

2022

ANNUAL REPORT

OUR VISION

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Avolon has built a leading position in aircraft leasing. The scale of our business reflects the ambition of our team, our shareholders and the values to which we ascribe. We are committed to pushing boundaries in everything that we do – to build stronger relationships with our customers and all industry stakeholders; to maintain an attractive and inclusive environment in which to work; and to invest back in our global community.

2022 AT A GLANCE



Key Metrics

834

Aircraft

146

Customers

63

Countries

237

Lease Transactions

35

New Aircraft Delivered

36

Aircraft Sold

500

eVTOL orders

FitchRatings
BBB-

Moody's
Baa3

S&P Global
BBB-

KBRA KROLL BOND RATING AGENCY
BBB+

CHAIRMAN'S STATEMENT “



Can (Jason) Zhang
Non-Executive Chairman

2022 represented a turning point for the aviation sector, as Covid 19 restrictions were gradually lifted and the urge to travel manifested itself in a resurgence in traffic volumes.

The resilience of Avolon's platform has been demonstrated, with the company entering 2023 with a strong balance sheet and high levels of liquidity. This positions us well to provide solutions to customers who are looking to scale up their fleets to service a rebound in demand that has been stronger than many anticipated.

With the appointment of Andy Cronin as CEO, and the new members who have joined Avolon's Executive Committee during 2022, I am excited about the strong forward momentum of the business. We have an invigorated leadership team in place to take advantage of the many opportunities that exist for the business in the current positive market conditions.

The continued contribution and hard work of the entire Avolon team will help to ensure that the positive trajectory in our financial metrics coming out of 2022 continues this year.

I want to thank my fellow Board members for their dedication over the past 12 months, and with them I look forward to the year ahead.

A handwritten signature in green ink that reads "Zhang Can". The signature is fluid and cursive, written over a thin horizontal line.

Can (Jason) Zhang
Non-Executive Chairman

CEO STATEMENT



We started 2022 optimistic that it would be the year for international air traffic to recover, as successful global vaccination programmes reassured Governments that lifting travel restrictions was appropriate. This outlook proved accurate and the speed of the rebound in air travel has been remarkable, providing a greatly improved operating environment for Avolon after two and half years of lockdown.

2022 was a year of management transition, with our founder Dómhnaíl Slattery stepping down as Chief Executive after 12 years of leadership during which his unique drive, ambition and personality helped Avolon to become the leading global lessor that it is today.

2022 was also the year when Avolon returned to what it does best: doing transformational deals to provide our customers with the aircraft they need as a platform for future growth. Our financing of 20 A330-900neo aircraft for Malaysia Airlines was one of the year's landmark deals, and proof of the rapid recovery in demand for aircraft that grew through the year.

2022 Market Review

The recovery in air travel occurred at different speeds around the world, reflecting the variety of Government approaches to unwinding pandemic restrictions. Globally, domestic capacity is now nearing 90% of pre-pandemic levels and though slower to recover, international traffic is now back to over 75%. We expect these trends to continue, with China's reopening helping to drive global passenger traffic to pre-pandemic levels by the summer.

In the markets that have opened up most quickly, it has been supply-side challenges that have held traffic volumes back rather than a lack of demand. Limited availability of new aircraft from manufacturers, delays reactivating stored aircraft, and maintenance capacity constraints have all played their part. Whilst there will continue to be supply side constraints into 2023, the problems are easing with time.

Strong Financial Performance

I am pleased that we delivered a strong financial performance for 2022, with adjusted net income of \$253 million, and a net income of \$9 million where the impact of Russia is included. Levels of demand for new and used aircraft from customers grew during the year, with a particularly active fourth quarter, which means we ended the year with a very positive trajectory on which to build in 2023.

Lease revenue was up 9% compared to the prior year at \$2.3 billion, and the business's operating cashflow was up 35% to \$1.2 billion and ahead of cash generation levels pre-pandemic in 2019. Increasing lease rate factors, a reduction in the percentage of our fleet on cash accounting, and robust gains from our trading of aircraft all helped contribute to our strong performance and balance sheet.

Growth in Fleet & Customer Base

In total we executed 237 lease transactions and delivered, transitioned or sold 107 aircraft during the year. The current backdrop is one where there are more customers seeking aircraft than the market can supply, which is supportive of higher lease rates.

We ended the year with an owned and managed fleet of 576 aircraft, and with total orders and commitments for a further 258 fuel-efficient, new technology aircraft. We added 10 new customers during 2022, ending the year with 146 airline customers operating in 63 countries across the world.

Sustainability & ESG

We published our inaugural Sustainability Report in 2022, which outlined a clear strategy and targets for Avolon's sustainability ambitions and is indicative of the importance we place on maintaining our sector leadership in this area.

In 2022 we obtained an Environmental, Social and Governance (ESG) Risk Rating from Sustainalytics, one of the leading ESG ratings companies in the world. Avolon's score of 16.0 places it amongst the top 5% of its industry group in terms of ESG performance.

We believe that the most impactful near-term action airlines can take to reduce their carbon emissions is to operate the youngest, most fuel-efficient aircraft available in the market. At the end of 2022, 55% of our portfolio was new technology aircraft and we remain committed to increasing the composition to 75% by 2025.

We are also taking a leadership role in exploring opportunities to scale the supply of Sustainable Aviation Fuel (SAF) needed to meet our industry's commitment to net zero carbon emissions by 2050. In November we launched a collaboration with Boeing, ORIX Aviation, SFS Ireland and SkyNRG to conduct a feasibility study into the production of SAF in Ireland.

Andy Cronin
Chief Executive Officer



CEO STATEMENT

(continued)

As well as updating on our decarbonization efforts, this year's Sustainability Report will provide an update on our commitment to our enhanced Diversity and Inclusion programme within the Avolon TRIBE, and the continued achievements of our CARE CSR programme, through which the company donated \$750,000 to community and social projects in 2022.

Innovation

We have always prided ourselves on taking a leadership position on future technologies. This drove our investment in 2021 in eVTOL manufacturer Vertical Aerospace, and our decision to place an order for 500 of Vertical's VX4 aircraft valued at \$2 billion.

We experienced a huge level of interest from our airline customers in the eVTOL opportunity, with our order book fully placed in just 9 months.

In 2021 we announced a strategic partnership with Israel Aerospace Industries ('IAI') that secured us 30 A330-300 P2F cargo conversion slots between 2025 and 2028. Through 2022 we have been working closely with IAI on our engineering approach to the planned conversions and we remain confident that the freighter market is undersupplied by new capacity.

Our People

I am delighted that alongside my appointment as CEO, Paul Geaney was appointed President, in addition to his role as Chief Commercial Officer. Paul is one of the founding members of Avolon and plays a vital role in leading on our all-important relationships with airline customers.

In October we also welcomed three new members to our Executive Committee: Ross O'Connor was appointed Chief Financial Officer; Felipe Campos was appointed Chief Operating Officer; and Jim Morrison was appointed Chief Risk Officer.

It was a priority for me to move quickly to renew our senior management team and it gives me great pleasure that these appointments came from within the company, underlining the strength and depth of expertise we develop and nurture at Avolon.

Chief People Officer Ciara Ruane was appointed in 2021 to reinvigorate our people strategy, and we are well advanced in rolling out our new 'Accelerate' programme to help develop the next bench of leaders in the business, ensuring that we can continue to draw from within when making senior appointments.

Outlook for 2023

2022 was a pivotal point in the industry's recovery from the pandemic, and as our customers look to expand fleets to cater to resurgent passenger demand, we have the orderbook, liquidity and relationships to drive the business forward.

I am grateful to our Board for their guidance, to our customers for the trust they place in our ability to provide them the right solutions, and most of all to every member of the Avolon team who day in and day out work so hard to deliver results. Together we overcame significant challenges and are ready to succeed in the future.

Andy Cronin
Chief Executive Officer



It was a priority for me to move quickly to renew our senior management team and it gives me great pleasure that these appointments came from within the company, underlining the strength and depth of expertise we develop and nurture at Avolon.

2022 IN REVIEW



Publication of our 2022 Outlook Paper 'Rise Above' anticipating a rapid recovery in air travel as countries remove restrictions.



Our Inaugural Sustainability Report commits that by 2025 more than 75% of our passenger fleet will be made up of more fuel-efficient new technology aircraft.



Covid restrictions ease, allowing us to welcome back the TRIBE to our Dublin HQ.

Avolon completes placement of its entire 500 VX4 eVTOL orderbook within 9 months, through deals with Air Asia, Air Greenland, and Turkey's Gözen Holding.



Andy Cronin is appointed as CEO designate as Dómhnaíl Slattery announces his intention to step down. Paul Geaney is appointed President in addition to his role as Chief Commercial Officer.



We announce a \$2 billion transaction to place 20 new A330-900neo aircraft with Malaysia Airlines in the year's biggest leasing deal.



After a 3-year gap due to Covid we hold an all staff offsite gathering and CSR CARE day.



Chief People Officer Ciara Ruane launches our 'Accelerate' programme that will develop our next bench of leaders in the business.



Q1

Q3

Q2

Q4

We win the Airline Economics Sustainability Overall Deal of the Year.



ESG Risk Rating score of 16.0 (Low Risk) awarded by Sustainalytics, and in Q3 we appoint Rosemarie O'Leary to the enhanced role of Head of Counterparty Risk & Sustainability.

We join a partnership with Corporación América Airports, GOL, Grupo Comporte and Vertical Aerospace to explore infrastructure requirements for eVTOL operations in Brazil.



Three internal appointees join our Executive Committee: Chief Financial Officer Ross O'Connor; Chief Operating Officer Felipe Campos; and Chief Risk Officer Jim Morrison.



We complete an inaugural \$170 million JOLCO financing.

Ireland's Deputy Prime Minister (Tánaiste) Leo Varadkar TD officially opens our new office in Singapore.

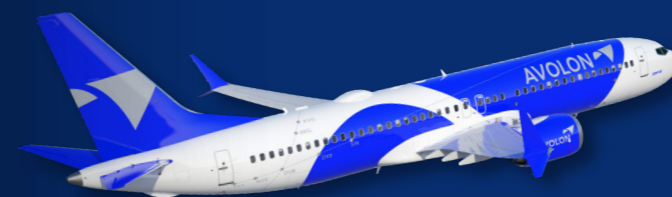


2022 FLEET HIGHLIGHTS

- 35 new aircraft delivered
- 35 aircraft transitioned
- 36 aircraft sold
- 146 airlines customers operating in 63 countries

2022 FINANCIAL HIGHLIGHTS

- Successfully raised \$2.2 billion of new debt
- Total revolving debt capacity to over \$6.0 billion at year end
- Net debt to equity of 2.3 times; sources to uses ratio of 2.1 times






We deliver the 1000th 737 MAX that Boeing has produced almost six years after we delivered the first 737 MAX in May 2017.

We announce a collaboration with Boeing, ORIX Aviation, SFS Ireland and SkyNRG, to conduct a feasibility study into the production of Sustainable Aviation Fuel (SAF) in Ireland.

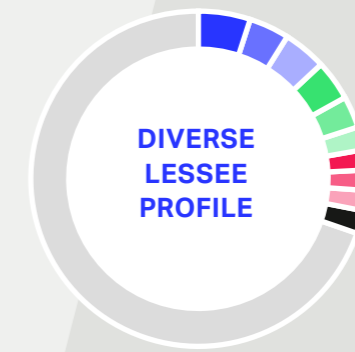


OUR FLEET

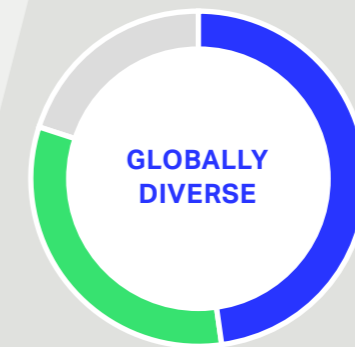
The Avolon fleet is a risk-balanced portfolio of quality assets with a young average age of 6.1 years, and 55% of our portfolio invested in new technology aircraft.

TOTAL	AIRCRAFT TYPE	DELIVERED/ OWNED	DELIVERED/ MANAGED	FLEET COMMITMENTS	
209	A320ceo Family	191	18	-	
286	A320neo Family	96	3	187	
123	B737 NG Family	106	17	-	
60	B737 MAX 7/8/9/10	22	-	38	
51	A330-200/300	41	10	-	
55	A330neo	23	1	31	
17	A350-900	17	-	-	
3	B777-300ER	3	-	-	
30	B787-8/9	28	-	2	
834		527	49	258	

“ Our portfolio comprises the most fuel efficient commercial aircraft that are in demand with our customers, acquired via direct orders with manufacturers and sale and leaseback transactions with airlines.



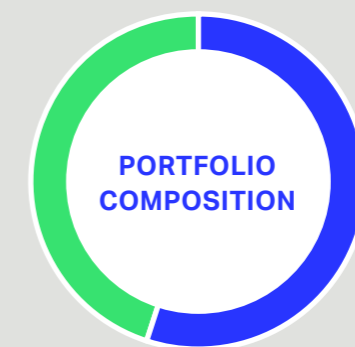
- Hainan 5%
- IndiGo 4%
- American Airlines 4%
- Lion Air 4%
- Garuda 3%
- LATAM 3%
- TAP 2%
- Cebu Air 2%
- Air France-KLM 2%
- Beijing Capital 2%
- Other 69%



- APAC 48%
- EMEA 32%
- Americas 20%

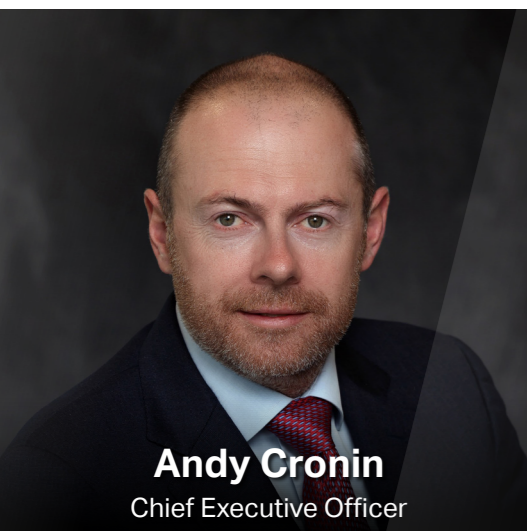


- Single aisle 58%
- Twin aisle 42%



- New technology 55%
- Old technology 45%

EXECUTIVE COMMITTEE



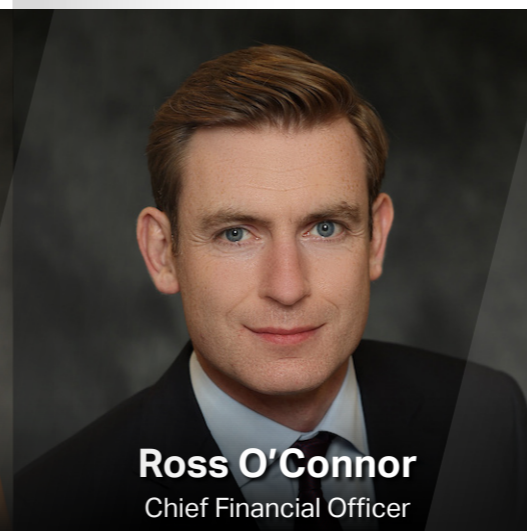
Andy Cronin
Chief Executive Officer



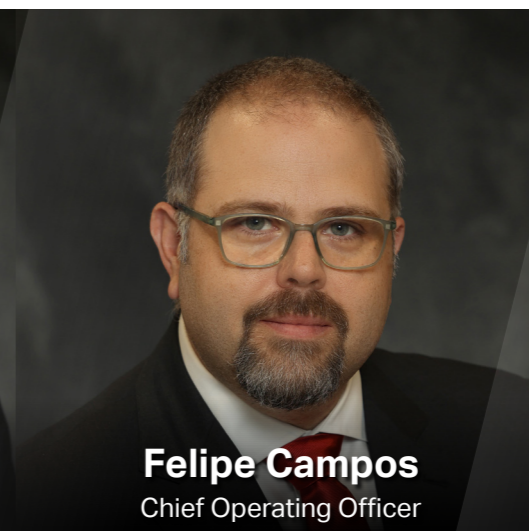
Paul Geaney
President & Chief Commercial Officer



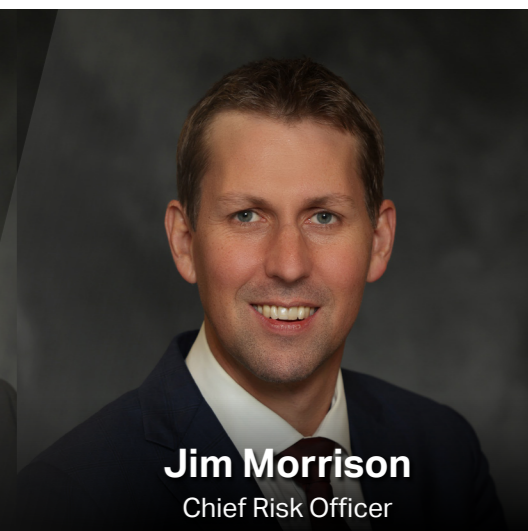
Ciara Ruane
Chief People Officer



Ross O'Connor
Chief Financial Officer



Felipe Campos
Chief Operating Officer



Jim Morrison
Chief Risk Officer

Andy Cronin was appointed Avolon's Chief Executive Officer in October 2022 and has held a range of senior roles in the aviation sector over more than 20 years.

As part of the founding team and serving as Avolon's CFO from 2010 to 2022, Andy has played a central role in building the company to the industry-leading position it holds today. He has successfully led Finance and Capital Market teams through numerous capital raises, corporate acquisitions, and most notably Avolon's listing on the NYSE.

Prior to joining Avolon, Andy served as SVP Investor Markets at RBS Aviation Capital with responsibility for disposal, financing and debt syndication of operating lease and structured debt products to a wide pool of investors. Before working at RBS Aviation Capital, Andy worked in commercial and operational roles at FLS Aerospace.

Andy has a Bachelor of Engineering degree and a Master of Industrial Engineering degree, both with First Class Honours, from University College Dublin.

Paul Geaney was appointed as Avolon's Chief Commercial Officer in July 2021, adding the role of President in July 2022. He was a member of the founding Avolon team, and leads all Avolon's aircraft origination activities. Prior to this, Paul was the Chief Risk Officer and he had also previously been responsible for managing Avolon's relationships with all airframe and engine manufacturers as Head of the OEM team.

Paul joined Avolon in May 2010. Prior to this he spent three years with Claret Capital, becoming a partner at the firm. Paul began his aviation career in 2002 working for RBS Aviation Capital on its credit and pricing teams and ran RBS's international corporate jet finance business. Paul began his professional career with Merrill Lynch in New York where he worked for their healthcare banking team.

Paul holds a Bachelor in Economics and Politics degree from Trinity College Dublin.

Ciara Ruane was appointed Chief People Officer in October 2021 and is responsible for leading Avolon's people strategy, employee experience, recruitment, rewards, retention, leadership development, learning and diversity & inclusion.

Ciara has over 20 years' Human Resources (HR) experience working in strategic HR and effectiveness and, prior to joining Avolon, Ciara worked at Primark, a leading fashion retailer. At Primark, Ciara became Director of People and Culture where she also led Primark's Diversity and Inclusion agenda, wellbeing strategy and corporate giving programmes. Prior to working at Primark, Ciara worked for Willis Towers Watson for over 10 years across a broad range of HR practices.

Ciara is a graduate of University College Dublin's Smurfit Business School and has a Bachelor of Science degree from University College Cork.

Ross O'Connor was appointed Chief Financial Officer in October 2022 and leads the financial reporting, tax, corporate development, capital markets and aircraft trading activities at Avolon.

Ross joined Avolon in 2011 and has held various roles throughout the organization, including Vice President Trading and Head of Investor Relations. From 2020 to 2022, Ross served as Head of Capital Markets for Avolon, leading Avolon's fundraising strategy and initiatives, including the management of Avolon's rating agency and global lender relationships.

Ross holds a Bachelor (Hons) in Management Science and Information Systems Studies degree from Trinity College Dublin and is a Fellow of the Institute of Chartered Accountants Ireland.

Felipe Campos was appointed Avolon's Chief Operating Officer in October 2022 and oversees all of Avolon's operational activity. Felipe joined Avolon in April 2016, becoming Head of Latin America in 2017, and most recently served as Chief Technical Officer from 2021 to 2022. In this role he led Avolon's Technical function, managing all technical aspects of the business including lease transactions, new aircraft deliveries and oversight of delivered aircraft while on lease.

Prior to joining Avolon, Felipe held a variety of roles across the aviation industry including with GE Aviation and LATAM and TAM airlines, where he was responsible for marketing, aircraft financing, leasing, fleet planning, engines, and supply chain contracts.

Felipe holds a Master of Science in Naval Engineering and Project Management degree from Escola Politécnica at the University of São Paulo. He also holds an MBA from IBMEC.

Jim Morrison was appointed Chief Risk Officer in October 2022. He is responsible for the implementation, oversight, and continued development of Avolon's risk management strategy.

A member of Avolon since 2017, Jim most recently served as Head of Portfolio Management where he was responsible for identifying and projecting key industry trends, performing airline and market analysis, and developing aircraft investment cases. Jim contributes to Avolon's thought leadership agenda, authoring our annual outlook papers and developing Avolon's sustainability initiatives.

Prior to joining Avolon, Jim held airline marketing, market analysis, and product strategy roles with CIT Aerospace and Bombardier Commercial Aircraft. Jim is an ISTAT Certified Appraiser and a licensed Professional Engineer in Ontario.

Jim holds a Master of Science in Technology and Policy degree from the Massachusetts Institute of Technology and a Bachelor of Applied Science in Engineering Physics degree from Queen's University, Kingston.

BOARD OF DIRECTORS

Can (Jason) Zhang

Non-Executive Chairman

Can (Jason) Zhang has served as both a Director and Chairman of the Avolon Board since February 2022. Mr. Zhang has served as Deputy Chairman of Bohai Leasing Co., Ltd since March 2022. He previously held positions as the CFO of Hong Kong Airlines Co., Ltd., Director of Swissport Group, and CEO of CWT International Limited (HK00521). Mr. Zhang holds a Bachelor's Degree in Accountancy from Wuhan University and an MBA from Columbia University.



Denis Nayden

Non-Executive Vice Chairman

Denis Nayden has served as Vice Chairman of the Avolon Board since April 2016 and was previously the Chairman of the Board from May 2010 to January 2016. Mr. Nayden previously held the position of Chairman of Varagon Capital from 2014 to 2020, and is currently Chairman, Investment Committee member and Operating Investor at Harkness Capital Partners, and is Chairman of James Alpha Holdings, LLC. Mr. Nayden also serves on the Board of Directors of LiteSheet Solutions and the Global Board of buildOn, a non-profit organization. Mr. Nayden was formerly an Advisory Managing Partner of Oak Hill Capital from January 2017 to December 2017 and a Managing Partner from 2003 through 2016. Prior to joining Oak Hill, Mr. Nayden served as the Chairman and Chief Executive Officer at GE Capital. Mr. Nayden spent more than 25 years serving in various roles at GE Capital, including oversight of GE Capital Aviation Services. Mr. Nayden previously served as Chairman of the Boards of Duane Reade, Firth Rixson Limited, Omada International, Primus International and RSC Equipment Rental.



Shen Yan

Non-Executive Director

Shen Yan has served as Director of the Avolon Board since February 2022. Mrs. Yan serves as the Executive Director and the Chief Financial Officer of CWT International Limited (HK00521). Prior to this, Mrs. Yan served as Finance Director of CWT International Limited and also acts as a director on a number of subsidiaries of CWT International Limited since July 2015. Mrs. Yan served as CFO of Hong Kong Airlines Corporate Jet Management Limited from July 2014 to July 2015. From July 2008 to July 2014, Mrs. Yan worked in the Finance Department of HNA Group and a number of its subsidiaries. Mrs. Yan graduated from the Sichuan University in 2008 with a Bachelor Degree in Accounting, and graduated from Peking University in 2020 with a Masters Degree in Business Administration. Mrs. Yan has extensive management knowledge and working experience in accounting, finance, treasury and risk management and has been a member of Association of Chartered Certified Accountants since 2013.



Kei Kitagawa

Non-Executive Director

Kei Kitagawa has served as a Director of the Avolon Board since April 2020. Mr. Kitagawa is a member of the Board of Directors of ORIX Aviation. He also serves as Executive Vice President, Deputy Head of Global Transportation Services Headquarters and Head of Aviation and Investment Group for ORIX Corporation, the sole shareholder of ORIX Aviation. Kei Kitagawa joined ORIX Corporation in April 1998 where he spent eight years in vender leasing jointly with an American multinational computer technology company. He then moved into the Aviation and Investment Group in March 2006 in a core role pioneering the Japanese Operating Leasing arrangement for ORIX Corporation. Kei Kitagawa was appointed to the Head of Aviation and Investment Group in May 2015 and Deputy Head of Global Transportation Services Headquarters in January 2019. Kei Kitagawa also has responsibility for the Aviation and Investment Group's business strategies and budgets. Kei holds a Bachelor Degree in Law and an MBA in Finance from Chuo University, Tokyo.



Duan (Julian) Wang

Non-Executive Director

Duan (Julian) Wang has served as Director of the Avolon Board since January 2022. Mr. Wang has served as Assistant General Manager and Chief International Affairs Officer of the new HNA Group (Trust Management) since June 2022, and as Vice Chair of China General Chamber of Commerce - USA since March 2022. He is also the President of HNA Group International, the international operations platform of the whole group, and is responsible for engagements in global M&A, international asset management, and cross-border portfolio company governance.

Mr. Wang has years of experience managing multi-national corporations, having served on the board of Avolon since January 2022, Global Sea Containers Ltd. since May 2020 and SinOceanic since July 2019. He has also chaired the board of SR Technics, one of the world's leading aviation Maintenance, Repair, and Overhaul (MRO) service providers from June 2021 to December 2021, and on the board of Swissport Group from November 2019 to December 2020.

Mr. Wang has 15 years of experience working at various positions at HNA. Throughout his career, he has led numerous international projects including the sale of Ingram Micro, restructuring of Swissport, a series of real estate transactions including 245 Park Ave NYC, 850 Fifth Ave NYC, 1180 American Ave NYC, 181 W Madison Chicago, etc. with a total transaction value over \$10B.



James Meyler

Non-Executive Director

James Meyler joined the Avolon Board in February 2022. James is the Chief Executive Officer of ORIX Aviation Systems Limited and ORIX Aviation Management ME Limited with over 25 years' experience in the aviation industry. Prior to this, he held the positions of Deputy Chief Executive Officer and Chief Commercial Officer of ORIX Aviation. James is a Board Director of ORIX Aviation Systems Limited since 2015.

James worked with ORIX Aviation from 2002 to 2007 and was Vice President of Acquisitions, New Business and Capital Markets. James spent two years as Managing Director, Head of Marketing and Capital Markets for Aergo Capital Group before returning to ORIX Aviation in 2009. James previously held positions as Executive Assistant to Tony Ryan and CFO of TARA Aerospace, along with a senior management role in the aviation team at KBC Aerospace Finance.

He holds an Honours Bachelor of Commerce degree in Banking and Finance from University College Dublin. James was previously elected to the Board of Directors of ISTAT for a four year term from 2015 to 2019 and currently serves as Chairman of the Wings Club Foundation European Chapter.



Andy Cronin

Chief Executive Officer

Andy Cronin was appointed Avolon's Chief Executive Officer in October 2022 and has held a range of senior roles in the aviation sector over more than 20 years.

As part of the founding team and serving as Avolon's CFO from 2010 to 2022, Andy has played a central role in building the company to the industry-leading position it holds today. He has successfully led Finance and Capital Market teams through numerous capital raises, corporate acquisitions, and most notably Avolon's listing on the NYSE.

Prior to joining Avolon, Andy served as SVP Investor Markets at RBS Aviation Capital with responsibility for disposal, financing and debt syndication of operating lease and structured debt products to a wide pool of investors. Before working at RBS Aviation Capital, Andy worked in commercial and operational roles at FLS Aerospace.

Andy has a Bachelor of Engineering degree and a Master of Industrial Engineering degree, both with First Class Honours, from University College Dublin.



CFO STATEMENT



The financial year ended December 31, 2022, saw further recovery in our operating and financial performance as air traffic rebounded. Despite the war in Ukraine and volatility in the capital markets, we executed on several landmark transactions during the year, and ended the year with an exceptionally strong balance sheet.

Avolon reported an adjusted net income of \$253 million for 2022, a five-fold increase on our performance in 2021. Our operating cashflow continued to improve and now surpasses 2019 levels as customers resume flying and repay COVID-related deferred balances. We ended the year with a stronger balance sheet and liquidity position than at the onset of the pandemic with net leverage of 2.3 times and a sources to uses ratio of 2.1 times.

We expect that continued recovery in air travel this year, helped by the reopening of China in January, will increase reliance on aircraft lessors' services from airlines looking to deleverage their balance sheets. This will create attractive opportunities for Avolon to deploy capital and ultimately drive lessors' share of the large commercial aircraft fleet further above 50%.

Operational Performance

Avolon ended the year with an owned, managed and committed fleet of 834 aircraft and \$31 billion of total assets. Our fleet continues to be one of the youngest and most fuel-efficient fleets in the sector, with an average age of 6.1 years and 55% of the delivered fleet being new technology aircraft. In addition, our order book of 258 aircraft is entirely new technology aircraft, a critical factor in supporting our customers' continued efforts to decarbonize and our progression to a 75% new technology passenger fleet by 2025.

The recovery in air traffic gained momentum through the year and was evident in our fleet metrics. Our fleet utilization for the year remained high at 96% and the number of flight cycles flown by our aircraft increased by 41% compared to 2021.

Financial Performance

The business delivered total revenues of \$2.3 billion and adjusted net income of \$253 million. Including the impairment and other lease write-offs from our Russian exposure, we reported a net income of \$9 million. Cashflow from operations of over \$1.2 billion not only exceeded 2020 and 2021 levels but also full year 2019. This demonstrates the continued improvement in our financial performance as we emerge from the pandemic.

This positive momentum is supported by improving airline performance globally and a sharp reduction in the number of customers engaged in restructuring processes. At year end, approximately 1.3% of our fleet was on a cash recognition basis, down from 8.3% at the start of the year.

Activity increased in the secondary aircraft trading market in 2022 as investors looking to deploy capital recognized the resilience of the aircraft leasing sector. We generated proceeds of \$1.4 billion from the sale of 36 aircraft and 7 engines and recorded gains on disposal of \$49 million for the year.

Liquidity & Capital Resources

We ended 2022 with an extremely strong balance sheet and capital structure. Our leverage remained one of the lowest in the sector at 2.3 times net debt to equity and we maintained a highly conservative liquidity position, with our sources to uses coverage over the next twelve months at 2.1 times. In total, we held over \$5.6 billion of available liquidity at year end.

During the year, we upsized our unsecured revolving credit facility to \$4.6 billion and extended the maturity on our secured recourse revolving credit facility from 2024 to 2027. In total, our revolving debt capacity at year end stood at over \$6 billion.

We raised \$2.2 billion of capital during 2022 from both secured and unsecured sources. While our long-term funding strategy remains focussed on the US investment grade bond market, we maintain strong relationships with a broad range of lenders allowing us to navigate any volatility in the public markets and to be able to source capital at attractive terms in all market conditions.

We had \$15.9 billion in unencumbered assets and our secured debt to total assets ratio stood at 22% at year end. These strong metrics, together with the other strong fundamentals of our business, support our continued progress and ambition towards a higher credit rating.

As we look forward to a period of recovery, we are optimistic that the strength of our business positions us ideally to both identify and take advantage of opportunities in the market as the sector recovers and air traffic levels increase further in 2023.

Ross O'Connor
Chief Financial Officer



Ross O'Connor
Chief Financial Officer



We ended 2022 with an extremely strong balance sheet and capital structure. Our leverage remained one of the lowest in the sector at 2.3 times net debt to equity.

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