024, the Company recorded impairment charges totaling $19.4 million, including $11.0 million of transactional impairment charges related to a scheduled aircraft lease expiration and a lease amendment. The Company recognized $24.0 million of maintenance revenue for these aircraft during the nine months ended November 30, 2024.

Annual Recoverability Assessment

We performed our annual recoverability assessment of all our aircraft and other flight equipment during the three months ended November 30, 2024.

We perform a recoverability assessment 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. 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 develops the assumptions used in the recoverability analysis 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 nine months ended November 30, 2024:

	Amount
Balance at February 29, 2024	$ 6,940,502
Additions	621,932
Depreciation	(262,941)
Disposals and transfers to net investment in leases and held for sale	(430,456)
Impairments	(10,972)
Balance at November 30, 2024	$ 6,858,065
Accumulated depreciation	$ 2,159,032

Update on Russian Aircraft

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 year ended February 29, 2024, the Company received cash settlement proceeds of $43.2 million in settlement of certain of the Company's claims under the insurance policies in respect of 4 aircraft formerly on lease to 2 Russian airlines. The Company will continue to explore mitigating losses with respect to the 5 other aircraft that were not included in the prior settlement, but it is uncertain whether this will result in any further settlements and, if so, in what amount.

The receipt of the insurance settlement proceeds serve to mitigate, in part, the Company's losses under its aviation insurance policies. The Company reserves all rights under its C&P Policies. 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.

Note 4. Lease Rental Revenues

Minimum future lease rentals contracted to be received under our existing operating leases of flight equipment at November 30, 2024 were as follows:

Year Ending February 28/29,	Amount[1]
2025 (Remainder of fiscal year)	$ 165,276
2026	622,185
2027	547,235
2028	445,654
2029	368,602
Thereafter	941,164
Total	$ 3,090,116

(1) Reflects impact of lessee lease rental deferrals.

At November 30, 2024 and February 29, 2024, the amounts of lease incentive liabilities recorded in maintenance payments on our consolidated balance sheets were $32.0 million and $26.6 million, respectively.

Note 5. Net Investment in Leases, Net

At November 30, 2024 and February 29, 2024, our net investment in leases consisted of 14 aircraft and 15 aircraft, respectively. The components of our net investment in leases at November 30, 2024 and February 29, 2024, were as follows:

	November 30, 2024	February 29, 2024
Lease receivable	$ 125,472	$ 142,983
Unguaranteed residual value of flight equipment	140,038	147,170
Net investment leases	265,510	290,153
Allowance for credit losses	(6,871)	(7,714)
Net investment in leases, net	$ 258,639	$ 282,439

At November 30, 2024, future lease payments to be received under our net investment in leases were as follows:

Year Ending February 28/29,	Amount
2025 (Remainder of fiscal year)	$ 5,650
2026	16,589
2027	25,260
2028	26,263
2029	25,994
Thereafter	65,143
Total lease payments to be received	164,899
Present value of lease payments - lease receivable	(125,472)
Difference between undiscounted lease payments and lease receivable	$ 39,427

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 the net book value of our fleet (flight equipment held for lease and net investment in leases, or "Net Book Value") as of November 30, 2024, and February 29, 2024, was as follows:

	November 30, 2024		February 29, 2024	
Region	Number of Aircraft	Net Book Value %	Number of Aircraft	Net Book Value %
Asia and Pacific	66	29 %	63	27 %
Europe	87	30 %	90	30 %
Middle East and Africa	10	5 %	9	5 %
North America	50	23 %	46	23 %
South America	29	12 %	32	14 %
Off-lease	2 (1)	1 %	3	1 %
Total	244	100 %	243	100 %

(1) Of the 2 off-lease aircraft at November 30, 2024, we currently have 1 narrow-body freighter aircraft, which is subject to a lease commitment, and 1 narrow-body freighter aircraft, which we are marketing for lease.

The following table sets forth individual countries representing at least 10% of our Net Book Value as of November 30, 2024 and February 29, 2024:

	November 30, 2024			February 29, 2024		
Country	Net Book Value	Net Book Value %	Number of Lessees	Net Book Value	Net Book Value %	Number of Lessees
United States	$ 859,953	12%	7	$ 806,162	11%	5
India	799,139	11%	3	750,498	11%	4

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

	Three Months Ended November 30,		Nine Months Ended November 30,	
Region	2024	2023	2024	2023
Asia and Pacific	28 %	28 %	28 %	29 %
Europe	33 %	28 %	32 %	30 %
Middle East and Africa	4 %	4 %	4 %	4 %
North America	25 %	23 %	24 %	23 %
South America	10 %	17 %	12 %	14 %
Total	100 %	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:

	Three Months Ended November 30,				Nine Months Ended November 30,			
	2024		2023		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	Number of Lessees	Combined % of Lease Rental Revenue
Largest lessees by lease rental revenue	3	20%	4	27%	2	15%	3	21%

For the three months ended November 30, 2024, the United States comprised 21% of total revenue. Total revenue attributable to the United States included $20.6 million from gains on sale or disposition of flight equipment. For the nine months ended November 30, 2024, the United States and Spain comprised 13% and 11% of total revenue, respectively. Total revenue attributable to the United States and Spain included $22.1 million and $32.2 million, respectively, from gains on sale or disposition of flight equipment and maintenance revenue.

For the three months ended November 30, 2023, South Korea and the United States each comprised 11% of total revenue. Total revenue attributable to South Korea included $21.3 million of maintenance revenue and total revenue attributable to the United States included $9.3 million from gains on sale or disposition of flight equipment. For the nine months ended November 30, 2023, no single country comprised 10% or more of total revenue.

Note 7. Unconsolidated Equity Method Investment

We have an unconsolidated equity method investment with Mizuho Leasing, which has 9 aircraft with a net book value of $261.5 million at November 30, 2024.

	Amount
Balance at February 29, 2024	$ 42,710
Earnings of unconsolidated equity method investment, net of tax	1,737
Balance at November 30, 2024	$ 44,447

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.

Note 8. Borrowings from Secured and Unsecured Debt Financings

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

	At November 30, 2024				At February 29, 2024
Debt Obligation	Outstanding Borrowings	Number of Aircraft	Interest Rate	Final Stated Maturity	Outstanding Borrowings
Secured Debt Financings:					
Term Financings[1]	$ 657,091	31	2.36% to 6.87%	12/27/24 to 06/27/32	$ 883,451
Less: Debt issuance costs and discounts	(6,352)				(8,054)
Total secured debt financings, net of debt issuance costs and discounts	650,739				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 2031	500,000		5.75%	10/01/31	—
Revolving Credit Facilities	20,000		7.15%	05/24/25 to 02/08/28	20,000
Less: Debt issuance costs and discounts	(42,641)				(46,901)
Total unsecured debt financings, net of debt issuance costs and discounts	3,827,359				3,823,099
Total secured and unsecured debt financings, net of debt issuance costs and discounts	$ 4,478,098				$ 4,698,496

(1) The borrowings under these financings at November 30, 2024, have a weighted average fixed rate of interest of 5.49%.

(2) Repaid at the 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.

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.

Revolving Credit Facilities

As of November 30, 2024, we had $20.0 million outstanding under our revolving credit facilities and had $2.1 billion available for borrowing.

As of November 30, 2024, we were in compliance with all applicable covenants in our financings.

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 2031 rank pari passu in right of payment with the Existing Unsecured Debt.

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.

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 approved by the Company's Board of Directors on January 9, 2024, and 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 approved by the Company's Board of Directors on July 8, 2024, and accrued as of August 31, 2024.

On January 9, 2025, the Company's Board of Directors approved a semi-annual dividend in the amount of $10.5 million for its preference shares, to be paid on March 17, 2025.

Note 10. Related Party Transactions

We incurred fees from our Shareholders as part of intra-company service agreements totaling $2.1 million and $2.2 million during the three months ended November 30, 2024 and 2023, respectively, and $6.6 million and $6.3 million during the nine months ended November 30, 2024 and 2023, respectively, whereby our Shareholders provide certain management and administrative services to the Company.

See Note 9 for additional information regarding our Subscription Agreement with our Shareholders and related Shares issuances.

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 (the "Bermuda CIT Act"), which imposes a 15% corporate current income tax (the "Bermuda CIT") effective for tax years beginning on or after January 1, 2025. The Company expects to become subject to the Bermuda CIT with respect to its fiscal year beginning March 1, 2025 and subsequent years. Consequently, 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 impose income taxes, primarily the United States and Ireland.

The sources of income from continuing operations before income taxes and earnings of our unconsolidated equity method investment for the three and nine months ended November 30, 2024 and 2023 were as follows:

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	2023	2024	2023
U.S. operations	$ 6,369	$ 7,518	$ 17,053	$ 18,388
Non-U.S. operations	15,269	23,227	60,926	49,044
Income from continuing operations before income taxes and earnings of unconsolidated equity method investment	$ 21,638	$ 30,745	$ 77,979	$ 67,432

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 the United States and Ireland are 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.

We recognized income tax provisions of $16.9 million and $15.3 million for the nine months ended November 30, 2024 and 2023, respectively. Our effective tax rate for the nine months ended November 30, 2024 and 2023 was 21.6% and 22.7%, respectively. The decrease in our effective tax rate is primarily attributable to the mix of profits in taxable and non-taxable jurisdictions.

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 Company has determined that there is no current year impact from the law change.

On December 18, 2023, Bermuda enacted the Bermuda CIT Act which imposes the 15% Bermuda CIT that applies to Bermuda businesses that are part of multinational enterprise groups with annual revenue of €750 million or more and is effective for tax years beginning on or after January 1, 2025. 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:

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	2023	2024	2023
Interest on borrowings and other liabilities	$ 59,615	$ 56,746	$ 183,244	$ 170,751
Amortization of deferred financing fees and debt discount	4,132	4,290	12,722	12,611
Interest expense	63,747	61,036	195,966	183,362
Less: Interest income	(4,995)	(3,323)	(9,315)	(10,351)
Less: Capitalized interest	—	(676)	(662)	(2,048)
Interest, net	$ 58,752	$ 57,037	$ 185,989	$ 170,963

Note 13. Commitments and Contingencies

Rent expense, primarily for the corporate office and sales and marketing facilities, was $0.5 million and $0.6 million, and $1.5 million and $1.8 million for the three and nine months ended November 30, 2024 and 2023, respectively.

As of November 30, 2024, Aircastle is obligated under non-cancelable operating leases relating principally to office facilities in Stamford, Connecticut; Dublin, Ireland; and Singapore for future minimum lease payments as follows:

Year Ending February 28/29,	Amount
2025 (Remainder of fiscal year)	$ 731
2026	2,754
2027	2,691
2028	2,723
2029	1,929
Thereafter	15,214
Total	$ 26,042

At November 30, 2024, we had commitments to purchase 32 aircraft for $1.4 billion.

At November 30, 2024, commitments, including $34.4 million of remaining progress payments, contractual price escalations and other adjustments for these aircraft, net of amounts already paid, were as follows:

Year Ending February 28/29,	Amount
2025 (Remainder of fiscal year)	$ 592,534
2026	586,456
2027	202,295
2028	30,691
2029	—
Thereafter	—
Total	$ 1,411,976

Note 14. Other Assets

Other assets consisted of the following as of November 30, 2024, and February 29, 2024:

	November 30, 2024	February 29, 2024
Deferred income tax asset	$ 47	$ 48
Lease incentives and premiums, net of accumulated amortization of $88,550 and $90,408, respectively	43,920	37,459
Flight equipment held for sale	10,108	19,190
Aircraft purchase deposits and Embraer E-2 progress payments	34,092	42,784
Right-of-use asset[1]	15,010	16,053
Deferred rent receivable, net[2]	10,247	15,825
Investments, at fair value[3]	10,362	10,160
Other investments, net[2][3]	5,063	5,079
Other assets	111,604	125,209
Total other assets	$ 240,453	$ 271,807

(1) Net of lease incentives and tenant allowances.

(2) Net of an allowance for credit losses – 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 nine months ended November 30, 2024, was as follows:

	Net Investment in Leases, net	Other Investments, net	Deferred Rent Receivables, net	Total
Balance at February 29, 2024	$ 7,714	$ 3,209	$ 2,146	$ 13,069
Provision for credit losses	(231)	742	(230)	281
Write-offs	(612)	—	—	(612)
Balance at November 30, 2024	$ 6,871	$ 3,951	$ 1,916	$ 12,738

Note 16. Accounts Payable, Accrued Expenses and Other Liabilities

Accounts payable, accrued expenses and other liabilities consisted of the following as of November 30, 2024, and February 29, 2024:

	November 30, 2024	February 29, 2024
Accounts payable, accrued expenses and other liabilities	$ 40,938	$ 68,185
Deferred income tax liability	110,884	100,405
Accrued interest payable	69,789	27,507
Lease liability	18,302	19,193
Lease discounts, net of amortization of $20,749 and $43,519, respectively	20,543	4,298
Total accounts payable, accrued expenses and other liabilities	$ 260,456	$ 219,588

ITEM 2. 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 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 "Risk Factors" and included in our Annual Report on Form 10-K for the year ended February 29, 2024. Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, and, unless otherwise indicated, the other financial information contained in this report has also been prepared in accordance with U.S. GAAP. Unless otherwise indicated, all references to "dollars" and "$" in this report are to, and all monetary amounts in this report are presented in, U.S. dollars.

All statements included or incorporated by reference in this Quarterly Report on Form 10-Q (this "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 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 (the "SEC") and previously disclosed under "Risk Factors" in Part I - Item 1A of Aircastle's Annual Report on Form 10-K for the year ended February 29, 2024. 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 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 THE COMPANY'S REPORTS

The information on the Company's Internet website is not part of, nor incorporated by reference, into this report, or any other report we file with, or furnish to, the SEC.

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 November 30, 2024, we owned and managed on behalf of our joint venture 253 aircraft leased to 76 airline customers located in 47 countries. The net book value of our fleet (flight equipment held for lease and net investment in leases, or "Net Book Value") was $7.1 billion as of November 30, 2024. The weighted average age of our fleet was 9.7 years, and the weighted average remaining lease term was 5.2 years. The weighted average utilization rate of our fleet was 99% for the nine months ended November 30, 2024. During the nine months ended November 30, 2024, we purchased 21 aircraft and sold 20 aircraft and other flight equipment. As of November 30, 2024, we had commitments to purchase 32 aircraft for $1.4 billion, with deliveries through the first quarter of 2028, which included estimated amounts for pre-delivery deposits, contractual price escalations and other adjustments.

Our total revenues, net income and Adjusted EBITDA were $615.4 million, $62.8 million and $567.5 million, respectively, for the nine months ended November 30, 2024. Cash flow provided by operating activities was $367.1 million for the nine months ended November 30, 2024. The Company's financial performance reflects the continued expansion of global air traffic and strong demand for our aircraft through lease extension requests, primarily due to Original Equipment Manufacturer production issues and delivery delays, as well as the improved financial health of our airline customers.

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 growth. This expansion of air travel has driven growth in the world aircraft fleet. There are approximately 26,000 commercial mainline passenger and freighter aircraft in the world fleet today. Aircraft leasing companies own approximately 52% of the world's commercial passenger jet aircraft. Under normal circumstances, we would expect the global fleet to continue expanding at a 2 to 3% average annual rate.

We believe our portfolio, which is primarily comprised of new technology and mid-life, narrow-body aircraft, will remain attractive assets for our airline customers 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 2001 terror attacks.

We believe we have sufficient liquidity to meet our contractual obligations over the next twelve months. As of January 1, 2025, total liquidity of $2.8 billion included $2.1 billion of undrawn credit facilities, $0.5 billion of projected adjusted operating cash flows and contracted asset sales and $0.2 billion of unrestricted cash through January 1, 2026.

Acquisitions and Sales

During the nine months ended November 30, 2024, we purchased 21 aircraft for $603.0 million. As of November 30, 2024, we had commitments to purchase 32 aircraft for $1.4 billion, with delivery through the first quarter of 2028, which included estimated amounts for pre-delivery deposits, contractual price escalations and other adjustments. As of January 7, 2025, we have purchased 6 additional aircraft and have commitments to purchase 26 aircraft for $1.0 billion.

During the nine months ended November 30, 2024, we sold 20 aircraft and other flight equipment for net proceeds of $474.1 million and recognized a net gain on the sale of $56.9 million for these aircraft and other flight equipment. As of January 7, 2025, we have sold 1 additional aircraft.

Fiscal Year 2024 Lease Expirations and Lease Placements

As of January 1, 2025, we had 1 off-lease aircraft and 1 aircraft with a lease expiring in fiscal year 2024, which combined account for less than 1% of our Net Book Value at November 30, 2024, remaining to be placed or sold. Of these 2 aircraft, we expect to transition 1 aircraft to a new lessee and sell or part out the other aircraft.

Fiscal Years 2025 to 2028 Lease Expirations and Lease Placements

Taking into account lease and sale commitments, we currently have the following number of aircraft with lease expirations scheduled in the fiscal years 2025 to 2028, representing the percentage of our Net Book Value as of November 30, 2024, specified below:

- 2025: 11 aircraft, representing 3%;
- 2026: 35 aircraft, representing 12%;
- 2027: 32 aircraft, representing 11%; and
- 2028: 32 aircraft, representing 11%.

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 have raised $2.6 billion in equity capital from private and public investors, including $500.0 million received during the past 18 months in respect of the Subscription Agreement entered into with our Shareholders – see Note 9 in the Notes to the Unaudited Consolidated Financial Statements. We also have raised $22.5 billion in debt capital from a variety of sources, including export credit agency-backed debt, commercial bank debt, the aircraft securitization markets and the unsecured bond market. The diversity and global nature of our financing sources demonstrate 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 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 the aircraft owned by us as of November 30, 2024 and 2023:

Owned Aircraft	As of November 30, 2024	As of November 30, 2023
	(Dollars in millions)	
Net Book Value of Flight Equipment	$ 7,117	$ 6,837
Net Book Value of Unencumbered Flight Equipment	$ 6,064	$ 5,438
Number of Aircraft	244	236
Number of Unencumbered Aircraft	213	198
Number of Lessees	75	72
Number of Countries	47	42
Weighted Average Age (Years)[1]	9.7	9.4
Weighted Average Remaining Lease Term (Years)[1]	5.2	5.3
Weighted Average Fleet Utilization during the three months ended November 30, 2024 and 2023[2]	99.2 %	99.1 %
Weighted Average Fleet Utilization during the nine months ended November 30, 2024 and 2023[2]	99.2 %	97.9 %
Portfolio Yield for the three months ended November 30, 2024 and 2023[3]	9.4 %	9.5 %
Portfolio Yield for the nine months ended November 30, 2024 and 2023[3]	9.4 %	9.1 %
Managed Aircraft on behalf of Joint Venture		
Net Book Value of Flight Equipment	$ 262	$ 275
Number of Aircraft	9	9

(1) Weighted by Net Book Value.

(2) Aircraft on-lease days 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 percentage of the average Net Book Value for the period; quarterly information is annualized.

PORTFOLIO DIVERSIFICATION

	Owned Aircraft as of November 30, 2024		Owned Aircraft as of November 30, 2023	
	Number of Aircraft	% of Net Book Value	Number of Aircraft	% of Net Book Value
Aircraft Type				
Passenger:				
Narrow-body - new technology[1]	65	40 %	54	35 %
Narrow-body - current technology	158	49 %	160	51 %
Wide-body - current technology	14	8 %	17	12 %
Total Passenger	237	97 %	231	98 %
Freighter - current technology	7	3 %	5	2 %
Total	244	100 %	236	100 %
Manufacturer				
Airbus	159	66 %	154	66 %
Boeing	64	25 %	63	26 %
Embraer	21	9 %	19	8 %
Total	244	100 %	236	100 %
Regional Diversification				
Asia and Pacific	66	29 %	60	27 %
Europe	87	30 %	88	30 %
Middle East and Africa	10	5 %	6	2 %
North America	50	23 %	44	24 %
South America	29	12 %	32	15 %
Off-lease	2 [2]	1 %	6	2 %
Total	244	100 %	236	100 %

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

(2) Of the 2 off-lease aircraft at November 30, 2024, we currently have 1 narrow-body freighter aircraft, which is subject to a lease commitment, and 1 narrow-body freighter aircraft, which we are marketing for lease.

The top ten customers for our owned aircraft at November 30, 2024, were as follows:

Customer	Country	Percent of Net Book Value	Number of Aircraft
IndiGo	India	8.7%	14
KLM	Netherlands	5.9%	13
American Airlines	United States	4.7%	13
LATAM	Chile	4.2%	10
Lion Air[1]	Indonesia	3.9%	10
Aerolineas Argentinas	Argentina	3.4%	7
Frontier Airlines	United States	3.3%	5
Wizz Air	Hungary	3.1%	5
Vueling	Spain	2.9%	8
Viva Aerobus	Mexico	2.9%	6
Total top ten customers		43.0%	91
All other customers		57.0%	153
Total all customers		100.0%	244

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

COMPARATIVE RESULTS OF OPERATIONS

Results of Operations for the three months ended November 30, 2024, as compared to the three months ended November 30, 2023:

	Three Months Ended November 30,	
	2024	2023
	(Dollars in thousands)	
Revenues:		
Lease rental revenue	$ 158,440	$ 156,820
Direct financing and sales-type lease revenue	5,294	4,835
Amortization of lease premiums, discounts and incentives	(5,288)	(2,641)
Maintenance revenue	14,517	58,657
Total lease revenue	172,963	217,671
Gain on sale or disposition of flight equipment	20,483	20,193
Other revenue	130	882
Total revenues	193,576	238,746
Operating expenses:		
Depreciation	87,604	86,647
Interest, net	58,752	57,037
Selling, general and administrative	18,426	18,500
Provision for credit losses	—	5,280
Impairment of flight equipment	8,419	34,959
Maintenance and other costs	4,872	7,107
Total operating expenses	178,073	209,530
Other income:		
Other	6,135	1,529
Total other income	6,135	1,529
Income from continuing operations before income taxes and earnings of unconsolidated equity method investment	21,638	30,745
Income tax provision	4,281	6,025
Earnings of unconsolidated equity method investment, net of tax	738	925
Net income	$ 18,095	$ 25,645

Revenues

Total revenues decreased $45.2 million, attributable to:

Lease rental revenue increased $1.6 million, primarily attributable to an increase of $27.8 million related to 43 aircraft purchased since September 1, 2023.

This was partially offset by:

- a $14.6 million decrease related to the sale of 34 aircraft since September 1, 2023; and
- an $11.5 million decrease due to lease extensions, amendments, transitions and other changes.

Amortization of lease premiums, discounts and lease incentives:

	Three Months Ended November 30,	
	2024	2023
	(Dollars in thousands)	
Amortization of lease premiums	$ (2,705)	$ (2,671)
Amortization of lease discounts	1,375	223
Amortization of lease incentives	(3,958)	(193)
Amortization of lease premiums, discounts and incentives	$ (5,288)	$ (2,641)

The amortization of lease discounts increased $1.2 million due to the acquisition of aircraft.

The amortization of lease incentives increased $3.8 million due to the transition of aircraft to new lessees.

Maintenance revenue. For the three months ended November 30, 2024 and 2023, we recorded $14.5 million and $58.7 million of maintenance revenue, respectively, primarily related to maintenance payments received by us and recognized into income due to scheduled aircraft lease expirations and engine redeliveries. The decrease in maintenance revenue of $44.1 million is primarily attributable to fewer aircraft returns during the three months ended November 30, 2024.

Gain on sale or disposition of flight equipment. During the three months ended November 30, 2024, we sold 8 aircraft and other flight equipment for gains totaling $20.5 million.

For the three months ended November 30, 2023, we sold 8 aircraft and other flight equipment for gains totaling $20.2 million.

Operating expenses

Total operating expenses decreased $31.5 million, attributable to:

Depreciation expense increased $1.0 million, primarily attributable to an increase of $9.9 million related to 43 aircraft acquired since September 1, 2023. This increase was partially offset by a decrease of $8.7 million related to 36 aircraft sold since September 1, 2023.

Interest, net increased $1.7 million due to a higher average cost of borrowing and a higher weighted average debt outstanding of $10.4 million.

Provision for credit losses decreased $5.3 million. During the three months ended November 30, 2023, we recorded a credit provision for debt securities received by us as a part of an airline restructuring, as well as certain restructured receivables.

Impairment of aircraft. During the three months ended November 30, 2024, the Company recorded impairments totaling $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 three months ended November 30, 2023, the Company recorded impairment charges of $35.0 million, including $25.5 million of transactional impairments related to scheduled aircraft lease expirations and engine redeliveries. The Company recognized $37.7 million of maintenance revenue for these aircraft and engines.

We also recorded impairments of $9.5 million resulting from the completion of our annual fleet review during the three months ended November 30, 2023.

Maintenance and other costs decreased $2.2 million, primarily attributable to fewer aircraft transitions. The three months ended November 30, 2023 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

Total other income increased $4.6 million. The three months ended November 30, 2024, included additional cash received in connection with claims settlements from various airline customers that had entered into bankruptcy proceedings or similar-type restructurings.

Income tax provision

Income tax provision. Our income tax provision was $4.3 million and $6.0 million and our effective tax rate was 19.8% and 19.6% for the three months ended November 30, 2024 and 2023, respectively.

Results of Operations for the nine months ended November 30, 2024, as compared to the nine months ended November 30, 2023:

	Nine Months Ended November 30,	
	2024	2023
	(Dollars in thousands)	
Revenues:		
Lease rental revenue	$ 483,389	$ 453,906
Direct financing and sales-type lease revenue	16,177	10,993
Amortization of lease premiums, discounts and incentives	(18,005)	(16,972)
Maintenance revenue	76,044	108,223
Total lease revenue	557,605	556,150
Gain on sale or disposition of flight equipment	56,909	67,240
Other revenue	903	1,803
Total revenues	615,417	625,193
Operating expenses:		
Depreciation	264,637	261,764
Interest, net	185,989	170,963
Selling, general and administrative	60,571	58,217
Provision for credit losses	281	11,405
Impairment of flight equipment	19,391	37,156
Maintenance and other costs	13,411	24,494
Total operating expenses	544,280	563,999
Other income:		
Gain on extinguishment of debt	285	—
Other	6,557	6,238
Total other income	6,842	6,238
Income from continuing operations before income taxes and earnings of unconsolidated equity method investment	77,979	67,432
Income tax provision	16,881	15,286
Earnings of unconsolidated equity method investment, net of tax	1,737	1,787
Net income	$ 62,835	$ 53,933

Revenues

Total revenues decreased $9.8 million, attributable to:

Lease rental revenue increased $29.5 million, primarily attributable to an increase of $81.0 million related to 50 aircraft purchased since March 1, 2023.

This was partially offset by:

- a $36.8 million decrease related to the sale of 39 aircraft since March 1, 2023; and
- a $14.7 million decrease due to lease extensions, amendments, transitions and other changes.

Direct financing and sales-type lease revenue increased $5.2 million, primarily related to the reclassification 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 lease incentives:

	Nine Months Ended November 30,	
	2024	2023
	(Dollars in thousands)	
Amortization of lease premiums	$ (8,897)	$ (8,453)
Amortization of lease discounts	3,055	691
Amortization of lease incentives	(12,163)	(9,210)
Amortization of lease premiums, discounts and incentives	$ (18,005)	$ (16,972)

The amortization of lease discounts increased $2.4 million due to the acquisition of aircraft.

The amortization of lease incentives increased $3.0 million due to the transition of aircraft to new lessees.

Maintenance revenue. For the nine months ended November 30, 2024 and 2023, we recorded $76.0 million and $108.2 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 $32.2 million is primarily attributable to fewer aircraft returns during the nine months ended November 30, 2024.

Gain on sale or disposition of flight equipment. During the nine months ended November 30, 2024, we sold 20 aircraft and other flight equipment for gains totaling $56.9 million.

During the nine months ended November 30, 2023, we sold 18 aircraft and other flight equipment for gains totaling $34.5 million. The nine months ended November 30, 2023 also included selling profit totaling $32.7 million related to the reclassification of 10 aircraft from operating leases to sales-type leases.

Operating expenses

Total operating expenses decreased $19.7 million, attributable to:

Depreciation expense increased $2.9 million, primarily attributable to an increase of $29.0 million related to 50 aircraft purchased since March 1, 2023. This increase was partially offset by a decrease of $24.2 million related to 42 aircraft sold since March 1, 2023.

Interest, net increased $15.0 million due to a higher average cost of borrowing.

Selling, general and administrative expenses increased $2.4 million, primarily due to litigation expenses associated with the litigation discussed in "Update on Russian Aircraft" and the timing of litigation activities.

Provision for credit losses decreased $11.1 million. During the nine months ended November 30, 2023, we recorded a credit provision related to the reclassification of 10 aircraft from operating 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 nine months ended November 30, 2023.

Impairment of aircraft. During the nine months ended November 30, 2024, the Company recorded impairment charges totaling $19.4 million, including $11.0 million of transactional impairments related to a scheduled lease expiration and a lease amendment of 1 aircraft. The Company recognized $24.0 million of maintenance revenue for these aircraft during the nine months ended November 30, 2024.

During the nine months ended November 30, 2023, the Company recorded impairment charges of $37.2 million,

including $25.5 million of transactional impairments related to scheduled aircraft lease expirations and engine redeliveries. The Company recognized $37.7 million of maintenance revenue for these aircraft and engines.

Maintenance and other costs decreased $11.1 million, primarily attributable to fewer aircraft transitions. The nine months ended November 30, 2023 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.

Income tax provision

Income tax provision. We recognized income tax provisions of $16.9 million and $15.3 million for the nine months ended November 30, 2024 and 2023, respectively. Our effective tax rate for the nine months ended November 30, 2024 and 2023 was 21.6% and 22.7%, respectively. The decrease in our effective tax rate is primarily attributable to the mix of profits in taxable and non-taxable jurisdictions.

Aircraft Valuation

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

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

See Note 1 – "Summary of Significant Accounting Policies – Organization and Basis of Presentation" in the Notes to the Unaudited Consolidated Financial Statements above.

RECENT UNADOPTED ACCOUNTING PRONOUNCEMENTS

See Note 1 – "Summary of Significant Accounting Policies – Recent Accounting Pronouncements" in the Notes to the Unaudited Consolidated Financial Statements above.

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, including end-of-lease maintenance payments. 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 nine months ended November 30, 2024, we met our liquidity and capital resource needs with $367.1 million of cash flows from operations and $474.1 million of proceeds from the sale or disposition of aircraft and other flight equipment.

As of November 30, 2024, the weighted average maturity of our secured and unsecured debt financings was 3.3 years, and we were in compliance with all applicable covenants.

We believe we have sufficient liquidity to meet our contractual obligations over the next twelve months. As of January 1, 2025, total liquidity of $2.8 billion included $2.1 billion of undrawn credit facilities, $0.5 billion of projected adjusted operating cash flows and contracted asset sales and $0.2 billion of unrestricted cash through January 1, 2026. 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 twelve 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

	Nine Months Ended November 30,	
	2024	2023
	(Dollars in thousands)	
Net cash flow provided by operating activities	$ 367,062	$ 309,067
Net cash flow used in investing activities	(116,553)	(473,203)
Net cash flow provided by financing activities	143,267	38,107

Operating Activities:

Cash flow provided by operating activities was $367.1 million and $309.1 million for the nine months ended November 30, 2024 and 2023, respectively. The net increase is attributable to higher customer cash collections during the nine months ended November 30, 2024, partially offset by lower cash paid for interest by $18.5 million related to the timing of interest payments.

Investing Activities:

Cash flow used in investing activities was $116.6 million and $473.2 million for the nine months ended November 30, 2024 and 2023, respectively. The net decrease of $356.7 million was primarily attributable to an increase of $275.2 million in proceeds from the sale or disposition of aircraft and other flight equipment during the nine months ended November 30, 2024. Additionally, cash used in the acquisition and improvement of flight equipment was lower during the nine months ended November 30, 2024 by $86.1 million primarily attributable to the mix of aircraft types with respect to aircraft acquisitions.

Financing Activities:

Cash flow provided by financing activities was $143.3 million and $38.1 million for the nine months ended November 30, 2024 and 2023, respectively. The increase of $105.2 million was primarily attributable to a $100.0 million increase in proceeds from the issuance of our common shares.

Debt Obligations

For complete information on our debt obligations, refer to Note 8 in the Notes to the Unaudited Consolidated Financial Statements.

Contractual Obligations

Our contractual obligations primarily consist of principal and interest payments on debt financings, aircraft acquisitions and rent payments pursuant to our office leases. Total contractual obligations increased to $6.8 billion at November 30, 2024 from $6.1 billion at February 29, 2024, due to higher aircraft purchase commitments and interest obligations, partially offset by lower outstanding debt.

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 nine months ended November 30, 2024 and 2023, we incurred a total of $18.9 million and $66.9 million, respectively, of capital expenditures, including lease incentives, related to the improvement of aircraft.

As of November 30, 2024, the weighted average age by Net Book Value of our aircraft was approximately 9.7 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" in our Annual Report on Form 10-K for the year ended February 29, 2024.

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 November 30, 2024, the Net Book Value of its 9 aircraft was $261.5 million.

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

Foreign Currency Risk and Foreign Operations

At November 30, 2024, approximately 99% of our leases were 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 nine months ended November 30, 2024, expenses, such as personnel and office costs, denominated in currencies other than the U.S. dollar totaled $14.9 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, our international operations and our exposure to foreign currency risk will likely increase over time. Although we have not yet entered into foreign currency hedges, if our foreign currency exposure increases, we may enter into hedging transactions in the future to mitigate this risk. For the nine months ended November 30, 2024 and 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 three and nine months ended November 30, 2024 and 2023:

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	2023	2024	2023
Net income	$ 18,095	$ 25,645	$ 62,835	$ 53,933
Depreciation	87,604	86,647	264,637	261,764
Amortization of lease premiums, discounts and incentives	5,288	2,641	18,005	16,972
Interest, net	58,752	57,037	185,989	170,963
Income tax provision	4,281	6,025	16,881	15,286
EBITDA	$ 174,020	$ 177,995	$ 548,347	$ 518,918
Adjustments:				
Impairment of flight equipment	8,419	34,959	19,391	37,156
Gain on extinguishment of debt	—	—	(285)	—
Adjusted EBITDA	$ 182,439	$ 212,954	$ 567,453	$ 556,074

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 3. 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 November 30, 2024, a hypothetical 100-basis point increase/decrease in our variable interest rate on our borrowings would result in an interest expense increase/decrease of $3.1 million and $3.1 million, respectively, over the next twelve months.

ITEM 4. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures" is defined in Exchange Act Rules 13a-15(e) and 15d-15(e). 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 November 30, 2024. 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 November 30, 2024.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f), that occurred during the quarter ended November 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

There have been no material changes to the disclosure related to the risk factors described in our Annual Report on Form 10-K for the year ended February 29, 2024, as filed with the SEC.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Environmental, Social and Governance ("ESG")

Information on our ESG initiatives can be found on our website at www.aircastle.com under "ESG." The information on the Company's website regarding our ESG initiatives is not part of, nor incorporated by reference, into this report, or any other report we file with, or furnish to, the SEC.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit
3.1	Amended and Restated Memorandum of Association (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on March 27, 2020).
3.2	Amended and Restated Bye-laws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC 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	Indenture, dated as of December 5, 2013, 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 December 6, 2013).
4.3	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).
4.4	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).
4.5	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).
4.6	Deposit Agreement, dated June 8, 2021, among Aircastle Limited, Computer share 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).
4.7	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).
4.8	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).
4.9	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).
4.10	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).
4.11	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).
4.12	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).
4.13	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).
4.14	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).

Exhibit No.	Description of Exhibit
10.1	Retirement and Consulting Agreement, dated October 21, 2024, by and between Aircastle Advisor LLC and Christopher L. Beers. * ** ØØ #
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. *
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of November 30, 2024 and February 29, 2024; (ii) Consolidated Statements of Income and Comprehensive Income for the three and nine months ended November 30, 2024 and 2023; (iii) Consolidated Statements of Cash Flows for the nine months ended November 30, 2024 and 2023; (iv) Consolidated Statements of Changes in Shareholders' Equity for the three and nine months ended November 30, 2024 and 2023; and (v) Notes to Unaudited Consolidated Financial Statements.*
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

* Filed herewith.

** Certain attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K.

ØØ Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

Management contract or compensatory plan or arrangement.

SIGNATURE

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

Dated: January 10, 2025

AIRCASTLE LIMITED
(Registrant)

By: /s/ Dane Silverman
Dane Silverman
Chief Accounting Officer and Authorized Officer

Exhibit 10.1
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.

AIRCASTLE ADVISOR LLC
RETIREMENT AND CONSULTING AGREEMENT

Date:	October 18, 2024.
Executive:	Christopher L. Beers ("Mr. Beers").
Company:	Aircastle Advisor LLC (the "Company").
Employment Agreement:	The Company and Mr. Beers are party to that certain Employment Agreement dated as of October 31, 2017, as amended as of December 19, 2019 and May 20, 2021 (the "Employment Agreement"). Capitalized terms used but not otherwise defined in this Retirement and Consulting Agreement (this "Agreement") shall have the meaning set forth in the Employment Agreement.
Retirement:	Mr. Beers' employment with the Company shall terminate by reason of his retirement on **February 28, 2025** (such termination of employment, the "Retirement," and such employment termination date, the "Retirement Date"). Mr. Beers' Retirement shall not be deemed to be a termination of his employment by the Company without Cause or by Mr. Beers for Good Reason or as a result of the Company's non-renewal of the Term for purposes of the Employment Agreement or any other agreement between the parties.
Transition:	From the date of this Agreement until the Retirement Date, Mr. Beers shall continue to be employed by the Company on a full-time basis as the Company's Chief Legal Officer in accordance with the terms and conditions of the Employment Agreement. Upon the Retirement Date, Mr. Beers hereby agrees to resign as the Company's Chief Legal Officer and from any other position that he then holds as an officer or director of the Company or any of its affiliates; provided that, following the Retirement Date, Mr. Beers will be engaged

by the Company as an independent consultant in the role of "Senior Advisor" as described below.

From the date of this Agreement until the Retirement Date, subject to his continued employment through the Retirement Date, Mr. Beers will continue to receive his base salary at the annual rate of [***] and all other components of his usual and customary compensation and benefits, except that:

(i) Mr. Beers will not receive the grant of any Cash LTI Award in fiscal year 2025 or in any fiscal year thereafter; and

(ii) provided that the General Release (as defined below) becomes effective, Mr. Beers will be eligible to receive an Annual Bonus for performance in fiscal year 2024 (i.e., March 1, 2024 to February 28, 2025) in the target amount of [***] , the actual amount of which will be determined by the Company based on actual performance as determined in good faith by the Board and calculated in a manner that is consistent with Company practices as applied to similarly-situated Company executives and paid no later than May 15, 2025 (the "2024 Annual Bonus").

The parties agree that no severance payments will be payable as a result of Mr. Beers' Retirement or the execution, performance or termination of this Agreement, other than payment of the Accrued Benefits in accordance with Section 5 of the Employment Agreement.

Cash LTI Awards:

Mr. Beer's Retirement shall constitute a "Qualifying Retirement" for purposes of the Cash LTI Awards previously granted to him on each of May 21, 2023 and April 17, 2024 (collectively, the "2023 and 2024 Cash LTI Awards"), such that the 2023 and 2024 Cash LTI Awards shall remain outstanding and eligible to vest on the applicable vesting dates in accordance with their terms and conditions, provided that (i) Mr. Beers remains in continuous employment through the Retirement Date, (ii) the General Release becomes effective, and (iii) as required by the applicable Cash LTI Award agreements, Mr. Beers does not serve as an executive officer (or in any other senior commercial role) of any commercial jet aircraft leasing company prior to the applicable vesting dates of such 2023 and 2024 Cash LTI Awards. For the

avoidance of doubt, the Cash LTI Award previously granted to Mr. Beers on August 15, 2022, shall become vested and payable in accordance with its terms on the Retirement Date.

At the time of the payment to Mr. Beers of his Cash LTI Awards, the Company will provide him with calculations that show how the amount of the Cash LTI Awards was derived.

For purposes of the 2023 and 2024 Cash LTI Awards, Mr. Beers shall be deemed to have given the Company notice of his intent to resign and terminate his employment with the Company and its affiliates pursuant to a Qualifying Termination effective as of July 1, 2024, and Mr. Beers shall be deemed have remained in employment through June 30, 2025 by virtue of his continued service in the role of Senior Adviser (as described below) through such date, and accordingly, subject to his continued employment through the Retirement Date and his provision of the Consulting Services (as defined below), Mr. Beers shall be deemed to have satisfied the notice requirement under prong (i) of the definition of "Qualifying Retirement" under each of the Aircastle Advisor LLC Executive Cash LTI Awards dated May 1, 2023 and April 17, 2024, respectively, between the Company and Mr. Beers (collectively, the "2023 and 2024 Cash LTI Award Agreements").

General Release:

Payment of the 2024 Annual Bonus and Mr. Beers' eligibility for continued vesting of the 2023 and 2024 Cash LTI Awards, in each case as set forth above, are subject to the timely execution, delivery and non-revocation by Mr. Beers of the general release of claims in substantially the form attached as Exhibit A hereto (the "General Release"). Mr. Beers acknowledges and agrees that the foregoing payments and benefits are adequate and satisfactory consideration for the General Release.

Mr. Beers shall be given at least twenty-one (21) days following the Retirement Date to consider the terms of the General Release (although he may sign it sooner, but not sooner than the Retirement Date), and Mr. Beers shall have seven (7) days following signature to revoke such release.

	Mr. Beers shall not receive payment of the 2024 Annual Bonus, and shall not be eligible for continued vesting of the 2023 and 2024 Cash LTI Awards, if the General Release does not become effective in accordance with its terms (including the expiration, without revocation, of the applicable 7-day revocation period) on or before **April 30, 2025**; provided that in the event of Mr. Beers' death or Disability prior to April 30, 2025 and prior to his execution of the General Release, his personal representative, executor or executrix, as applicable, shall have until August 31, 2025 to execute (and not revoke) the General Release. For clarity, in the event of Mr. Beers' death or Disability prior to April 30, 2025 and prior to his execution of the General Release, the 2024 Annual Bonus will be paid out in any event no later than May 15, 2025, but will be subject to claw-back on an after-tax basis should the General Release not become effective in accordance with its terms as described in the preceding sentence (including the expiration, without revocation, of the applicable 7-day revocation period) on or before August 31, 2025.
Consulting Term:	During the period starting on March 1, 2025 and continuing for a period of twelve (12) months thereafter (as may be terminated earlier by either party pursuant to this Agreement, the "Consulting Term"), Mr. Beers will be engaged as an independent consultant in the role of a Senior Advisor, providing advice to the Company with respect to ongoing Russian aircraft litigation and insurance settlements as may be reasonably requested by the Company from time to time (the "Consulting Services"). Mr. Beers agrees to perform the Consulting Services conscientiously and to the best of his ability and in compliance with typical industry standards and practices. The Consulting Services shall not include providing legal advice or create any attorney/client relationship. As part of the Consulting Services, Mr. Beers may be requested to facilitate the rendition of legal advice or services to the Company under the advice or direction of the Company's in-house counsel and outside attorneys. To the extent in connection with the Consulting Services Mr. Beers receives information that is subject to the attorney-client privilege and any other applicable privileges of the Company, Mr. Beers will maintain, and not waive, such privileges.

Notwithstanding the foregoing, if the litigation subject to the Consulting Services is settled or dismissed before the end of the Consulting Term, either the Company or Mr. Beers may terminate the Consulting Term by providing at least three (3) months advance written notice (email is sufficient) to the other party, provided that such notice may not be given prior to August 31, 2025.

Mr. Beers understands that, during the Consulting Term, Mr. Beers' relationship with the Company will be that of an independent contractor and Mr. Beers will not be considered an employee of the Company for tax purposes or any other purposes. Mr. Beers will not be entitled to or eligible for any benefits or privileges given or extended by the Company to its employees. Mr. Beers will perform the Consulting Services described herein as generally requested by the Company, but Mr. Beers will determine, in his sole discretion, the manner and means by which such Consulting Services are performed, subject to the requirement that Mr. Beers will at all times comply with applicable law. Mr. Beers understands that during the Consulting Term, Mr. Beers will not be an agent of the Company or any of its affiliates, and that Mr. Beers will have no authority, implied or actual, to act on behalf of the Company or any of its affiliates or to enter into any agreement that would bind either the Company or any of its affiliates. Federal, state, and local income tax and payroll tax of any kind will not be withheld or paid by the Company on Mr. Beers' behalf with respect to any compensation paid for the Consulting Services. Mr. Beers is solely responsible for paying income taxes on such amounts and, if applicable, self-employment taxes pursuant to applicable law and shall indemnify, defend and hold the Company harmless from any and all liability, damage, cost, fine, penalty, fee, and expense arising from his failure to do so.

Consulting Fees: As payment for the Consulting Services rendered pursuant to this Agreement, the Company will pay, and Mr. Beers will accept, a monthly consulting fee of [***] for up to [***] of Consulting Services per month, and [***] per hour for any extra services performed during any month in excess of [***] (the "Consulting Fee"). The payment of the Consulting Fee will be made monthly, in

	arrears, within fifteen (15) days after the end of each calendar month during the Consulting Term. For any month during the Consulting Term in which the Consulting Services exceed [***] per month, Mr. Beers shall provide an invoice to the Company with reasonable detail of the Consulting Services performed, and the Company will provide payment of any amount due in excess of [***] promptly following receipt of such invoice absent a good faith dispute regarding such amount (in the event of such a dispute, any amount not in dispute will be paid promptly, and the parties will reasonably cooperate to resolve the disputed amount). In addition, the Company will reimburse Mr. Beers for out- of-pocket expenses incurred by him in the performance of his duties under this Agreement in accordance with the Company's expense reimbursement policies as generally in effect from time to time.
Binding Agreement:	Sections 6 through 12 of the Employment Agreement shall remain in full force and effect in accordance with their post-employment terms and conditions following the Retirement Date. In addition, any information relating to the Company's business, investments or third parties learned by Mr. Beers directly or indirectly in connection with his performance of the Consulting Services shall constitute Confidential Information for purposes of Section6(e) of the Employment Agreement. For all other purposes, the Employment Agreement shall terminate effective as of the Retirement Date. For the avoidance of doubt, the 2023 and 2024 Cash LTI Award Agreements shall remain in full force and effect in accordance with their terms and conditions upon a "Qualifying Termination" following the Retirement Date.
Governing Law:	This Agreement shall be governed and controlled by and in accordance with the laws of the State of Connecticut without regard to its conflict of laws provision. Venue for any action brought to enforce the terms of this agreement or for breach thereof shall lie in any court of competent jurisdiction in Stamford, Connecticut.
Section 409A:	The intent of the parties is that the payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended

	("Section 409A"), to the extent subject thereto, and accordingly, to the maximum extent permitted, this agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, Mr. Beers shall not be considered to have terminated employment with the Company for purposes of any payments and benefits under this agreement which are subject to Section 409A until he has incurred a "separation from service" from the Company within the meaning of Section 409A. Each amount to be paid or benefit to be provided under this agreement shall be construed as a separate identified payment for purposes of Section 409A.
Announcement/Press Release:	The Company and Mr. Beers shall agree upon a press release announcing his Retirement.

[signature page follows]

The parties hereto knowingly and voluntarily executed this Agreement as of the above date.

AIRCASTLE ADVISOR LLC

By: [***]

Title: [***]

CHRISTOPHER L. BEERS

/s/ Christopher L. Beers

_____

Exhibit A

GENERAL RELEASE OF CLAIMS

[***]

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 quarterly report on Form 10-Q 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: January 10, 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 quarterly report on Form 10-Q 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: January 10, 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 Quarterly Report on Form 10-Q of Aircastle Limited (the "Company") for the three months ended November 30, 2024, 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

Name:	Michael Inglese
Title:	Chief Executive Officer
Date:	January 10, 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 Quarterly Report on Form 10-Q of Aircastle Limited (the "Company") for the three months ended November 30, 2024, 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 ("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/ Roy Chandran

Name: Roy Chandran
Title: Chief Financial Officer
Date: January 10, 2025