



PHOENIX
LUXURY COMPANY

Information Memorandum

Prepared for Company Management

September 2020



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Introduction

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Best regards,

The Company Management Team



Collective Experience

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Deep Collective Experience and Industry Network

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Over 900
Assets Placed
with 130+
Operators



Relationships
at 230+
Airlines



40+ Asset
Types Leased



200+ Years of
Collective
Experience



Platform Development

Here are the proper ingredients for a new entrant to the aircraft leasing industry

1 Team

Experienced team that has **navigated aviation cycles** across four decades

In-house **acquisitions, marketing, technical, finance and back-office** provide skills for success

Good reputation built over decades with aviation industry leaders

2 Capital

Once-in-a-lifetime **cyclical opening** to acquire assets at prices below intrinsic value

Well-capitalized lessors will **exploit the market**

Asset value recovery will **grow invested capital**

3 Execution

Airlines will **sell & leaseback** to generate cash

Lessors **will sell leased aircraft** to generate proceeds to pay down debt

Manufacturers will **sell order positions** to keep production lines moving

4 Scale

Mid-life aircraft (NG and CEO) will generate high current CF for amortization and reinvestment

New technology aircraft (MAX and NEO) will generate high value over the medium-term

New order positions will provide long-term value

Biographies



John Wooder
CEO
Strategy

- Co-Founder and CEO of since 2002
- 33-year aviation career
- Lorem ipsum dolor sit amet,
- BA from Dartmouth College and an MBA from University of Washington



John Wooder
President
Commercial

- Co-Founder & Pres. of Company since 2002
- 26-year aviation career
- Served as Vice President at Pegasus Aviation
- BA from Duke University and an MBA from the University of North Carolina at Chapel Hill



John Wooder
CFO / CIO
Investments

- Joined The Company in 2020
- 21-year aviation career
- Served as EVP and Head of Americas at AerCap
- BA from UCSD and an MBA from the University of Southern California



John Wooder
Senior Vice President
Head of Marketing

- Joined as Vice President in 2012
- 18 years of aircraft sales and leasing experience
- Served as Vice President at Jetscape and GA Telesis
- BS from Embry-Riddle Aeronautical University



John Wooder
Senior Vice President
Head of Technical

- Joined The Company as Senior Vice President in 2011
- 30 years of aviation technical experience
- Served as VP of Engineering and Aircraft Acquisition at Southern Air
- BSBA from Franklin University



John Wooder
Vice President
Head of Acquisitions

- Joined The Company as Associate in 2013
- 15 years of experience in deal origination, financial analysis and transaction execution
- Worked at Sansome Partners and Goldman Sachs
- BSc, BSE and MBA from Wharton School of the University of Pennsylvania



John Wooder
General Counsel
Legal

- Joined The Company as Corp. Counsel in 2013
- 17-year aviation law and corporate compliance experience
- Worked as in-house counsel for aviation finance and corporate compliance at Mesa Air
- BA from George Mason University and JD from the University of New Hampshire



John Wooder
Vice President
Finance & Acquisitions

- Joined The Company as Associate in 2016
- 15 years of experience in aviation operations and aircraft investments
- Served as a rotary wing pilot and military officer
- BA from Middlebury College and MBA from UC Berkeley Haas School of Business

Track Record

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Company Capital Partners

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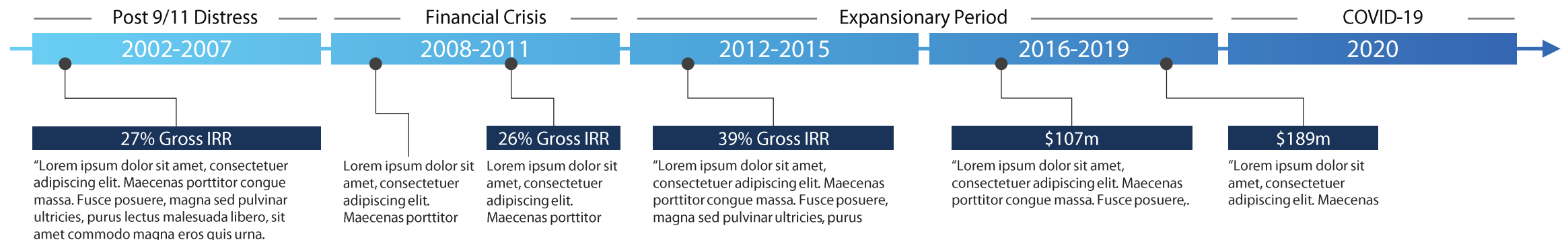
151 Aircraft Acquired:
\$1.5B+ Invested

Leased Aircraft and Engines:
230x

106 Aircraft Monetized:
\$1.3B+ Cash Generated

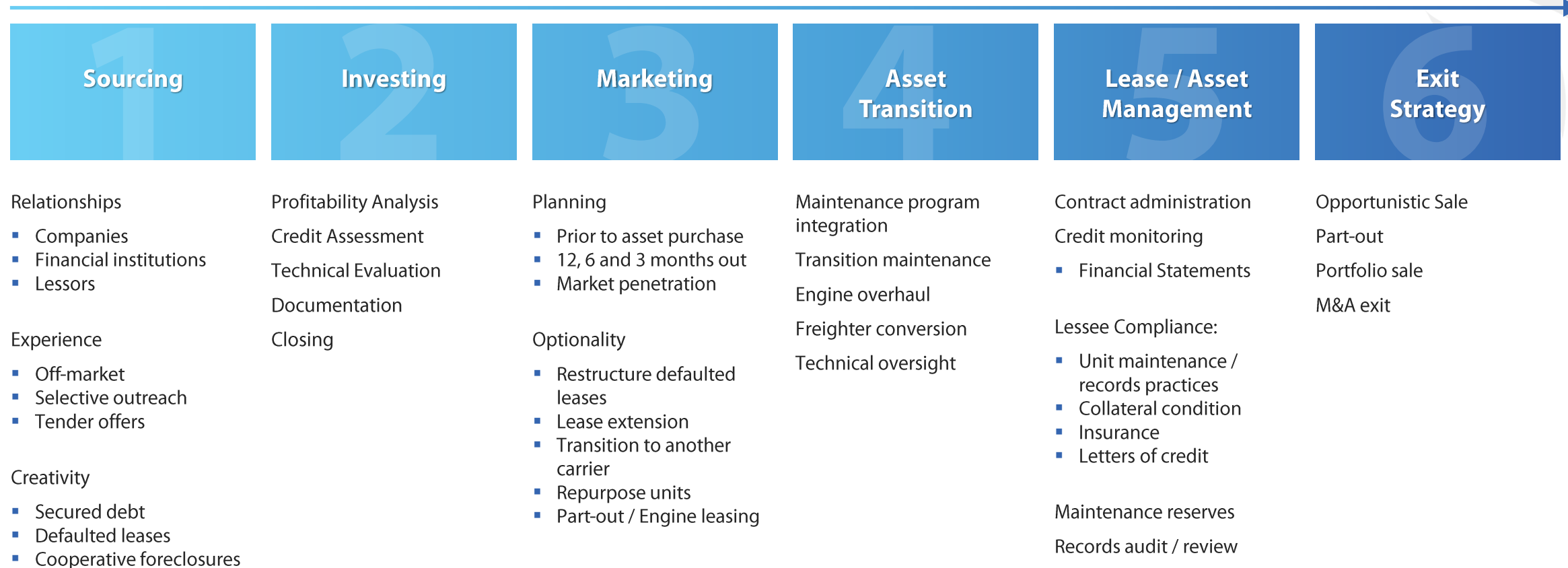
Realized Gross IRR:
27.6%

Successful Identification of Opportunities through Economic Phases



Platform

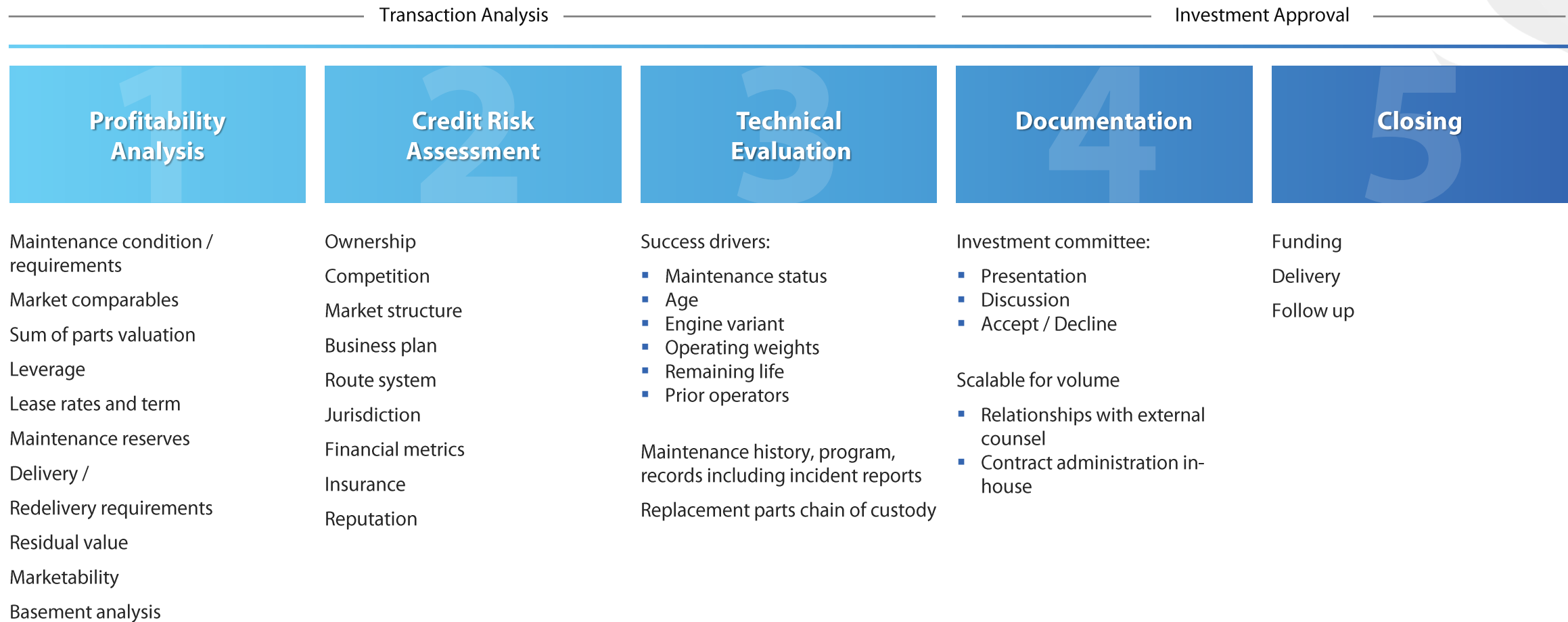
Up-and-running asset management process across integrated platform



Platform (cont.)



Disciplined investment process with a system of checks and balances



Air Traffic Collapse

With collapse in air traffic, aircraft values are suffering a dramatic but temporary drop

COVID-19 Has Decimated the Industry

- Company liquidations and restructurings are happening across the globe
- Government support has prevented complete collapse
- Most airlines have no access to capital at any price
- Airlines are approaching lessors to monetize assets

Traditional Sources of Aircraft Financing are Severely Constrained

- **Asset Backed Securities:** Closed except for strongest credits with outstanding sub bonds under-secured
- **Bank Debt:** Closed except for strongest credits. Large exposure to aviation and pending defaults
- **Lease Capital:** Hampered from investing by absence of debt financing and portfolio issues

Demand for New Deliveries has Fallen Dramatically

- Aircraft deferrals and cancellations are increasing reducing OEM backlogs
- OEMs will make deals with active lessors to fill holes in order book and maintain production

Aircraft Prices Falling

- Aircraft trading is very slow, so it is not possible to say exactly where or when the bottom is
- Increasing pressure on aircraft owners and operators will force aircraft trading to happen at market clearing prices
- Values expected to lose between 15% and 50% depending on aircraft and transaction specifics



All Aviation Sectors

Virtually every sector of the aviation industry will offer investment opportunities

Companies

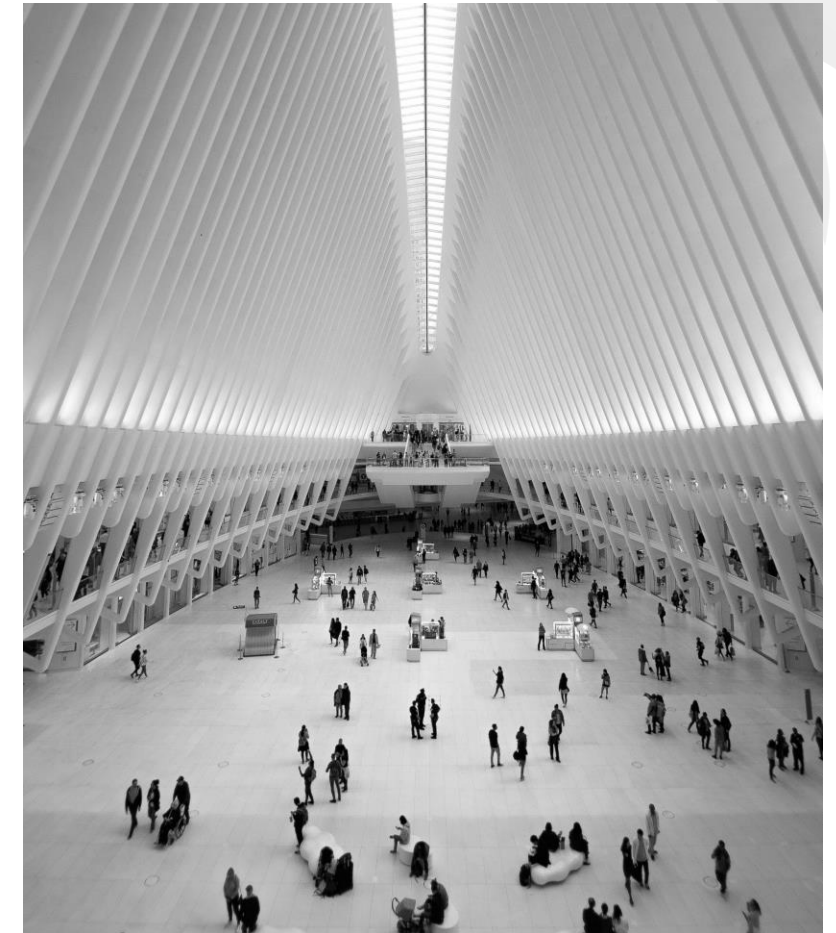
- As COVID-19 continues and an inevitable recession gains strength, load factors will struggle to recover and yields will stay low, forcing airlines to raise capital by selling and (often) leasing them back
- Company will increasingly shy away from capital expenditures as they focus on capital preservation and liquidity thus driving an increased reliance on leased assets

Lessors and Lenders

- Lessors, banks and finance companies are suffering distress given significant lease deferrals, lease defaults, non-performing loans and significantly increased capital requirements
- Need to sell assets to strengthen balance sheets and generate liquidity
- ABS downgrades and EETC volatility are early indicators of the looming challenges for lessors and banks

Manufacturers

- OEMs are overwhelmed with cancelled and deferred orders and will aggressively seek out ways to preserve their production schedules
- Limited forms of traditional financing and difficulty in financing their own deliveries, OEMs will look to new partners to support production
- OEMs will sell at discount to attract customers and keep production moving



Key to Profitability

Making the right choices is key to profitability

Focus on the Right Assets

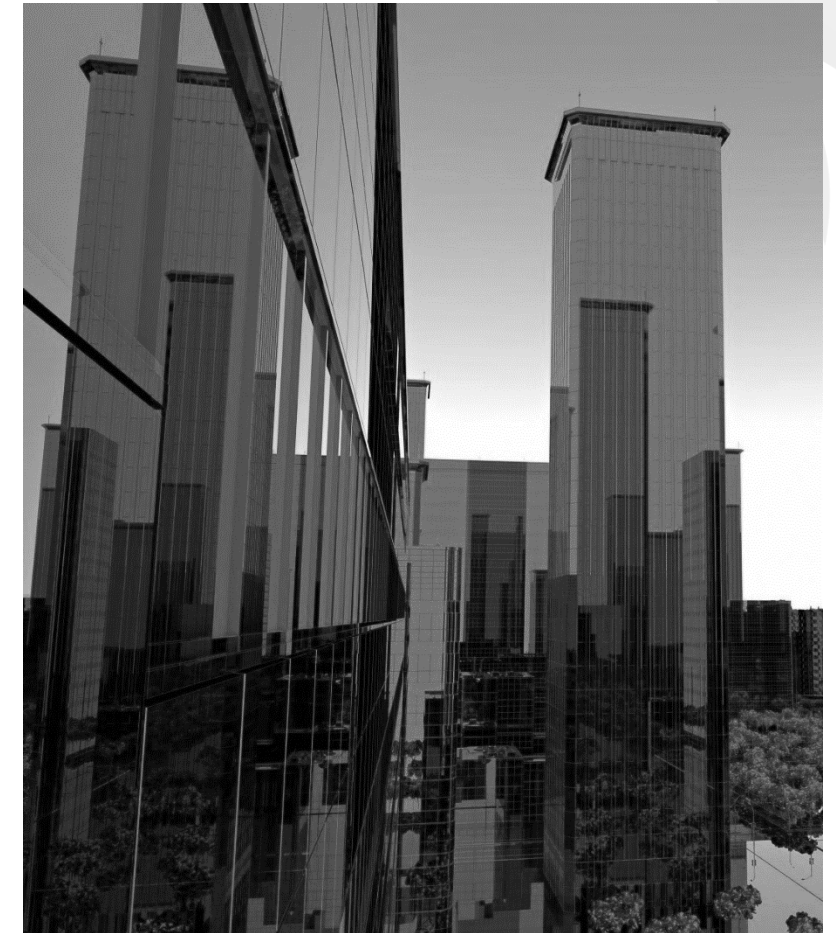
- Acquiring assets with global commonality or multiple operational uses is key
- Other assets that are disproportionately affected by the market dislocation will be evaluated in the near-term
- Spread investments between mid-life units (short-term value), current generation units (medium-term value) and new unit orders (long-term value)

Where to Deploy the Capital?

- Sale Lease Backs with solid units at reduced cost and attractive yields
- Buy deeply discounted units, liberate engines and lease them for green time
- Acquire cargo feedstock at prices which make them attractive for freighter conversions

When Will the Market Recover and How Will Asset Values Respond?

- 18-24 months of continued difficulty. The window of opportunity is near
- The upswing of the cycle likely 3-5 years away
- An over-correction will likely occur as airlines cut to the bone to address the extremity of the current situation
- Airlines will eventually look for growth with newer, more efficient assets driving renewed demand



The Company Cycle

Emphasize different strategies at different points in the cycle

	Asset Values	Lease Rates	Debt	Investment Strategy
Downcycle	Weakening	Decreasing (weighting towards shorter-term leases)	Scarce and more expensive	<p>Distressed Acquisitions</p> <ul style="list-style-type: none"> ■ Focus on asset selection, pricing and cash flow ■ Asset appreciation is a larger component of investment return <p>Value-added Opportunities</p> <ul style="list-style-type: none"> ■ Engine leasing and cargo conversions are more attractive in a softening market as aircraft and engine prices decline <p>New Aircraft Orders</p> <ul style="list-style-type: none"> ■ Capture OEM distress with new aircraft order deliveries scheduled for the upswing of the cycle
Upcycle	Strengthening	Increasing (weighting towards long-term leases)	Improved availability / attractive terms	<p>Long-term Investing</p> <ul style="list-style-type: none"> ■ Lock in contractual cash flows with strong rents and good financing ■ Larger component of investment return driven by current yield ■ Profit generated by selling assets with strong and long cash flows <p>New Aircraft Deliveries</p> <ul style="list-style-type: none"> ■ Aggressively priced new aircraft orders delivering in an improving market combines rising lease rates with low asset acquisition costs delivering sustained future profitability

Potential Acquisition Strategy

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Deploy a seven-year, three-phase investment strategy to capitalize on current industry distress

Phase 1

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Phase 2

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Phase 3

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Structuring Elements

Management Team

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Business Entity

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NEWCO Capitalization

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Tax Jurisdiction

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Decision Making

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Structuring Elements (cont.)

Company Setup Costs

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Staffing

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NEWCO Ongoing Operating Costs

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Compensation

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Capital Partners

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Management Agreement

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LUXURY COMPANY

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Investor Presentation

2021