

**AVIATION CAPITAL GROUP LLC  
AND SUBSIDIARIES**

Consolidated Financial Statements  
as of December 31, 2025 and 2024 and  
for the years ended December 31, 2025, 2024, and 2023  
and Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT

Aviation Capital Group LLC and Subsidiaries

### Opinion

We have audited the consolidated financial statements of Aviation Capital Group LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income and comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Deloitte & Touche LLP*

February 24, 2026

Aviation Capital Group LLC and Subsidiaries

CONSOLIDATED BALANCE SHEETS

<i>(in thousands)</i>	December 31, 2024	
	2025	As Adjusted
<b>ASSETS</b>		
Cash and cash equivalents	\$118,663	\$167,635
Flight equipment held for lease, net	12,014,225	10,640,043
Assets held for sale	297,700	127,043
Prepayments on flight equipment	833,335	756,725
Investment in finance leases, net	143,842	74,178
Notes receivable, net	101,238	109,401
Other assets, net	182,169	213,912
<b>TOTAL ASSETS</b>	<b>\$13,691,172</b>	<b>\$12,088,937</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Debt financings, net	\$8,469,603	\$7,528,764
Maintenance reserves	527,998	526,764
Accounts payable, accrued expenses and other liabilities	385,672	344,517
Security deposits	131,936	134,724
<b>TOTAL LIABILITIES</b>	<b>9,515,209</b>	<b>8,534,769</b>
Commitments and contingencies (Note 10)		
Equity:		
Member's equity	4,186,841	3,549,157
Accumulated other comprehensive (loss) income	(10,878)	5,011
<b>TOTAL EQUITY</b>	<b>4,175,963</b>	<b>3,554,168</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$13,691,172</b>	<b>\$12,088,937</b>

See Notes to Consolidated Financial Statements

Aviation Capital Group LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

<i>(in Thousands)</i>	Years Ended December 31,		
	2025	2024 As Adjusted	2023 As Adjusted
<b>REVENUES</b>			
Operating lease revenue	\$1,049,093	\$1,040,085	\$1,058,566
Amortization of lease incentives and premiums, net	(41,314)	(51,377)	(39,730)
Maintenance revenue	72,568	46,550	69,683
Gain on sale of flight equipment, net	144,622	117,990	16,309
Other income	62,221	88,845	106,858
<b>TOTAL REVENUES</b>	<b>1,287,190</b>	<b>1,242,093</b>	<b>1,211,686</b>
<b>EXPENSES</b>			
Depreciation	516,885	495,776	495,306
Interest, net	395,623	410,267	416,761
Asset impairment and provision for credit losses	57,452	5,520	20,452
Recoveries related to Russia exposure	(550,996)	—	—
Selling, general and administrative, net	117,504	156,197	140,949
<b>TOTAL EXPENSES</b>	<b>536,468</b>	<b>1,067,760</b>	<b>1,073,468</b>
Income before provision for (benefit from) income taxes	750,722	174,333	138,218
Provision for (benefit from) income taxes	49,941	13,255	(14,775)
<b>NET INCOME</b>	<b>700,781</b>	<b>161,078</b>	<b>152,993</b>
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>			
Change in fair value of interest rate swap contracts	(15,889)	(4,133)	9,144
<b>TOTAL OTHER COMPREHENSIVE (LOSS) INCOME</b>	<b>(15,889)</b>	<b>(4,133)</b>	<b>9,144</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$684,892</b>	<b>\$156,945</b>	<b>\$162,137</b>

See Notes to Consolidated Financial Statements

Aviation Capital Group LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF EQUITY

<i>(In Thousands)</i>	Member's Equity	Accumulated Other Comprehensive Income (Loss)	Total Equity
<b>BALANCES, DECEMBER 31, 2022</b>	\$3,269,091	\$—	\$3,269,091
Cumulative effect of accounting policy change (Note 2)	(14,581)	—	(14,581)
<b>BALANCES, DECEMBER 31, 2022 (AS ADJUSTED)</b>	3,254,510	—	3,254,510
Cumulative effect due to adoption of new accounting standard (Note 2)	(19,424)	—	(19,424)
Net income	152,993	—	152,993
Other comprehensive income	—	9,144	9,144
<b>BALANCES, DECEMBER 31, 2023 (AS ADJUSTED)</b>	3,388,079	9,144	3,397,223
Net income	161,078	—	161,078
Other comprehensive loss	—	(4,133)	(4,133)
<b>BALANCES, DECEMBER 31, 2024 (AS ADJUSTED)</b>	3,549,157	5,011	3,554,168
Net income	700,781	—	700,781
Distribution	(63,097)	—	(63,097)
Other comprehensive loss	—	(15,889)	(15,889)
<b>BALANCES, DECEMBER 31, 2025</b>	\$4,186,841	(\$10,878)	\$4,175,963

See Notes to Consolidated Financial Statements

Aviation Capital Group LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(In Thousands)</i>	Years Ended December 31,		
	2025	2024 As Adjusted	2023 As Adjusted
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$700,781	\$161,078	\$152,993
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	516,885	495,776	495,306
Asset impairment and provision for credit losses	57,452	5,520	20,452
Recoveries related to Russia exposure	(550,996)	—	—
Maintenance reserves, security deposits and lease incentives included in earnings	(18,435)	(28,201)	(67,467)
Amortization of lease incentives and premiums, net	41,301	51,377	39,730
Amortization of debt acquisition costs and original issuance discounts	29,544	27,190	23,459
Gain on sale of flight equipment, net	(144,622)	(117,990)	(16,309)
Other operating activities, net	34,100	(28,047)	(34,414)
Change in other assets	5,450	13,728	36,273
Change in accounts payable, accrued expenses, and other liabilities	(14,952)	(31,707)	7,031
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>656,508</b>	<b>548,724</b>	<b>657,054</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of flight equipment and related assets	(3,227,767)	(1,365,653)	(1,293,307)
Proceeds from sale of flight equipment and related assets	1,300,484	1,677,075	245,410
Proceeds from insurance claim settlements	550,996	—	—
Prepayments on flight equipment	(383,732)	(222,034)	(349,747)
Refunded prepayments on flight equipment	65,985	—	—
Capitalized interest on prepayments on flight equipment	(29,514)	(28,789)	(18,594)
Proceeds from sale and receipts of notes receivable	19,135	294,792	216,528
Issuance of notes receivable	(8,289)	(47,981)	—
Other investing activities, net	13,362	58,972	21,807
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(1,699,340)</b>	<b>366,382</b>	<b>(1,177,903)</b>

*(Continued)*

See Notes to Consolidated Financial Statements

Aviation Capital Group LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)	Years Ended December 31,		
	2025	2024 As Adjusted	2023 As Adjusted
(Continued)			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from debt financings	\$2,389,382	\$1,667,729	\$1,885,169
Repayment of debt financings	(1,963,239)	(1,795,261)	(1,721,641)
Proceeds from (repayment of) revolving credit facilities and commercial paper, net	495,000	(810,250)	102,809
Distributions Paid	(63,097)	—	—
Receipts of maintenance reserves, net of payments	140,105	114,651	130,572
Receipts of security deposits, net of payments	5,171	20,215	21,555
Other financing activities, net	(9,462)	(24,001)	(18,648)
<b>NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<b>993,860</b>	<b>(826,917)</b>	<b>399,816</b>
Net change in cash and cash equivalents and restricted cash	(48,972)	88,189	(121,033)
Cash and cash equivalents and restricted cash, beginning of year	167,635	79,446	200,479
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR <sup>(1)</sup></b>	<b>\$118,663</b>	<b>\$167,635</b>	<b>\$79,446</b>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

Interest paid, net of capitalized interest	\$349,960	\$377,711	\$363,579
Non cash transfer from prepayments on flight equipment to flight equipment held for lease, net	\$260,752	\$101,791	\$349,616
Flight equipment held for lease, net reclassified to flight equipment held for sale	\$1,453,418	\$1,131,353	\$645,042
Maintenance reserves and security deposits offset in sale of flight equipment	\$183,155	\$130,880	\$12,356
Non cash transfer from aircraft to finance lease	\$59,188	\$53,967	\$—

<sup>(1)</sup> Includes zero, zero, and \$5.2 million of restricted cash as of December 31, 2025, 2024, and 2023, respectively.

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. ORGANIZATION**

Aviation Capital Group LLC, a Delaware limited liability company (ACG LLC), together with its subsidiaries (collectively ACG, we, us, or our) is a full service aircraft asset manager. Our business consists primarily of the acquisition, leasing, and disposition of commercial jet aircraft and our principal activity is to invest in and lease commercial jet aircraft pursuant to operating leases. In addition to our leasing activities, we sell aircraft from our portfolio to third parties, including other leasing companies, financial services companies, airlines and other investors. We also provide certain aircraft asset management services and aircraft financing solutions (AFS) for third parties. Our lessee customers are primarily commercial airlines operating across the globe.

ACG LLC is a wholly owned subsidiary of TC Skyward Aviation U.S., Inc. (TCSA), a Delaware corporation and direct subsidiary of Tokyo Century Corporation (Tokyo Century), a Japanese corporation.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION**

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Our consolidated financial statements include the accounts of all entities in which we have a controlling financial interest, including the accounts of any variable interest entity (VIE) where we are the primary beneficiary.

All intercompany transactions and balances have been eliminated in consolidation.

We manage, operate, and present our business as a single segment.

Certain line items have been expanded or combined in the presentation of the 2024 and 2023 consolidated balance sheets, consolidated statements of income and comprehensive income, consolidated statements of cash flows, and footnotes to conform to the 2025 presentation.

**RISK AND UNCERTAINTIES**

In the normal course of business, we encounter several significant types of economic risk including, but not limited to, credit, market, aviation industry, and capital market risks. Credit risk is the risk of a counterparty's inability or unwillingness to make contractually required payments and to fulfill its other contractual obligations. Market risk reflects the change in the value of financings, guarantees, and derivatives due to changes in interest rate spreads, including the value of collateral underlying financings or other market factors. Aviation industry risk is the risk of a downturn in the commercial aviation industry that could adversely affect a lessee's ability to make payments, increase the risk of unscheduled lease terminations, depress lease rates, and depress the value of our aircraft. Capital market risk is the risk that we are unable to obtain capital at reasonable rates to fund the growth of our business or to refinance existing debt.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with U.S. GAAP requires that we make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. While we believe that the estimates and related assumptions used in the preparation of the consolidated financial statements are reasonable, actual results could differ from those estimates. The use of estimates is or could be a significant factor affecting the reported carrying values of flight equipment, acquired contractual rights, accruals, asset valuation, guarantee reserves, and allowance for credit losses. In developing these estimates, we are required to make subjective and complex decisions that are inherently uncertain and subject to material changes as facts and circumstances change. Actual results may differ from our estimates under different conditions.

## CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents primarily include cash on hand, demand deposits with banks and highly liquid investments with an original maturity of three months or less.

## FLIGHT EQUIPMENT HELD FOR LEASE, NET, DEPRECIATION, AND IMPAIRMENT

We record our flight equipment held for lease at cost less accumulated depreciation. Cost consists of the acquisition price, including interest capitalized during the construction period of a new aircraft, and major improvements. Depreciation to our estimated residual value is computed using the straight-line method over the estimated useful life of the aircraft, which is generally 25 years from the date of manufacture. We capitalize major improvements to aircraft as incurred and depreciate the improvements over the shorter of the remaining useful life of the aircraft or the improvement.

We test for potential impairment whenever events or changes in circumstances indicate that the carrying value of our flight equipment may not be recoverable. Factors we consider include significant world events, significant under-performance relative to historic results or projected future operating results, significant negative industry or economic trends, reductions to our future minimum lease rentals, a decline in the market values of our aircraft for potential sale transactions, the maintenance condition of our flight equipment, and the intended use of our aircraft. We may be required to record a significant charge to earnings during the period in which any impairment is determined. Such charges could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We test for potential impairment utilizing a two-step process. Step one is a review of the recoverability which includes an assessment of the estimated future undiscounted cash flows associated with the use of the flight equipment and its eventual disposal. The assets are grouped at the lowest level for which identifiable cash flows are largely independent of other groups of assets, which generally includes the individual aircraft and the lease-related assets of that aircraft (the Asset Group). Under step two, if the future undiscounted cash flows of the flight equipment are less than the Asset Group's carrying value, the Asset Group is deemed impaired and re-measured to fair value. We measure the impairment, if any, as the excess of the carrying value of the Asset Group over its fair value on the measurement date. An impairment loss for an Asset Group reduces the carrying value of the long-lived assets related to that Asset Group.

## ASSETS HELD FOR SALE

We evaluate all proposed flight equipment sale transactions to determine whether the required criteria have been met under U.S. GAAP to classify the flight equipment or Asset Group as assets held for sale. We use judgment in evaluating these criteria. Assets held for sale are valued at the lower of depreciated cost or fair value less estimated costs to sell. An asset impairment is recorded for assets held for sale if the carrying value of the Asset Group exceeds its fair value, less estimated costs to sell. We cease recognition of depreciation expense upon transfer to assets held for sale. We continue to recognize operating lease revenue until the disposition date. Rent collected from the contracted sale date through the disposition date generally reduces the sale proceeds.

## PREPAYMENTS ON FLIGHT EQUIPMENT AND CAPITALIZED INTEREST

Prepayments on flight equipment represent progress payments, and capitalized interest thereon, associated with aircraft order positions we hold with various aircraft manufacturers and deposits paid for aircraft purchases with other third parties.

We use debt financings to fund these payments during the period the aircraft is under production. We capitalize the interest expense on such financings thereby reducing the interest expense we report for the period. The amount capitalized is calculated using a composite borrowing rate for unsecured financings and is recorded as an increase to prepayments on flight equipment.

Prepayments on flight equipment, deposits paid on third party aircraft purchases and capitalized interest are capitalized to the aircraft's cost upon delivery.

## CREDIT LOSSES

We are exposed to credit losses on our notes receivable, repayment guarantees, investment in finance leases, and deferral and restructuring receivables (collectively referred to herein as Guarantees and Financed Receivables). The majority of our Guarantees and Financed Receivables are collateralized by rights to an aircraft or cash collateral, including letters of credit, collected in the form of security deposits or maintenance reserves. We estimate the expected risk of loss over the remaining life of our Guarantees and Financed Receivables using a probability of default and net exposure analysis using historical information, current conditions, and reasonable and supportable forecasts. The probability of default is based on historical cumulative default data published by a third-party servicer, adjusted for current conditions, of similarly risk-rated counterparties over the contractual term. The net exposure is estimated based on the

Guarantees and Financed Receivables balance exposure, net of the estimated aircraft value and other cash collateral over the contractual term.

In order to manage risk, we have developed an internal credit rating model for airlines in our portfolio. Internal credit ratings are based on both quantitative and qualitative factors of the airlines and the environment in which they operate. The frequency of rating updates is established by our credit risk policy, which requires periodic monitoring and at least an annual review. Our internal risk ratings process is an important source of information in determining our expected credit losses.

As it relates to our notes receivable, repayment guarantees and investment in finance leases, the expected loss provision for each individual contractual exposure is calculated by multiplying the probability of default by the net exposure over the contractual term. We then determine the present value of such expected loss amount over the contractual term using a discount rate equal to the financial asset's effective interest rate, when applicable.

As it relates to our deferral and restructuring receivables, the expected loss provision is based on our estimate of expected credit losses over the lease term and is recorded at the inception of any new deferral or restructuring receivable. We record our deferral and restructuring receivables in other assets, net and net of an allowance for credit losses.

We record the adjustment for expected credit losses related to Guarantees and Financed Receivables in asset impairment and provision for credit losses. We also recorded an allowance for credit losses upon the adoption of Accounting Standards Codification (ASC) 326.

#### NOTES RECEIVABLE, NET

Notes receivable, net consist of loans made by us to third-party airlines, including in connection with our AFS activities. We are paid a fee upon origination of some of these loans, and any fees generated on the loans are deferred and amortized over the life of the notes. We carry the loans at cost, net of principal paydowns and unamortized deferred fees if applicable. Interest income on performing notes is accrued and recognized at the contractual rate and included in other income.

Our notes receivable credit exposure reflects the risk that borrowers fail to meet their payment obligations. We recorded an allowance for credit losses on outstanding notes receivable upon the adoption of ASC 326 and record an allowance for credit losses at the initial recognition of a note receivable based on our estimate of expected credit losses over the loan term. We record our notes receivable net of deferred fees and an allowance for credit losses.

#### DEBT FINANCINGS, NET

Debt financings are carried at the principal amount borrowed, net of principal paydowns, unamortized original issuance discounts, and unamortized debt acquisition costs. We amortize original issuance discounts and debt acquisition costs on a straight-line basis, which does not materially differ from the effective interest method, over the life of the related debt instrument/facility, and include the amortization in interest, net.

#### ACQUIRED AIRCRAFT CONTRACTUAL RIGHTS

When we acquire used aircraft subject to operating leases, we allocate and record the cost of assets acquired and liabilities assumed based on their relative fair value and in accordance with ASC 805. Assets acquired generally include aircraft and certain contractual rights we acquire under a lease agreement and liabilities assumed generally includes certain contractual obligations. Contractual rights include the right to receive lease related cash flows above or below market rates (Lease Premium or Discount) and aircraft maintenance right assets, which are assessed at the time of acquisition. Contractual obligations include additional payments to our lessees related to prior lessee maintenance usage, which are generally referred to as a "top-up".

Lease Premium or Discount represents the present value of the difference in cash flows specified in an acquired lease agreement and the estimated cash flows the subject aircraft would command in market transactions at the acquisition date. We record Lease Premium or Discount in other assets, net and accounts payable, accrued expense and other liabilities, respectively. Amortization of Lease Premium and Discount is recognized as a reduction to or an increase to revenues, respectively, on a straight-line basis over the life of the lease.

We identify, measure, and account for maintenance right assets associated with our acquisitions of aircraft subject to a lease agreement. A maintenance right asset represents the fair value of the contractual right under a lease to receive an aircraft in an improved maintenance condition as compared to the maintenance condition on the acquisition date.

Our aircraft leases are principally structured as triple net leases whereby the lessee is responsible for maintaining the aircraft and paying operational, maintenance and insurance expenses. This is accomplished through one of two types of provisions in our leases: (i) end of lease return compensation based on the lessee's usage (EOL Leases) or (ii) periodic maintenance payments (MR Leases).

Under EOL Leases, we recognize receipt of cash compensation at the end of the lease as maintenance revenue to the extent such receipts exceed the maintenance right asset, if applicable. We reclassify the maintenance right asset to aircraft cost when it exceeds the cash received or when we receive the aircraft in an improved condition instead of receiving cash and we have confirmed the scope of work performed and that the improvement meets our capitalization policy.

Under MR Leases, we recognize maintenance revenue to the extent that the associated maintenance reserves exceed the maintenance right asset at the end of the lease. If qualified major maintenance work is performed during the lease, we reimburse the lessee for the performance of some or all of the qualified major maintenance, reclassify the maintenance right asset to aircraft cost and depreciate it over the remaining life of the aircraft.

When flight equipment is sold while on lease, contractual rights are recognized as part of the gain or loss on sale of flight equipment.

We evaluate all acquired aircraft contractual rights for impairment when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

#### MAINTENANCE RESERVES AND MAINTENANCE REVENUE

Factors we consider when deciding if a lessee will make periodic maintenance payments, rather than making maintenance payments at the end of the lease term, include the creditworthiness of the lessee, the level of security deposit provided by the lessee and market conditions at the time we enter into the lease.

Under EOL Leases, maintenance payments made to us at the end of the lease term are recognized as maintenance revenue or offset to maintenance right asset when received. Maintenance payments we make to the lessee are capitalized and depreciated on a straight-line basis until the next estimated scheduled maintenance or overhaul event.

Under MR Leases, maintenance payments made to us in excess of the required reimbursements to the lessee are recognized as maintenance revenue when we no longer have the obligation to reimburse maintenance reserves. If the lessee fails to perform under the terms of the lease, we may use maintenance reserves to offset outstanding contractual obligations during the lease term or at termination and/or record them as maintenance revenue.

#### SECURITY DEPOSITS

Most of our operating leases require the lessee to pay a cash deposit or provide a letter of credit for security for certain contractual obligations. Security deposits are generally returned to the lessee at the end of the lease. If the lessee fails to perform under the terms of the lease, we may use security deposits to offset outstanding contractual obligations during the lease term or at termination and/or record them as lease termination settlements, which are included in other income.

#### LEASE INCENTIVES

Some of our leases contain provisions which require us to pay a portion of a lessee's major maintenance based on use of the aircraft and major life-limited components that were incurred prior to the current lease. At lease inception, we estimate the amounts we expect to pay the lessee during the lease term based on the estimated utilization of the aircraft by the lessee, the estimated maintenance cost, and the estimated amount the lessee is responsible to pay.

We do not recognize estimated lease incentive payments as liabilities in their entirety at the inception of the lease; rather they are amortized as a reduction to operating lease revenues on a straight-line basis over the life of the lease with the offsetting lease incentive liability recorded to accounts payable, accrued expenses, and other liabilities. When a payment is made to the lessee associated with the lease incentive, the lease incentive liability is reduced. Any amount paid in excess of the lease incentive liability is recorded as a prepaid lease incentive asset, which is included in other assets, net and continues to amortize as a reduction to operating lease revenue over the remaining life of the lease.

#### VARIABLE INTEREST ENTITIES

We evaluate our interests in all legal entities to determine if our interest is a variable interest and, if so, the legal entity is a VIE. For those legal entities that qualify as VIEs, we confirm their status on an ongoing basis and consolidate those VIEs in which we have a controlling financial interest and are thus deemed to be the primary beneficiary. A primary beneficiary has both of the following characteristics: (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (ii) the obligation to absorb

losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

## CONTINGENCIES

We evaluate each contingent matter separately. We record a loss when it is probable and reasonably estimable. Additionally, should we identify a contingency that does not meet our criteria for accrual, but we estimate a reasonably possible chance of occurrence, we will disclose the nature of the contingency and, when possible, provide an estimate of the potential loss.

## GUARANTEES

In connection with our AFS activities, we provide repayment guarantees for loans for the benefit of airlines to finance new aircraft deliveries or to finance aircraft already owned by the airlines. These guarantees are limited to the borrower's failure to timely repay principal and interest on the amortizing senior secured loans to the third-party lenders. The guaranteed loans are secured by aircraft purchased with the proceeds of such loans.

## FAIR VALUE

Fair value is defined as the amount that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

## DERIVATIVE FINANCIAL INSTRUMENTS

We use interest rate swaps (Derivative Financial Instruments) to manage our exposure to changes in interest rates. Our Derivative Financial Instruments are not held or issued for trading or speculative purposes. If certain conditions are met, a Derivative Financial Instrument may be designated as a hedge. All Derivative Financial Instruments, whether designated as a hedging relationship or not, are required to be recorded at fair value. If a Derivative Financial Instrument is designated as a cash flow hedge, a change in the fair value of the derivative is recorded in other comprehensive income or loss (OCI). As of both December 31, 2025 and 2024, all our Derivative Financial Instruments were designated as hedging.

We designate a Derivative Financial Instrument contract as a hedge of the identified exposure on the inception date of the hedging relationship. All relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions, are formally documented at inception. In this documentation, the hedged item is identified and how the hedging instrument is expected to hedge the risks related to the hedged item is stated. We formally assess the effectiveness of all hedging relationships both at inception and on a quarterly basis in accordance with our risk management policy.

Hedge accounting is discontinued prospectively if we determine the Derivative Financial Instrument is no longer effective in offsetting changes to the cash flows of a hedged item, when the Derivative Financial Instrument expires or is sold or terminated, or if we determine that designation of the Derivative Financial Instrument as a hedge instrument is no longer appropriate.

The periodic cash flows for all Derivative Financial Instruments designated as a hedge are recorded consistent with the hedged item in cash flows from financing activities. The periodic cash flows for all Derivative Financial Instruments that are hedging current or future interest payments are included in interest, net on an accrual basis.

## INCOME TAXES

We are a single member limited liability company that is a disregarded entity for U.S. federal and state income tax purposes and not subject to federal income tax. Our sole member, TCSA, is responsible for income taxes on our U.S. federal and state taxable income. As such, no recognition of U.S. federal or state income taxes has been provided for in the accompanying consolidated financial statements.

## OPERATING LEASE REVENUE

Our aircraft leases are principally accounted for as operating leases. All of our leases require payments in U.S. dollars (USD). We recognize operating lease revenue on a straight-line basis over the term of the lease agreements. Lease payments received under the terms of the lease agreements, but unearned, are recorded as deferred income until earned.

In the event lease payments are not paid when due, we evaluate the collectability of operating lease receivables at an individual customer level. We monitor lessees with past due lease payments and consider relevant operational and financial issues facing those lessees, as

well as collateral held in the form of security deposits and maintenance reserves in order to determine an appropriate allowance for doubtful accounts. We cease revenue recognition if collection of the scheduled lease payment is not reasonably assured. During the period when revenue recognition is ceased, we record revenue in the period that payment is received. We resume revenue recognition of the scheduled lease payments when we believe collectability is reasonably assured.

#### FINANCE LEASE REVENUE

If a lease meets specific criteria at lease commencement, at the effective date of a lease modification or at purchase, we recognize the lease as a direct financing lease or a sales-type lease (collectively finance leases). In a direct financing lease, any profit equal to the difference between the net investment in the lease and the carrying value of our aircraft is deferred and recognized as interest income over the lease term while any loss is immediately recognized. In a sales-type lease, any profit or loss equal to the difference between the net investment in lease and the carrying value of our aircraft is immediately recognized.

Our investment in finance leases, net consists of future minimum lease payments, less the unearned income and allowance for credit losses, plus the estimated unguaranteed residual value of the leased aircraft. We recognize the unearned income over the lease term in a manner that produces a constant rate of return on our net investment in finance leases; finance lease revenue is included in other income. We evaluate the collectability of finance leases at an individual customer level. We monitor lessees with past due lease payments and consider relevant operational and financial issues facing those lessees in order to determine an appropriate allowance for credit losses.

#### BAD DEBT EXPENSE

We evaluate the collectability of receivables (operating and finance lease receivables, deferral and restructuring receivables, and notes receivable) at an individual customer level. We monitor customers with past due payments and consider relevant operational and financial issues facing those customers, as well as our existing security packages in place with such customers, in order to determine an appropriate amount of bad debt expense. Bad debt expense is included in asset impairment and provision for credit losses.

#### RELATED PARTY TRANSACTIONS

We disclose all material related party transactions. Because the requisite conditions of a competitive free-market may not exist, these transactions may differ from those available to us in the open market.

#### RECENTLY ADOPTED ACCOUNTING STANDARDS

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13 (ASC 326), which, together with all subsequent amendments, replaces the incurred loss methodology with an expected loss methodology referred to as the current expected credit loss (CECL) methodology. The CECL methodology utilizes a lifetime expected credit loss measurement objective for the recognition of credit losses and is based on historical loss information, current conditions, and reasonable and supportable forecasts. Our Guarantees and Financed Receivables are the primary financial exposures within the scope of ASC 326. Our trade receivables related to aircraft operating leases are not within the scope of ASC 326.

On January 1, 2023, we adopted ASC 326 under a modified retrospective approach. Results for reporting periods after January 1, 2023 are presented under ASC 326, while prior period results are reported in accordance with the previously applicable U.S. GAAP. The cumulative effect of measuring the allowance for credit losses under the CECL methodology, as a result of adopting ASC 326 on January 1, 2023, was an increase to our allowances for credit losses of \$19.4 million and a corresponding decrease to member's equity for the same amount. As a result of adopting ASC 326, our allowance for credit losses will reflect our estimate of credit losses over the remaining expected life of the Guarantees and Financed Receivables measured at amortized cost. CECL provisions are recognized in our consolidated statements of income and comprehensive income within asset impairment and provision for credit losses.

#### FUTURE ADOPTION OF ACCOUNTING PRONOUNCEMENTS

In December 2023, FASB issued ASU 2023-09 Income Taxes (Topic 740) Improvements to Income Tax Disclosures. ASU 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The new requirements is effective for annual periods beginning after December 15, 2025. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. We are currently evaluating the impact of this guidance on our consolidated financial statements.

## UPDATE TO SIGNIFICANT ACCOUNTING POLICIES

During fiscal year 2025, we elected to change our accounting policy related to the subsequent measurement of maintenance right assets initially recognized in connection with asset acquisitions. Previously, we accounted for these assets as non-amortizing intangible assets. We reevaluated the nature of the expected economic benefits and determined that the assets provide benefits over a determinable period aligned with the life of the related aircraft.

As a result, maintenance right assets are now amortized over the remaining useful life of the related aircraft. As described above, once the related maintenance work is performed, any unamortized amount is capitalized as aircraft cost. If the work is not performed during the term of the lease, the amount will be derecognized.

We believe the new policy is preferable because it aligns the depreciation curve of our used aircraft purchased in the secondary markets with our aircraft purchased from original equipment manufacturers (OEM) and provides more consistent alignment between our revenue and depreciation. In accordance with ASC 250, we have applied the change in accounting principle retrospectively to all prior periods presented. The consolidated financial statements as of December 31, 2024 and for the years ended December 31, 2024 and 2023 have been adjusted to reflect this change to our accounting policy.

The following tables summarize the impact of the accounting policy change on our previously issued consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

December 31, 2024

<i>(In Thousands)</i>	As Previously Reported	Effect of Change	As Adjusted
<b>ASSETS</b>			
Cash and cash equivalents	\$167,635	\$—	\$167,635
Flight equipment held for lease, net	10,656,176	(16,133)	10,640,043
Assets held for sale	127,043	—	127,043
Prepayments on flight equipment	756,725	—	756,725
Notes receivable, net	109,401	—	109,401
Investment in finance leases, net	74,178	—	74,178
Other assets, net	213,774	138	213,912
<b>TOTAL ASSETS</b>	<b>\$12,104,932</b>	<b>(\$15,995)</b>	<b>\$12,088,937</b>
<b>LIABILITIES AND EQUITY</b>			
Liabilities:			
Debt financings, net	\$7,528,764	\$—	\$7,528,764
Maintenance reserves	526,764	—	526,764
Accounts payable, accrued expenses and other liabilities	344,517	—	344,517
Security deposits	134,724	—	134,724
<b>TOTAL LIABILITIES</b>	<b>8,534,769</b>	<b>—</b>	<b>8,534,769</b>
Equity:			
Member's equity	3,565,152	(15,995)	3,549,157
Accumulated other comprehensive income	5,011	—	5,011
<b>TOTAL EQUITY</b>	<b>3,570,163</b>	<b>(15,995)</b>	<b>3,554,168</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$12,104,932</b>	<b>(\$15,995)</b>	<b>\$12,088,937</b>

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Year Ended December 31, 2024

<i>(in Thousands)</i>	As Previously Reported	Effect of Change	As Adjusted
<b>REVENUES</b>			
Operating lease revenue	\$1,040,085	\$—	\$1,040,085
Amortization of lease incentives and premiums, net	(51,377)	—	(51,377)
Maintenance revenue	46,495	55	46,550
Gain on sale of flight equipment, net	118,053	(63)	117,990
Other income	88,845	—	88,845
<b>TOTAL REVENUES</b>	<b>1,242,101</b>	<b>(8)</b>	<b>1,242,093</b>
<b>EXPENSES</b>			
Depreciation	493,994	1,782	495,776
Interest, net	410,267	—	410,267
Asset impairment and provision for credit losses	5,498	22	5,520
Selling, general and administrative, net	156,197	—	156,197
<b>TOTAL EXPENSES</b>	<b>1,065,956</b>	<b>1,804</b>	<b>1,067,760</b>
Income before provision for income taxes	176,145	(1,812)	174,333
Provision for income taxes	13,428	(173)	13,255
<b>NET INCOME</b>	<b>162,717</b>	<b>(1,639)</b>	<b>161,078</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
Change in fair value of interest rate swap contracts	(4,133)	—	(4,133)
<b>TOTAL OTHER COMPREHENSIVE LOSS</b>	<b>(4,133)</b>	<b>—</b>	<b>(4,133)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>158,584</b>	<b>(1,639)</b>	<b>156,945</b>

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Year Ended December 31, 2023

<i>(in Thousands)</i>	As Previously Reported	Effect of Change	As Adjusted
<b>REVENUES</b>			
Operating lease revenue	\$1,058,566	\$—	\$1,058,566
Amortization of lease incentives and premiums, net	(39,730)	—	(39,730)
Maintenance revenue	68,182	1,501	69,683
Gain on sale of flight equipment, net	16,309	—	16,309
Other income	106,858	—	106,858
<b>TOTAL REVENUES</b>	<b>1,210,185</b>	<b>1,501</b>	<b>1,211,686</b>
<b>EXPENSES</b>			
Depreciation	494,308	998	495,306
Interest, net	416,761	—	416,761
Asset impairment and provision for credit losses	20,452	—	20,452
Selling, general and administrative, net	140,949	—	140,949
<b>TOTAL EXPENSES</b>	<b>1,072,470</b>	<b>998</b>	<b>1,073,468</b>
Income before benefit from income taxes	137,715	503	138,218
Benefit from income taxes	(15,053)	278	(14,775)
<b>NET INCOME</b>	<b>152,768</b>	<b>225</b>	<b>152,993</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Change in fair value of interest rate swap contracts	9,144	—	9,144
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>9,144</b>	<b>—</b>	<b>9,144</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>161,912</b>	<b>225</b>	<b>162,137</b>

### 3. FLIGHT EQUIPMENT HELD FOR LEASE, NET

The following table presents the components of flight equipment held for lease, net (*In Thousands*):

	December 31,	
	2025	2024
Cost of flight equipment held for lease	\$14,831,185	\$13,772,573
Less: accumulated depreciation	(2,816,960)	(3,132,530)
Flight equipment held for lease, net	<u>\$12,014,225</u>	<u>\$10,640,043</u>

As of December 31, 2025 and 2024, 79% and 66% of our aircraft portfolio by net book value was comprised of new technology aircraft, which includes Airbus A220, A320neo, A330neo and A350 family aircraft and Boeing 737 MAX and 787 family aircraft.

As of December 31, 2025 and 2024, maintenance right assets of \$166.3 million and \$57.7 million, respectively, were included in flight equipment held for lease, net.

As of December 31, 2025 and 2024, flight equipment held for lease, net, with carrying values of \$756.9 million and \$125.6 million, respectively, were pledged as collateral for our secured loans (Note 9).

The following table presents the future minimum lease rentals (inclusive of executed deferral and restructuring agreements) we are due under operating leases as of December 31, 2025 (*In Thousands*):

Years Ending December 31:	
2026	\$1,074,776
2027	1,012,008
2028	963,449
2029	925,891
2030	838,311
Thereafter	<u>2,477,670</u>
Total	<u>\$7,292,105</u>

#### UNITED STATES TARIFFS

During 2025, the United States implemented a series of tariffs on goods imported into the country, causing uncertainties for both us and our customers. We are currently monitoring developments, assessing our exposure and evaluating the impact of these tariffs on our business.

#### RUSSIA-UKRAINE CONFLICT

In February 2022, Russia launched a large-scale military invasion of Ukraine and remains engaged in a broad military conflict with Ukraine. In response, the United States, European Union, United Kingdom, and other countries imposed broad, far-reaching sanctions and export controls against Russia, certain Russian persons and certain activities involving Russia or Russian persons. We have complied and will continue to comply with all applicable sanctions. In compliance with the sanctions, we terminated all of our leasing activities in Russia and ten of our aircraft (including one managed aircraft) remain in Russia. As a result, we recorded losses of \$574.7 million related to our Russia exposure during fiscal year 2022. Additional details relating to this conflict and our aircraft detained in Russia can be found in our previously issued annual financial statements.

Our lessees are required to provide primary insurance coverages with respect to leased aircraft and we are named as insureds under those policies in the event of a total loss of an aircraft. We also purchase insurance that provides us with coverage when our aircraft are not subject to a lease or when a lessee's policy fails to respond to our claims for loss. In February 2022, we and certain of our affiliated entities (the Plaintiffs) notified insurers on our aviation insurance policies of claims for losses relating to aircraft detained in Russia. In January 2023, we commenced legal proceedings in California against the insurance providers (the C&P Insurers) under our contingent and possessed insurance policy (the C&P Policy) for damages in connection with our losses related to Russia (the California Litigation). In May 2024, certain of the Plaintiffs also initiated proceedings in English court seeking payment of insurance claims under the respective operator policies for aircraft that are currently located in Russia (the English Litigation). These claims seek payments for total loss under the various lessee (airline) policies issued by Russian insurers and certain reinsurers located outside of Russia (collectively, the Airline Insurers). These proceedings are in addition to the claims filed by the Plaintiffs against the C&P Insurers in the California Litigation. During the year

ended December 31, 2025, the Plaintiffs entered into settlement agreements with the C&P Insurers for settlement proceeds totaling approximately \$544.8 million (which does not include amounts recovered on behalf of one managed aircraft). In December 2025, we entered into an additional settlement agreement with an Airline Insurer for proceeds totaling approximately \$6.2 million, bringing our total proceeds received to \$551.0 million. These proceeds are recorded in our financial statements as Recoveries related to Russia exposure. We intend to use the proceeds from the insurance settlements for general corporate purposes, including the purchase of commercial aircraft and the repayment of outstanding indebtedness.

As of December 31, 2025, we have entered into settlement agreements with all of the war risk insurers under our C&P Policy and the operator policies. Pursuant to the terms of the settlement agreements and following receipt of proceeds from these insurers, we (i) released our insurance claims against each settling C&P Insurer under the C&P Policy in the California Litigation, (ii) released our insurance claims against each settling C&P Insurer and each settling Airline Insurer under the reinsurance policies at issue in the English Litigation, (iii) dismissed each settling C&P Insurer from the California Litigation; and (iv) dismissed, or are in the process of dismissing, each settling C&P Insurer and each settling Airline Insurer from the English Litigation. As of December 31, 2025, the California Litigation has been dismissed in its entirety.

#### 4. CREDIT LOSSES

The following tables present the movements in the allowance for credit losses during the years ended December 31, 2025 and 2024 (*In Thousands*):

	December 31, 2025				Total
	Deferral and Restructuring Receivables	Notes Receivable, net	Repayment Guarantees	Investment in Finance Leases, net	
December 31, 2024 allowance for credit losses	\$—	\$6,041	\$—	\$753	\$6,794
Current year adjustment for expected losses	510	(2,619)	—	2,031	(78)
December 31, 2025 allowance for credit losses	\$510	\$3,422	\$—	\$2,784	\$6,716

	December 31, 2024				Total
	Deferral and Restructuring Receivables	Notes Receivable, net	Repayment Guarantees	Investment in Finance Leases, net	
December 31, 2023 allowance for credit losses	\$—	\$525	\$468	\$769	\$1,762
Current year adjustment for expected losses	—	5,516	(468)	(16)	5,032
December 31, 2024 allowance for credit losses	\$—	\$6,041	\$—	\$753	\$6,794

#### 5. INVESTMENT IN FINANCE LEASES, NET

As of December 31, 2025, our investment in finance leases, net, represents six aircraft on lease to four customers. As of December 31, 2025, 39%, 31%, and 30% of our investment in finance leases, net by carrying value were operated in the Middle East and Africa, the United States and Canada, and Asia Pacific (excluding China), respectively. As of December 31, 2024, 100% of our investment in finance leases, net by carrying value were operated in the United States and Canada. The following table presents the components of investment in finance leases, net (*In Thousands*):

	December 31,	
	2025	2024
Total future minimum lease payments	\$133,819	\$65,164
Estimated unguaranteed residual value	67,100	32,400
Less: unearned income	(54,293)	(22,633)
Less: allowance for credit losses	(2,784)	(753)
Investment in finance leases, net	\$143,842	\$74,178

The following table presents the future minimum lease payments that we are due under finance leases as of December 31, 2025 (*In Thousands*):

Years Ending December 31:	
2026	\$13,750
2027	14,484
2028	14,484
2029	14,484
2030	13,212
Thereafter	63,405
Total	<u>\$133,819</u>

We have credit exposure related to finance leases that reflects the risk that our finance lease customers fail to meet their payment obligations and the risk that the aircraft value is less than the unguaranteed residual value assumed in the investment in finance leases calculation. We record an allowance for credit losses at the initial recognition of a finance lease based on our estimate of expected credit losses over the lease term and the risk that the aircraft value is less than the unguaranteed residual value at lease end.

## 6. GEOGRAPHIC CONCENTRATION

The following table presents the global concentration of our aircraft portfolio, including flight equipment held for lease, net and assets held for sale, based on lessee's location (*In Thousands*):

	December 31,			
	2025		2024	
	Net Book Value	Percent of Total	Net Book Value	Percent of Total
Region:				
Europe	\$4,647,741	37.7%	\$2,638,758	24.5%
Asia Pacific (excluding China)	2,493,157	20.2%	2,006,778	18.6%
Central America, South America, and Mexico	1,854,331	15.1%	2,366,657	22.0%
United States and Canada	1,424,382	11.6%	1,906,785	17.7%
Middle East and Africa	981,702	8.0%	928,272	8.6%
China	393,818	3.2%	705,782	6.6%
Sub-total	11,795,131	95.8%	10,553,032	98.0%
Aircraft on ground not subject to a signed lease or sales commitment	329,677	2.7%	149,059	1.4%
Aircraft in transition subject to a signed lease or sales commitment	187,117	1.5%	64,995	0.6%
Total	<u>\$12,311,925</u>	<u>100.0%</u>	<u>\$10,767,086</u>	<u>100.0%</u>

As of December 31, 2025 and 2024, no individual lessee accounted for more than 10% of our aircraft portfolio. As of December 31, 2025, no individual country accounted for more than 10% of our aircraft portfolio. As of December 31, 2024, the U.S. accounted for 14.1% of our aircraft portfolio and no other individual country accounted for more than 10% of our aircraft portfolio.

The following table presents the global concentration of our operating lease revenue inclusive of executed deferral, restructuring and settlement agreements, based on the lessee's location (*In Thousands*):

	Years Ended December 31,					
	2025		2024		2023	
	Operating Lease Revenue	Percent of Total	Operating Lease Revenue	Percent of Total	Operating Lease Revenue	Percent of Total
Region:						
Europe	\$321,572	30.7%	\$243,987	23.5%	\$202,185	19.1%
Asia Pacific (excluding China)	228,112	21.7%	219,126	21.1%	239,873	22.7%
Central America, South America, and Mexico	201,512	19.2%	217,517	20.9%	191,040	18.0%
United States and Canada	155,021	14.8%	170,272	16.4%	174,142	16.5%
Middle East and Africa	89,558	8.5%	77,535	7.4%	68,871	6.5%
China	53,318	5.1%	111,648	10.7%	182,455	17.2%
Total	\$1,049,093	100.0%	\$1,040,085	100.0%	\$1,058,566	100.0%

For the years ended December 31, 2025, 2024, and 2023, no individual lessee accounted for more than 10% of our operating lease revenue after adjusting for deferred lease rental payments from cash-basis lessees. For the years ended December 31, 2025, 2024, and 2023, the U.S. accounted for 12.2%, 12.8%, and 13.1% of our operating lease revenue, respectively. For the years ended December 31, 2024 and 2023, China accounted for 10.7% and 17.2% of our operating lease revenue, respectively. No other individual country accounted for more than 10% of our operating lease revenue for the years ended December 31, 2025, 2024, and 2023.

## 7. VARIABLE INTEREST ENTITIES

In connection with certain of our financing structures, we have participated in the design and formation of certain special purpose vehicles (SPVs). The purpose of these SPVs is to enable the lenders and guarantors under these financing structures to perfect their security interest in certain aircraft that secure the related debt financings.

The SPVs have entered into secured loans with us, third parties, and/or financial institutions that are primarily guaranteed by ACG and in some cases supported by secondary guarantees from an Export Credit Agency. The SPVs use the proceeds from these loans to purchase aircraft. The aircraft secure the loans and are leased, pursuant to capital leases, to an airline or to us. For loans in which ACG does not act as the lender, the loans are recourse to our general credit through ACG guarantees that are in place. These SPVs are considered VIEs because they do not have sufficient equity at risk.

In cases where we are the counter-party to the capital lease, we bear significant risk of loss and participate in gains through the leases, and we have the power to direct the activities that most significantly impact the economic performance of these SPVs. Therefore, we have determined we are the primary beneficiary of these types of SPVs and consolidate them into our consolidated financial statements as VIEs. We are not currently party to any such financing structures.

In cases where we are not the counter-party to the capital lease, we do not have the power to direct the activities that most significantly impact the economic performance of the SPVs. Therefore, we have determined that we are not the primary beneficiary of these types of SPVs and do not consolidate them into our consolidated financial statements. Currently, all of the SPVs in which we are not the counterparty to the capital lease involve financing structures relating to our AFS activities.

The net carrying value of the AFS notes receivable owed to us by these non-consolidated SPVs as of December 31, 2025 and 2024 was \$56.4 million and \$62.9 million, respectively, which approximated its fair value at such dates, and is included in notes receivable, net. In addition, as of December 31, 2025 and 2024, there was zero and \$63.5 million, respectively, outstanding under the debt financings associated with these non-consolidated SPVs, which is included in debt financings, net (Note 9). Our maximum exposure to loss approximates the net carrying value of the AFS notes receivable.

## 8. FAIR VALUE

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. We determine fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value

measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- |         |   |
|---------|---|
| Level 1 | Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.  |
| Level 2 | Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.  |
| Level 3 | Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. |

In some cases, the inputs used to measure fair value can fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement.

The valuation approaches that may be used to measure fair value are as follows:

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

#### ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The objective of our hedging policy is to mitigate risk with respect to changes in interest rates and foreign currencies. As of December 31, 2025 and 2024, we are party to several interest rate swap contracts designed to hedge current and future interest rate payments on some of our floating rate debt financings, and we have designated these swaps as cash flow hedges. We have previously entered into foreign currency swaps to hedge exposure with respect to foreign currency fluctuations in connection with term loans we borrowed that were denominated in a foreign currency. As of December 31, 2025 and 2024, we do not have any foreign currency exposure in connection with our outstanding debt financings.

Interest rate swap contracts are agreements in which a series of interest rate cash flows are exchanged with a third party over a prescribed period. The notional amount on an interest rate swap contract is not exchanged. Interest rate swap contracts allow us to pay fixed amounts based on fixed interest rates and receive floating amounts based on SOFR rates, which converts our floating rate debt to fixed rate obligations to better match the largely fixed rate cash flows we receive from our rental payments.

As required for all qualifying and effective cash flow hedges, the change in fair value of the interest rate swap contracts is recorded in OCI. During the years ended December 31, 2025, 2024, and 2023, we recorded a pre-tax unrealized (loss) gain of \$(15.9) million, \$(4.1) million, and \$9.1 million, respectively, in OCI. During the years ended December 31, 2025, 2024, and 2023, our hedged forecasted transactions were determined to be probable of occurring.

No amounts were reclassified from accumulated other comprehensive income (AOCI) to earnings resulting from the discontinuance of cash flow hedges due to forecasted cash flows that were no longer probable of occurring for the years ended December 31, 2025 or 2024. Over the next twelve months, we do not anticipate that any unrealized gains on derivative instruments in AOCI that are reclassified to earnings will be material.

The fair value of the interest rate swap contracts is determined using market standard valuation methodologies using mid-market inputs that are observable in the market or that can be derived principally from or corroborated by observable market data (Level 2 in the fair value hierarchy) available to us as of December 31, 2025. The pricing models may utilize, among other things, relevant forward and spot rates. Analysis of the swap valuation is performed, which includes both quantitative and qualitative analyses. Examples of procedures performed include, but are not limited to, obtaining third party valuations, reviewing internal calculations for reasonableness and review of changes in the market value of the derivative by accountants.

Credit risk arises from the potential failure of the counterparty to perform according to the terms of the swap contracts. Our exposure to credit risk at any point in time is represented by the fair value of the swap contracts when reported as an asset. Neither we nor our counterparty require collateral to support our swap contracts. As of December 31, 2025, the counterparties to our swap contracts were each rated investment grade by Standard and Poor's, Moody's and Fitch Ratings. A credit valuation analysis was performed for our positions to measure the risk that the counterparty to each transaction will be unable to perform under the contractual terms (nonperformance risk) and the risk was determined to be immaterial as of December 31, 2025.

Our swap contracts contain certain termination event clauses, including termination events related to specified changes in our ownership. If any such event occurs, our counterparty could choose to terminate the relevant swap contract with payment due based on the fair value of the underlying derivative. As of December 31, 2025, no such termination events have occurred.

We fund certain deferred compensation obligations to meet funding obligations to employee participants. The assets are held in a trust and are subject to the claims of ACG's general creditors under federal and state laws in the event of insolvency. The assets held in the trust are valued using inputs observable in active markets for identical investments. The assets are invested in a mutual fund and are included in other assets, net. The realized and unrealized holding gains and losses related to this investment are recorded in other income. These assets are included as securities in the table below.

From time to time we have received corporate securities from airlines as part of a bankruptcy settlement or a restructuring agreement. Corporate securities that are traded on an exchange are valued using quoted prices in active markets for identical securities and are included in other assets, net.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. The following table presents our Level 1 and Level 2 assets and (liabilities) measured at fair value on a recurring basis and still held at period end (*In Thousands*):

	Level	December 31,	
		2025	2024
Securities and short-term investments	1	\$25,041	\$24,735
Interest rate swaps - derivative assets	2	\$—	\$7,190
Interest rate swaps - derivative liabilities	2	(\$10,878)	(\$2,178)

As of December 31, 2025 and 2024, we did not have any material Level 3 assets or liabilities that we measured at fair value on a recurring basis.

#### ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS

We test for impairment by measuring the fair value of our aircraft and related assets when events or changes to circumstances indicate that the carrying amounts of these assets may not be recoverable. The fair value measurements of our aircraft and related assets may be based on the estimated sales price, obtained from observable market inputs such as bids received or prices set forth in legal agreements, less selling costs (market approach) based on Level 2 inputs, maintenance adjusted estimated values (market approach) based on Level 3 inputs, or the present value of estimated future cash flows (income approach) based on Level 3 inputs.

The following table presents assets measured at fair value (at the relevant measurement date) on a non-recurring basis for the years ended December 31, 2025 and 2024 and still held at period end (*In Thousands*):

	December 31,			
	2025		2024	
	Level 2	Level 3	Level 2	Level 3
Flight equipment held for lease, net	\$141,732	\$—	\$—	\$—
Assets held for sale	85,207	—	41,670	—
Total	\$226,939	\$—	\$41,670	\$—

We used bids received or prices set forth in legal agreements, less estimated costs to sell, for all assets measured at fair value on a non-recurring basis during each of the years ended December 31, 2025 and 2024.

For the years ended December 31, 2025, 2024, and 2023, impairments related to flight equipment held for lease, net, assets held for sale, lease related assets, and other assets were \$57.6 million, \$5.5 million and \$20.5 million, respectively.

## LEVEL 3 INPUTS FOR FLIGHT EQUIPMENT HELD FOR LEASE, NET MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS

The key inputs for the income approach include the current contractual lease payments, estimated future lease payments extended to the end of the aircraft's estimated holding period in its highest and best use configuration, maintenance related reimbursement rights from a third party other than lessees, estimated disposition value less selling costs, and the discount rate. The key inputs to the market approach include maintenance adjusted estimated values.

Current contractual lease payments are future payments that third parties are contractually obligated to pay us based on in-force lease rates. Estimated future lease payments are based on the aircraft's type, age, configuration, current contracted lease rates for similar aircraft, industry trends, and the estimated holding period. We generally assume a 25-year estimated economic useful life for aircraft. Shorter or longer holding periods may be used based on our assessment of the continued marketability of certain aircraft types or when a potential sale of an individual aircraft has been identified, or is likely. The estimated cash flows are then discounted to present value. In the case of a potential sale, the holding period is based on the estimated sale date. The disposition value reflects an estimated residual value or estimated sales price less selling costs and is generally estimated based on aircraft type, condition, and contractual terms.

For the years ended December 31, 2025 and 2024, we did not measure any flight equipment held for lease at fair value on a non-recurring basis using Level 3 inputs.

## 9. DEBT FINANCINGS, NET

The following tables present the components of debt financings, net (*Dollars In Thousands*):

	Carrying Amount	Maturity Date	December 31, 2025			
			Interest Rate	Type	Interest Period	Currency
Unsecured debt obligations:						
Senior Notes	\$5,250,000	September 2026 - October 2030	2.0%-6.8%	Fixed	Semi-Annually	USD
Term Loans	2,198,181	February 2028 - December 2029	4.1%-5.6%	Floating	Monthly, Quarterly, and Semi-Annually	USD
Commercial paper	495,000	January 2026	3.9%	Fixed	Various	USD
Secured debt obligations:						
Secured loans	599,138	June 2027 - April 2036	4.5%-5.0%	Floating	Quarterly	USD
Debt acquisition costs	(49,423)					
Original issuance discounts	(23,293)					
Debt financings, net	<u>\$8,469,603</u>					

	Carrying Amount	Maturity Date	December 31, 2024			
			Interest Rate	Type	Interest Period	Currency
Unsecured debt obligations:						
Senior Notes	\$5,250,000	August 2025- July 2030	2.0%-6.8%	Fixed	Semi-Annually	USD
Term Loans	2,085,227	September 2025 - December 2029	4.7%-6.3%	Floating	Monthly, Quarterly, and Semi-Annually	USD
Secured debt obligations:						
Secured loans	266,573	September 2032- April 2036	4.1%-5.8%	Fixed and Floating	Quarterly	USD
Debt acquisition costs	(52,037)					
Original issuance discounts	(20,999)					
Debt financings, net	<u>\$7,528,764</u>					

## SENIOR UNSECURED NOTES

In March 2025, we issued two series of senior unsecured notes (Senior Notes), comprised of \$300.0 million of Senior Notes due April 2027 with a fixed interest rate of 4.750% and \$500.0 million of Senior Notes due April 2030 with a fixed interest rate of 5.125%.

In July 2025, we issued \$750.0 million of Senior Notes due October 2030 with a fixed interest rate of 4.800%.

In December 2025, we redeemed the full \$750.0 million of the principal amount outstanding of our 1.95% Senior Notes due in January 2026. The Notes were redeemed at a redemption price of 100% of the principal amount, plus accrued and unpaid interest.

As of both December 31, 2025 and 2024, we had \$5.3 billion in Senior Notes outstanding. These notes are issued in reliance on Rule 144A and Regulation S under the U.S. Securities Act of 1933, as amended.

In January 2026, we issued two series of Senior Notes comprised of \$400.0 million of Senior Notes due April 2029 with a fixed interest rate of 4.250% and \$600.0 million of Senior Notes due January 2033 with a fixed interest rate of 4.875%.

## UNSECURED REVOLVING CREDIT FACILITIES

In June 2019, we entered into a senior unsecured revolving credit agreement with a syndicate of lenders (as amended, the Revolving Credit Facility). In October 2025, we added three new lenders to the Revolving Credit Facility, which increased the borrowing capacity from \$2.6 billion to \$3.0 billion. As of December 31, 2025, the aggregate borrowing capacity under the Revolving Credit Facility was approximately \$3.0 billion, with revolving commitments totaling approximately \$2.9 billion that mature in June 2028 and \$0.1 billion that mature in June 2026. Borrowings under the Revolving Credit Facility bear interest at either (i) adjusted term SOFR plus a margin determined by reference to the credit ratings for our debt or (ii) an alternative base rate. As of both December 31, 2025 and 2024, no amounts were outstanding under the Revolving Credit Facility. The Revolving Credit Facility serves as a backstop for our commercial paper program.

In June 2020, we established a revolving line of credit with Tokyo Century, which was amended and restated in June 2025 (as amended, the TC Revolving Credit Facility). The TC Revolving Credit Facility has a borrowing capacity of \$1.5 billion (or its equivalent in JPY) and a current maturity of December 31, 2027. On December 31, 2026 and December 31 of each subsequent year, the TC Revolving Credit Facility will automatically extend for an additional twelve month period unless either party notifies the other party of its intent not to so extend the facility prior to November 1 of the same year. As of both December 31, 2025 and 2024, we had not drawn any amounts available under the TC Revolving Credit Facility.

In October 2024, our wholly owned subsidiary, ACG Aircraft Financing Ireland DAC, entered into a five-year senior unsecured facilities agreement (the Facilities Agreement) with a syndicate of lenders in Asia that includes a \$500.0 million revolving credit facility (the Asia Revolver) and a \$500.0 million term loan facility, each of which is guaranteed by ACG LLC. Borrowings under this facility will bear interest at term SOFR plus a margin. As of both December 31, 2025 and 2024, no amounts are outstanding under the Asia Revolver.

## COMMERCIAL PAPER PROGRAM

We have a \$1.5 billion commercial paper program under which we may issue notes in minimum denominations of \$250 thousand for

periods ranging from one to 397 days. As of December 31, 2025 and 2024, we had commercial paper outstanding in the amount of \$495.0 million and zero, respectively.

## UNSECURED TERM LOANS

In September 2020, we entered into a \$450.0 million unsecured term loan with Tokyo Century (TC Term Loan). Tokyo Century, with the support of the Japan Bank for International Cooperation (JBIC) and other Japanese financial institutions, borrowed this capital on behalf of ACG and lent the proceeds to ACG via an intercompany loan. Principal amounts due under the TC Term Loan were paid in installments that began in December 2022, and the loan matured in September 2025. As of December 31, 2025 and 2024, zero and \$112.5 million, respectively, was outstanding under this loan.

In December 2022, we entered into a seven-year senior unsecured term loan with JBIC that is guaranteed by Tokyo Century (JBIC Term Loan). We drew the full \$300.0 million of commitments available under this loan in January 2023. Principal amounts due under the JBIC Term Loan are paid in semi-annual installments that began in December 2024, with final maturity in December 2029. As of December 31, 2025 and 2024, \$218.2 million and \$272.7 million, respectively, was outstanding under this loan.

In February 2024, we entered into a four-year senior unsecured term loan with BNP Paribas (acting through its Tokyo Branch) acting as agent for a syndicate of lenders from time to time party thereto (2024-1 Term Loan). We drew the full \$350.0 million of commitments available under this loan in February 2024. The 2024-1 Term Loan matures in February 2028 and bears interest at term SOFR plus an applicable margin. As of both December 31, 2025 and 2024, \$350.0 million was outstanding under this loan. In February 2026, we prepaid the full \$350.0 million of the principal amount outstanding under the 2024-1 Term Loan.

In October 2024, we entered into the \$500.0 million term loan facility described above (2024-2 Term Loan) and drew the full \$500.0 million of commitments available under this loan in November 2024. The 2024-2 Term Loan matures in October 2029. As of both December 31, 2025 and 2024, \$500.0 million was outstanding under this loan.

In October 2024, we amended and restated a senior unsecured term loan (2024-3 Term Loan) that we had originally entered into with a syndicate of lenders in July 2022. In December 2025, we further amended the 2024-3 Term Loan, including extending the maturity date to January 2029. The 2024-3 Term Loan had initial commitments of \$550.0 million, with the ability to increase the commitments by up to an additional \$300.0 million in the aggregate via an accordion. In January 2026, we used the accordion to increase the total commitments by \$25.0 million, leaving \$275.0 million available under the accordion. The interest margin on the 2024-3 Term Loan is linked to our performance against two key performance indicators (KPIs) related to our sustainability initiatives. These KPIs were both achieved for fiscal year 2024 and 2025. As of both December 31, 2025 and 2024, \$550.0 million was outstanding under this loan.

In October 2025, we amended and restated a senior unsecured term loan (2025-1 Term Loan) that we had originally entered into with a syndicate of lenders in December 2022. The 2025-1 Term Loan matures in full in October 2029 and has initial commitments of \$230.0 million, with the ability to increase the commitments by up to an additional \$70.0 million in the aggregate. The original loan was guaranteed by Tokyo Century, but Tokyo Century no longer acts as guarantor under the 2025-1 Term Loan. As of December 31, 2025 and 2024, \$230.0 million and \$300.0 million, respectively, was outstanding under this loan.

In December 2025, we entered into a \$350.0 million senior unsecured term loan with Wells Fargo Bank, National Association (2025-2 Term Loan). The 2025-2 Term Loan matures in February 2028 and bears interest at term SOFR plus an applicable margin. As of December 31, 2025, \$350.0 million was outstanding under this loan.

## SECURED DEBT OBLIGATIONS

In March 2020, we entered into a \$650.0 million secured credit facility (AFS I Facility), which provided loans for the benefit of airlines in connection with our AFS business. During the drawdown period, we were able to draw on the facility to fund certain AFS notes receivable. Amounts borrowed under the AFS I Facility were secured by the rights of the ACG borrower in the collateral that secured the notes receivable, including the aircraft financed from the proceeds of such loans, and guaranteed by ACG LLC. In May 2025, we repaid in full all of the remaining loans outstanding under the AFS I Facility, which were scheduled to mature between September 2032 and January 2034, and terminated the facility. As of December 31, 2025 and 2024, zero and \$63.5 million, respectively, was outstanding under the AFS I Facility.

In July 2023, we entered into a second secured credit facility (AFS II Facility), primarily to provide loans in connection with our AFS business. The AFS II Facility had an initial size of \$500.0 million and an accordion option which, if exercised during the availability period, could increase the size of the facility to up to \$1.0 billion. No amounts were drawn under the AFS II Facility. In January 2025, we terminated the AFS II Facility and the entire \$500 million of unused credit commitments thereunder.

In November 2022, we became the obligor under a term loan that had originally been made by a third-party lender to a Russian airline in connection with our AFS program and for which we had provided a repayment guarantee. When we became the obligor, the unpaid

principal amount outstanding was \$120.0 million. This loan is secured by the financed aircraft, which is located in Russia, so we are not currently able to take possession of it. Principal amounts due under this loan are payable in installments, with final maturity in February 2034. In May 2025, we acquired from the third-party lender all of the outstanding obligations owed by the airline under this loan. As of December 31, 2025 and 2024, we had obligations of zero and \$100.8 million, respectively, outstanding under this loan.

In July 2024, we entered into two secured loans guaranteed by the export credit agencies (ECAs) of the United Kingdom, France, and/or Germany with an aggregate principal amount of \$104.3 million and final maturity in April 2036. These loans were financed through wholly owned subsidiaries of ACG LLC, are secured by the financed aircraft and are also guaranteed by ACG LLC. As of December 31, 2025, two of our owned aircraft with an aggregate carrying value of \$121.1 million were pledged as collateral. As of December 31, 2025 and 2024, \$95.4 million and \$102.4 million, respectively, was outstanding under these secured loans.

In June 2025, our wholly owned subsidiary, ACG Funding 2025-1 LLC, as borrower, entered into a \$1.0 billion senior secured delayed draw term loan with Credit Agricole Corporate and Investment Bank, as administrative agent for a syndicate of lenders from time to time party thereto (Secured DDTL). During the funding period, which ends in June 2026, we may request advances by pledging eligible aircraft and related collateral, including the related lease. As of December 31, 2025, ten of our owned aircraft with an aggregate carrying value of \$635.8 million were pledged as collateral. Loans made under the facility will be secured by mortgages over the financed aircraft and the equity interests in the borrower, and the obligations of the borrower under the Secured DDTL are guaranteed by ACG LLC. Borrowings under this facility bear interest at term SOFR plus a margin and all loans made under the facility mature in June 2027. As of December 31, 2025, \$503.8 million was outstanding under the Secured DDTL.

Except as noted above, our outstanding debt as of December 31, 2025 is recourse only to ACG, and is not guaranteed by Tokyo Century.

As of December 31, 2025 and 2024, we were in compliance with all applicable debt covenants.

The following table presents the aggregate estimated scheduled principal repayments of our debt financing obligations as of December 31, 2025 (*In Thousands*):

Years Ending December 31:	
2026	\$1,306,839
2027	1,615,927
2028	1,862,506
2029	1,942,874
2030	1,758,709
Thereafter	55,464
Total	<u>\$8,542,319</u>

## 10. COMMITMENTS AND CONTINGENCIES

### LEASE COMMITMENTS

We lease office facilities in Newport Beach, California; Dublin, Ireland; and Singapore under non-cancelable operating leases. For the years ended December 31, 2025, 2024, and 2023, rent expense, included in selling, general and administrative, was \$2.8 million, \$2.3 million and \$2.1 million, respectively. The following table presents our future minimum office lease payments as of December 31, 2025 (*In Thousands*):

Years Ending December 31:	
2026	\$3,483
2027	2,160
2028	2,071
2029	2,103
2030	2,168
Thereafter	12,829
Total	<u>\$24,814</u>

## CAPITAL COMMITMENTS

As of December 31, 2025, we had purchase commitments for 135 aircraft scheduled for delivery through 2031. All of these commitments arise from fixed price purchase agreements with Boeing, Airbus and other third parties, and may include escalation provisions. Under certain circumstances, we have the right to alter the mix of aircraft types ultimately acquired from OEMs. The OEMs have informed us of expected delivery delays relating to certain aircraft, including as a result of disruption in their production systems. We remain in active discussions with Boeing and Airbus to determine the estimated impact and duration of continued delivery delays given the recent adjustments to their production systems. The commitment schedule below reflects our estimate of when the Boeing and Airbus deliveries will occur. Our leases contain lessee cancellation clauses related to aircraft delivery delays, typically for delays greater than one year. Our purchase agreements with Boeing and Airbus contain similar clauses.

In January 2026, we finalized an order for 50 737 MAX family aircraft that are scheduled to deliver in 2032 and 2033. This order is comprised of 25 737-8 and 25 737-10 variants. Pre-delivery payments related to this order will start in 2026. These commitments are not included in the table below.

In February 2026, we signed definitive agreements to acquire a portfolio of 24 aircraft that are scheduled to deliver by September 30, 2026. This portfolio includes 18 narrowbody aircraft and six widebody aircraft. These commitments are not included in the table below.

The following table presents the estimated remaining payments for the purchase of aircraft as of December 31, 2025 (*In Thousands*):

Years Ending December 31:

2026	\$1,041,930
2027	1,140,210
2028	2,375,646
2029	1,879,743
2030	763,792
Thereafter	293,537
Total	<u>\$7,494,858</u>

As of December 31, 2025, deposits made related to our purchase agreements totaled \$743.0 million and are included in prepayments on flight equipment.

## GUARANTEES

In connection with our AFS activities, we provide repayment guarantees for loans for the benefit of airlines to finance new aircraft deliveries or to finance aircraft already owned by the airlines. These guarantees are limited to the borrower's failure to timely repay principal and interest on the amortizing senior secured loans to the third-party lenders. The guaranteed loans are collateralized by the financed aircraft and typically have a term of 12 years or less with a maximum term of up to 15 years. The guaranteed loans are denominated in USD or Euros. As of December 31, 2025 and 2024, the guarantee liability on our consolidated balance sheet was \$6.5 million and \$7.4 million, respectively, and is included in accounts payable, accrued expenses and other liabilities. As of December 31, 2025, if all of the airlines defaulted on their ACG guaranteed loans, our obligation and the estimated potential amount of future principal payments we could be required to make to third party lenders under the guarantees was \$520.1 million. However, the guaranteed loans are collateralized by the financed aircraft to the extent of the outstanding loans and unpaid interest due to ACG and, to the extent possible, the guaranteed loans are cross-defaulted and cross-collateralized with other guaranteed aircraft loans and/or operating leases in our portfolio with that airline.

Our exposure related to repayment guarantees reflects the risk that the borrowers fail to meet their payment obligations. We record the allowance for credit losses related to our repayment guarantees in accounts payable, accrued expenses and other liabilities. We record an allowance for credit losses at the initial recognition of a repayment guarantee. Our methodology for calculating the allowance for credit losses is described in Note 4 and is based on our estimate of expected credit losses over the term of the guaranteed loan. During 2020, ACG, an airline, and the lender under one of the loans for which we provided a repayment guarantee entered into a deferral agreement whereby the principal payments on the loan were scheduled to be deferred through 2021 and repaid through December 2025. The airline fully paid off the loan during the year ended December 31, 2025.

## GENERAL

In the ordinary course of business, as part of contractual agreements, we provide certain indemnifications related to debt financings, aircraft acquisitions, aircraft dispositions, and other transactions. Historically, we have not made payments for these types of

indemnifications. There are currently no indemnifications from which a probable and reasonably estimable loss could arise. Therefore, as of both December 31, 2025 and 2024, we had no related liabilities to disclose.

In the ordinary course of our business, we are a party to various legal proceedings, claims and litigation we believe are incidental to the operation of our business. Typically, these claims relate to incidents involving our aircraft and claims that involve the existence or breach of a lease, sale, or purchase contract. We regularly review the possible outcome of such legal actions and accrue for such legal actions at the time a loss is probable and the amount of the loss can be estimated. We also review all applicable indemnities and insurance coverage. Based on information currently available, we believe the potential outcome of these claims, and any reasonably possible losses exceeding amounts already recognized on an aggregated basis, are immaterial to our consolidated financial statements.

## 11. INCOME TAXES

ACG LLC is a single member limited liability company that is a disregarded entity for U.S. federal and most state income tax purposes. Our sole member, TCSA, is responsible for income taxes on our U.S. federal and most state taxable income. Our foreign subsidiaries continue to be subject to income tax in their local jurisdiction.

The following table presents income before provision for (benefit from) income taxes by locations in which such pre-tax income was earned or incurred (*In Thousands*):

	Years Ended December 31,		
	2025	2024	2023
Domestic	\$356,446	\$75,855	\$18,714
Foreign	394,276	98,478	119,504
Total	\$750,722	\$174,333	\$138,218

The following table presents the provision for (benefit from) income taxes (*In Thousands*):

	Years Ended December 31,		
	2025	2024	2023
Total current	\$8,830	\$393	\$570
Total deferred	41,111	12,862	(15,345)
Provision for (benefit from) income taxes	\$49,941	\$13,255	(\$14,775)

As of December 31, 2025 and 2024, we reported deferred tax liabilities of \$232.5 million and \$177.6 million, respectively, primarily arising from the differences between the book and tax basis of aircraft. As of December 31, 2025 and 2024, we reported deferred tax assets of \$197.9 million and \$202.6 million, respectively, primarily related to net operating loss carryovers. We have recorded valuation allowances against deferred tax assets held by ACG Aircraft Leasing Ireland Ltd. (AALIL) and Aviation Capital Group Singapore Pte. Ltd., both wholly owned subsidiaries of ACG LLC, where it is more likely than not that all or a portion of such assets will not be realized. As of December 31, 2025 and 2024, we recorded valuation allowances of \$3.7 million and \$22.3 million, respectively. Our valuation allowance decreased by \$18.6 million in 2025 and increased by \$0.7 million in 2024. The reduction in the 2025 valuation allowance resulted from the release of the valuation allowance on AALIL's capital loss carryforward.

As of December 31, 2025, we had net operating losses of \$8.4 million and \$1,562.7 million in Singapore and Ireland, respectively, which have no expiration date.

Our effective tax rate differs from the statutory tax rate primarily due to our classification as a disregarded entity for U.S. federal and most state income tax purposes and foreign income taxed at a different rate than the U.S. statutory rate. These differences are partially offset by the decrease in our valuation allowance on foreign deferred tax assets.

ACG has no liability for uncertain tax positions.

Our policy is to recognize interest and penalties related to unrecognized tax benefits within the provision for income taxes in the consolidated statements of income. Any accrued interest and penalties related to unrecognized tax benefits are included within accounts payable, accrued expenses and other liabilities in the consolidated statements of financial condition. For the years ended December 31, 2025, 2024, and 2023, we did not record any interest and penalties related to unrecognized tax benefits.

Our U.S. tax returns for periods after March 31, 2017 remain open to examination. For periods prior to April 1, 2017, we were included in a U.S. federal consolidated tax return with Pacific Mutual Holding Company (PMHC). The IRS has completed audits of PMHC's consolidated

tax returns through 2012, and its U.S. consolidated tax returns for years 2013 onwards are open for examination. The PMHC combined tax return for the tax year ended December 31, 2009 is under examination by the State of California. We do not expect the federal or state audits to result in any relevant, material assessments. Our Irish and Singapore tax returns for years beginning in 2021 remain open to examination.

## 12. OTHER ASSETS, NET

The following table presents the components of other assets, net (*In Thousands*):

	December 31,	
	2025	2024
Straight-line rent adjustments	\$55,134	\$67,024
Debt and equity securities and other investments	28,397	26,866
Lease incentive assets	27,298	32,048
Manufacturer rebate receivables	22,247	18,766
Deferral receivables	19,958	22,200
Lease premium, net	7,893	10,543
Operating lease receivables	705	695
Other, net	20,537	35,770
Other assets, net	<u>\$182,169</u>	<u>\$213,912</u>

## 13. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER LIABILITIES

The following table presents the components of accounts payable, accrued expenses and other liabilities (*In Thousands*):

	December 31,	
	2025	2024
Accrued interest	\$90,801	\$82,563
Deferred income	64,379	66,192
Lease incentives	60,482	62,030
Employee compensation and benefits	38,844	34,954
Deferred taxes, net	38,387	—
Accounts payable and accrued expenses	31,262	46,088
Lease liabilities	4,459	6,591
Other liabilities	57,058	46,099
Accounts payable, accrued expenses and other liabilities	<u>\$385,672</u>	<u>\$344,517</u>

#### 14. OTHER INCOME

The following table presents the components of other income (*In Thousands*):

	Years Ended December 31,		
	2025	2024	2023
Interest income	\$21,465	\$32,864	\$63,460
Management, transaction and advisory fees	15,949	4,612	4,532
Finance lease revenue	4,934	10,382	10,261
Gain on sale of investment in finance leases, net	4,141	20,080	—
Lease termination settlements	2,636	7,758	4,889
AFS fee income and guarantee liability amortization	1,023	1,717	14,264
Other	12,073	11,432	9,452
Other income	\$62,221	\$88,845	\$106,858

#### 15. SELLING, GENERAL AND ADMINISTRATIVE

The following table presents the components of selling, general and administrative (*In Thousands*):

	Years Ended December 31,		
	2025	2024	2023
Employee compensation and benefits	\$61,819	\$50,676	\$48,561
Insurance expense	15,961	18,496	17,473
Maintenance and transition expense	14,735	41,846	46,770
Professional services	7,908	21,990	11,150
Other	17,081	23,189	16,995
Selling, general and administrative, net	\$117,504	\$156,197	\$140,949

#### 16. INTEREST, NET

The following table presents the components of interest, net (*In Thousands*):

	Years Ended December 31,		
	2025	2024	2023
Interest on debt financings, premiums paid and net settlements on interest rate derivatives	\$379,016	\$404,357	\$405,657
Amortization of debt acquisition costs and original issuance discounts	29,544	27,190	23,459
Release of previously capitalized interest	9,235	—	—
Fees paid to service providers	7,342	7,509	6,578
Change in value on non-hedging derivatives	—	—	6,483
Foreign currency adjustments	—	—	(6,056)
Gross interest expense	425,137	439,056	436,121
Capitalized interest	(29,514)	(28,789)	(19,360)
Interest, net	\$395,623	\$410,267	\$416,761

#### 17. EMPLOYEE BENEFITS

We have defined contribution plans for our employees, including a retirement incentive savings plan, a deferred compensation plan and a supplemental executive retirement plan. As of December 31, 2025 and 2024, we had a liability associated with these plans of \$12.1 million and \$12.4 million, respectively, which is included in accounts payable, accrued expenses and other liabilities.

## **18. RELATED PARTY TRANSACTIONS**

We have a servicing agreement with Tokyo Century to provide certain aircraft related management services for specified aircraft in Tokyo Century's fleet that expires in 2028.

In the ordinary course of business, we have entered into certain transactions with an affiliate of Tokyo Century, including engaging with the affiliate to provide certain aircraft maintenance and related services to us. All transactions with the affiliate are entered into at arm's length.

We have entered into the TC Revolving Credit Facility directly with Tokyo Century. Tokyo Century also serves as the guarantor for our JBIC Term Loan.

In February 2025, the Board of Representatives of ACG LLC (the Board) authorized a distribution of \$63.1 million to TCSA, the sole member of ACG LLC. The amount of the distribution represents 20% of ACG LLC's net income for fiscal 2023 and fiscal 2024. The distribution was paid to TCSA in May 2025 and is reflected in the statements of equity and the financing activities section of the statement of cash flows. We expect to make another distribution to TCSA in 2026. The timing and amount of any future distributions, including the 2026 distribution, will be determined by the Board and will depend, among other things, upon our earnings, financial condition, cash requirements, and investment opportunities at the time any such payment is considered.

## **19. SUBSEQUENT EVENTS**

We have evaluated events subsequent to December 31, 2025 and through February 24, 2026, the date these consolidated financial statements were available to be issued, and have concluded that, except for the events noted below and in Note 9 and Note 10, no events or transactions have occurred subsequent to December 31, 2025 that require consideration as adjustments to, or disclosures in, the consolidated financial statements.