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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number **001-41370**

FTAI INFRASTRUCTURE

FTAI INFRASTRUCTURE INC.

(Exact name of registrant as specified in its charter)

Delaware	**87-4407005**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1345 Avenue of the Americas, 45th Floor	**New York**	**NY**	**10105**
(Address of principal executive offices)			(Zip Code)

(Registrant's telephone number, including area code) **(212) 798-6100**

(Former name, former address and former fiscal year, if changed since last report) **N/A**

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

Title of each class:	Trading Symbol:	Name of exchange on which registered:
Common Stock, par value $0.01 per share	FIP	The Nasdaq Global Select Market

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

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

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

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

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

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

As of July 31, 2024, the number of outstanding shares of the registrant's common stock was 105,043,614 shares.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS SUMMARY

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but instead are based on our present beliefs and assumptions and on information currently available to us. You can identify these forward-looking statements by the use of forward-looking words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "target," "projects," "contemplates" or the negative version of those words or other comparable words. Any forward-looking statements contained in this report are based upon our historical performance and on our current plans, estimates and expectations in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us, that the future plans, estimates or expectations contemplated by us will be achieved.

Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. The following is a summary of the principal risk factors that make investing in our securities risky and may materially adversely affect our business, financial condition, results of operations and cash flows. This summary should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth in Part II, Item 1A, "Risk Factors" of this report. We believe that these factors include, but are not limited to:

- our ability to successfully operate as a standalone public company;
- changes in economic conditions generally and specifically in our industry sectors, and other risks relating to the global economy, including, but not limited to, the Russia-Ukraine conflict, the Israel-Hamas conflict, public health crises, and any related responses or actions by businesses and governments;
- reductions in cash flows received from our assets;
- our ability to take advantage of acquisition opportunities at favorable prices;
- a lack of liquidity surrounding our assets, which could impede our ability to vary our portfolio in an appropriate manner;
- the relative spreads between the yield on the assets we acquire and the cost of financing;
- adverse changes in the financing markets we access affecting our ability to finance our acquisitions;
- customer defaults on their obligations;
- our ability to renew existing contracts and enter into new contracts with existing or potential customers;
- the availability and cost of capital, including for future acquisitions, to refinance our debt and to fund our operations;
- concentration of a particular type of asset or in a particular sector;
- competition within the rail, energy and intermodal transport sectors;
- the competitive market for acquisition opportunities;
- risks related to operating through joint ventures, partnerships, consortium arrangements or other collaborations with third parties;
- our ability to successfully integrate acquired businesses;
- obsolescence of our assets or our ability to sell our assets;
- exposure to uninsurable losses and force majeure events;
- infrastructure operations and maintenance may require substantial capital expenditures;
- the legislative/regulatory environment and exposure to increased economic regulation;
- exposure to the oil and gas industry's volatile oil and gas prices;
- our ability to maintain our exemption from registration under the Investment Company Act of 1940 and the fact that maintaining such exemption imposes limits on our operations;
- our ability to successfully utilize leverage in connection with our investments;
- foreign currency risk and risk management activities;
- effectiveness of our internal control over financial reporting, including our ability to remediate the material weakness identified in our Annual Report on Form 10-K for the year ended December 31, 2023;
- exposure to environmental risks, including natural disasters, increasing environmental legislation and the broader impacts of climate change;
- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;
- actions taken by national, state, or provincial governments, including nationalization, or the imposition of new taxes, could materially impact the financial performance or value of our assets;
- our dependence on FIG LLC (the "Manager") and its professionals and actual, potential or perceived conflicts of interest in our relationship with our Manager;

- effects of the recently completed acquisition of Softbank Group Corp.'s ("Softbank") equity in Fortress Investment Group LLC ("Fortress") by certain members of management of Fortress and Mubadala Capital, a wholly owned asset management subsidiary of Mubadala Investment Company ("Mubadala");
- volatility in the market price of our stock;
- the inability to pay dividends to our stockholders in the future; and
- other risks described in the "Risk Factors" section of this report.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. We do not undertake any obligation to publicly update or review any forward-looking statement except as required by law, whether as a result of new information, future developments or otherwise.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

FTAI INFRASTRUCTURE INC.
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Item 1. Financial Statements

FTAI INFRASTRUCTURE INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

	Notes	(Unaudited) June 30, 2024	December 31, 2023
Assets			
Current assets:			
Cash and cash equivalents	2	$ **33,101**	$ 29,367
Restricted cash	2	**153,364**	58,112
Accounts receivable, net	2	**52,221**	55,990
Other current assets	2	**50,557**	42,034
Total current assets		**289,243**	185,503
Leasing equipment, net	3	**36,114**	35,587
Operating lease right-of-use assets, net		**68,280**	69,748
Property, plant, and equipment, net	4	**1,605,786**	1,630,829
Investments	5	**63,472**	72,701
Intangible assets, net	6	**48,838**	52,621
Goodwill	2	**275,367**	275,367
Other assets	2	**65,308**	57,253
Total assets		$ **2,452,408**	$ 2,379,609
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities		$ **111,570**	$ 130,796
Operating lease liabilities		**7,222**	7,218
Other current liabilities		**18,828**	12,623
Total current liabilities		**137,620**	150,637
Debt, net	7	**1,554,124**	1,340,910
Operating lease liabilities		**61,070**	62,441
Other liabilities		**53,110**	87,530
Total liabilities		**1,805,924**	1,641,518
Commitments and contingencies	17	**—**	—
Redeemable preferred stock ($0.01 par value per share; 200,000,000 shares authorized; 300,000 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively; redemption amount of $446.5 million at June 30, 2024 and December 31, 2023)	15	**359,817**	325,232
Equity			
Common stock ($0.01 par value per share; 2,000,000,000 shares authorized; 101,704,885 and 100,589,572 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively)		**1,016**	1,006
Additional paid in capital		**803,603**	843,971
Accumulated deficit		**(258,520)**	(182,173)
Accumulated other comprehensive loss		**(151,268)**	(178,515)
Stockholders' equity		**394,831**	484,289
Non-controlling interest in equity of consolidated subsidiaries		**(108,164)**	(71,430)
Total equity		**286,667**	412,859
Total liabilities, redeemable preferred stock and equity		$ **2,452,408**	$ 2,379,609

See accompanying notes to consolidated financial statements.

FTAI INFRASTRUCTURE INC.
CONSOLIDATED STATEMENTS OF OPERATIONS ***(unaudited)***
(Dollars in thousands, except share and per share data)

	Notes	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenues					
Total revenues	9	**$ 84,887**	$ 81,832	**$ 167,422**	$ 158,326
Expenses					
Operating expenses		**61,225**	62,775	**125,800**	127,937
General and administrative		**2,840**	3,702	**7,701**	6,903
Acquisition and transaction expenses		**921**	636	**1,847**	905
Management fees and incentive allocation to affiliate	13	**2,776**	3,084	**5,777**	6,066
Depreciation and amortization	3, 6	**20,163**	20,292	**40,684**	40,427
Asset impairment		**—**	602	**—**	743
Total expenses		**87,925**	91,091	**181,809**	182,981
Other (expense) income					
Equity in (losses) earnings of unconsolidated entities	5	**(12,788)**	(1,625)	**(24,690)**	2,741
(Loss) gain on sale of assets, net		**(150)**	647	**(163)**	523
Loss on modification or extinguishment of debt	7	**(9,170)**	—	**(9,170)**	—
Interest expense		**(29,690)**	(24,182)	**(57,283)**	(47,432)
Other income		**6,963**	1,370	**9,328**	1,591
Total other expense		**(44,835)**	(23,790)	**(81,978)**	(42,577)
Loss before income taxes		**(47,873)**	(33,049)	**(96,365)**	(67,232)
Provision for income taxes	12	**267**	823	**2,072**	2,552
Net loss		**(48,140)**	(33,872)	**(98,437)**	(69,784)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries		**(11,400)**	(10,276)	**(22,090)**	(20,169)
Less: Dividends and accretion of redeemable preferred stock		**17,610**	15,257	**34,585**	29,827
Net loss attributable to stockholders		**$ (54,350)**	$ (38,853)	**$ (110,932)**	$ (79,442)
Loss per share:	16				
Basic		**$ (0.52)**	$ (0.38)	**$ (1.06)**	$ (0.77)
Diluted		**$ (0.52)**	$ (0.38)	**$ (1.06)**	$ (0.77)
Weighted average shares outstanding:					
Basic		**105,039,831**	102,793,800	**104,612,209**	102,790,737
Diluted		**105,039,831**	102,793,800	**104,612,209**	102,790,737

See accompanying notes to consolidated financial statements.

FTAI INFRASTRUCTURE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) *(unaudited)*
(Dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Net loss	**$ (48,140)**	$ (33,872)	**$ (98,437)**	$ (69,784)
Other comprehensive income (loss):				
Other comprehensive income related to equity method investees	**22,219**	62,578	**1,104**	115,430
Change in pension and other employee benefit accounts [1]	**26,156**	(12)	**26,143**	(24)
Comprehensive income (loss)	**235**	28,694	**(71,190)**	45,622
Comprehensive loss attributable to non-controlling interests	**(11,400)**	(10,276)	**(22,090)**	(20,169)
Comprehensive income (loss) attributable to stockholders	**$ 11,635**	$ 38,970	**$ (49,100)**	$ 65,791

[1] Net of deferred tax expense of $1.6 million for the three and six months ended June 30, 2024.

See accompanying notes to consolidated financial statements.

FTAI INFRASTRUCTURE INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY *(unaudited)*
(Dollars in thousands)

	Three and Six Months Ended June 30, 2024					
	Common Stock	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-Controlling Interest in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2023	$ 1,006	$ 843,971	$ (182,173)	$ (178,515)	$ (71,430)	$ 412,859
Net loss			(39,607)		(10,690)	(50,297)
Other comprehensive loss				(21,128)		(21,128)
Total comprehensive loss	—	—	(39,607)	(21,128)	(10,690)	(71,425)
Settlement of equity-based compensation		(3,029)			(185)	(3,214)
Issuance of common shares	10	(10)				—
Dividends declared on common stock		(3,051)				(3,051)
Dividends and accretion of redeemable preferred stock		(16,975)				(16,975)
Equity-based compensation		2,050			290	2,340
Equity - March 31, 2024	$ 1,016	$ 822,956	$ (221,780)	$ (199,643)	$ (82,015)	$ 320,534
Net loss			(36,740)		(11,400)	(48,140)
Other comprehensive income				48,375		48,375
Total comprehensive (loss) income	—	—	(36,740)	48,375	(11,400)	235
Settlement of equity-based compensation					—	—
Issuance of common shares		—				—
Distributions to non-controlling interest					(15,039)	(15,039)
Dividends declared on common stock		(3,252)				(3,252)
Dividends and accretion of redeemable preferred stock		(17,610)				(17,610)
Equity-based compensation		1,509			290	1,799
Equity - June 30, 2024	$ 1,016	$ 803,603	$ (258,520)	$ (151,268)	$ (108,164)	$ 286,667

FTAI INFRASTRUCTURE INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY *(unaudited)*
(Dollars in thousands)

	Three and Six Months Ended June 30, 2023					
	Common Stock	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-Controlling Interest in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2022	$ 994	$ 911,599	$ (60,837)	$ (300,133)	$ (26,829)	$ 524,794
Net loss			(26,019)		(9,893)	(35,912)
Other comprehensive income				52,840		52,840
Total comprehensive (loss) income	—	—	(26,019)	52,840	(9,893)	16,928
Settlement of equity-based compensation					(90)	(90)
Acquisition of a consolidated subsidiary		(953)			(3,495)	(4,448)
Dividends declared on common stock		(3,084)				(3,084)
Dividends and accretion of redeemable preferred stock		(14,570)				(14,570)
Equity-based compensation					895	895
Equity - March 31, 2023	$ 994	$ 892,992	$ (86,856)	$ (247,293)	$ (39,412)	$ 520,425
Net loss			(23,596)		(10,276)	(33,872)
Other comprehensive income				62,566		62,566
Total comprehensive (loss) income	—	—	(23,596)	62,566	(10,276)	28,694
Distributions to non-controlling interest					(20)	(20)
Dividends declared on common stock		(3,086)				(3,086)
Dividends and accretion of redeemable preferred stock		(15,257)				(15,257)
Equity-based compensation		80			562	642
Equity - June 30, 2023	$ 994	$ 874,729	$ (110,452)	$ (184,727)	$ (49,146)	$ 531,398

See accompanying notes to consolidated financial statements.

FTAI INFRASTRUCTURE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS *(unaudited)*
(Dollars in thousands)

	Six Months Ended June 30,	
	2024	**2023**
Cash flows from operating activities:		
Net loss	**$ (98,437)**	$ (69,784)
Adjustments to reconcile net loss to net cash used in operating activities:		
Equity in losses (earnings) of unconsolidated entities	**24,690**	(2,741)
Loss (gain) on sale of assets, net	**163**	(523)
Loss on modification or extinguishment of debt	**9,170**	—
Equity-based compensation	**4,139**	1,537
Depreciation and amortization	**40,684**	40,427
Asset impairment	**—**	743
Change in deferred income taxes	**1,493**	2,110
Change in fair value of non-hedge derivative	**—**	1,125
Amortization of deferred financing costs	**4,570**	3,098
Amortization of bond discount	**2,898**	2,144
Provision for (benefit from) credit losses	**514**	(74)
Change in:		
Accounts receivable	**3,255**	4,506
Other assets	**(3,040)**	(4,724)
Accounts payable and accrued liabilities	**(12,787)**	(6,202)
Other liabilities	**1,218**	11,427
Net cash used in operating activities	**(21,470)**	(16,931)
Cash flows from investing activities:		
Investment in unconsolidated entities	**(1,639)**	(3,315)
Acquisition of consolidated subsidiary	**—**	(4,448)
Acquisition of leasing equipment	**(1,204)**	—
Acquisition of property, plant and equipment	**(27,420)**	(65,696)
Investment in promissory notes and loans	**(17,500)**	(22,000)
Investment in equity instruments	**(5,000)**	—
Proceeds from sale of leasing equipment	**—**	115
Proceeds from sale of property, plant and equipment	**111**	988
Net cash used in investing activities	**(52,652)**	(94,356)
Cash flows from financing activities:		
Proceeds from debt, net	**449,689**	66,600
Repayment of debt	**(242,001)**	—
Payment of financing costs	**(10,022)**	(1,192)
Cash dividends - common stock	**(6,303)**	(6,170)
Settlement of equity-based compensation	**(3,216)**	(90)
Distributions to non-controlling interests	**(15,039)**	(20)
Net cash provided by financing activities	**173,108**	59,128
Net decrease in cash and cash equivalents and restricted cash	**98,986**	(52,159)
Cash and cash equivalents and restricted cash, beginning of period	**87,479**	149,642
Cash and cash equivalents and restricted cash, end of period	**$ 186,465**	$ 97,483
Supplemental disclosure of non-cash investing and financing activities:		
Acquisition of property, plant and equipment	**$ —**	$ (838)
Dividends and accretion of redeemable preferred stock	**(34,585)**	(29,827)
Non-cash change in equity method investment	**1,104**	115,430
Financing fees	**(716)**	—
Repayment of debt	**(592)**	—
Sale of easement	**3,486**	—

See accompanying notes to consolidated financial statements.

1. ORGANIZATION

FTAI Infrastructure Inc. ("we", "us", "our", or the "Company") is a Delaware corporation and was originally formed as a limited liability company on December 13, 2021 in connection with the spin-off of the infrastructure business ("FTAI Infrastructure") of FTAI Aviation Ltd. (previously Fortress Transportation and Infrastructure Investors LLC; "FTAI" or "Former Parent"). The Company owns and operates (i) six freight railroads and one switching company that provide rail service to certain manufacturing and production facilities ("Transtar"), (ii) a multi-modal crude oil and refined products terminal in Beaumont, Texas ("Jefferson Terminal"), (iii) a deep-water port located along the Delaware River with an underground storage cavern, a multipurpose dock, a rail-to-ship transloading system and multiple industrial development opportunities ("Repauno"), (iv) an equity method investment in a multi-modal terminal located along the Ohio River with multiple industrial development opportunities, including a power plant ("Long Ridge"), and (v) an equity method investment in two ventures developing battery and metal recycling technology ("Aleon" and "Gladieux"). Additionally, we own and lease shipping containers ("Containers") and operate a railcar cleaning business ("KRS") as well as an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries ("FYX"). We have five reportable segments: (i) Railroad, (ii) Jefferson Terminal, (iii) Repauno, (iv) Power and Gas, and (v) Sustainability and Energy Transition, which all operate in the infrastructure sector (see Note 14).

We are a publicly-traded company trading on The Nasdaq Global Select Market under the symbol "FIP." The Company is headquartered in New York, New York.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and include the accounts of us and our subsidiaries. These financial statements and related notes should be read in conjunction with the Consolidated Financial Statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Principles of Consolidation—We consolidate all entities in which we have a controlling financial interest and control over significant operating decisions, as well as variable interest entities ("VIEs") in which we are the primary beneficiary. All significant intercompany transactions and balances have been eliminated. All adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The ownership interest of other investors in consolidated subsidiaries is recorded as non-controlling interest.

We use the equity method of accounting for investments in entities in which we exercise significant influence but which do not meet the requirements for consolidation. Under the equity method, we record our proportionate share of the underlying net income (loss) of these entities as well as the proportionate interest in adjustments to other comprehensive income (loss).

Use of Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties—In the normal course of business, we encounter several significant types of economic risk including credit, market, and capital market risks. Credit risk is the risk of the inability or unwillingness of a lessee, customer, or derivative counterparty to make contractually required payments or to fulfill its other contractual obligations. Market risk reflects the risk of a downturn or volatility in the underlying industry segments in which we operate, which could adversely impact the pricing of the services offered by us or a lessee's or customer's ability to make payments. 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 facilities. We do not have significant exposure to foreign currency risk as all of our leasing and revenue arrangements are denominated in U.S. dollars.

Variable Interest Entities—The assessment of whether an entity is a VIE and the determination of whether to consolidate a VIE requires judgment. VIEs are defined as entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. A VIE is required to be consolidated by its primary beneficiary, and only by its primary beneficiary, which is defined as the party who has the power to direct the activities of a VIE that most significantly impact its economic performance and who has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Delaware River Partners LLC

During 2016, through Delaware River Partners LLC ("DRP"), a consolidated subsidiary, we purchased the assets of Repauno, which consisted primarily of land, a storage cavern, and riparian rights for the acquired land, site improvements and rights. Upon acquisition there were no operational processes that could be applied to these assets that would result in outputs without significant green field development. We currently hold an approximately 98% economic interest, and a 100% voting interest in DRP. DRP is solely reliant on us to finance its activities and therefore is a VIE. We concluded that we are the primary beneficiary; and accordingly, DRP has been presented on a consolidated basis in the accompanying consolidated financial statements. Total

(Dollars in tables in thousands, unless otherwise noted)

VIE assets of DRP were $298.7 million and $305.0 million, and total VIE liabilities of DRP were $52.5 million and $52.7 million as of June 30, 2024 and December 31, 2023, respectively.

Cash and Cash Equivalents—We consider all highly liquid short-term investments with a maturity of 90 days or less when purchased to be cash equivalents.

Restricted Cash—Restricted cash consists of prepaid interest and principal pursuant to the requirements of certain of our debt agreements (see Note 7) and other qualifying construction projects at Jefferson Terminal.

Property, Plant, and Equipment, Leasing Equipment and Depreciation—Property, plant and equipment and leasing equipment are stated at cost (inclusive of capitalized acquisition costs, where applicable) and depreciated using the straight-line method, over their estimated useful lives, to estimated residual values which are summarized as follows:

Asset	Range of Estimated Useful Lives	Residual Value Estimates
Railcars and locomotives	40 - 50 years from date of manufacture	Scrap value at end of useful life
Track and track related assets	15 - 50 years from date of manufacture	Scrap value at end of useful life
Land, site improvements and rights	N/A	N/A
Bridges and tunnels	15 - 55 years	Scrap value at end of useful life
Buildings and site improvements	20 - 30 years	Scrap value at end of useful life
Railroad equipment	3 - 15 years from date of manufacture	Scrap value at end of useful life
Terminal machinery and equipment	15 - 25 years from date of manufacture	Scrap value at end of useful life
Furniture and fixtures	3 - 6 years from date of purchase	None
Computer hardware and software	2 - 5 years from date of purchase	None
Construction in progress	N/A	N/A

Major improvements and modifications incurred in connection with the acquisition of property, plant and equipment and leasing equipment that are required to get the asset ready for initial service are capitalized and depreciated over the remaining life of the asset. Project costs of major additions and betterments, including capitalizable engineering costs and other costs directly related to the development or construction of project, are capitalized and depreciation commences once it is placed into service. Interest costs directly related to and incurred during the construction period of property, plant and equipment are capitalized. Significant spare parts are depreciated in conjunction with the underlying property, plant and equipment asset when placed in service.

We review our depreciation policies on a regular basis to determine whether changes have taken place that would suggest that a change in our depreciation policies, useful lives of our equipment or the assigned residual values is warranted.

Capitalized Interest—The interest cost associated with major development and construction projects is capitalized and included in the cost of the project. Interest capitalization ceases once a project is substantially complete or no longer undergoing construction activities to prepare it for its intended use. We capitalized interest of $1.2 million and $1.4 million during the three months ended June 30, 2024 and 2023, respectively, and $2.2 million and $2.8 million during the six months ended June 30, 2024 and 2023, respectively.

Repairs and Maintenance—Repair and maintenance costs that do not extend the lives of the assets are expensed as incurred. Our repairs and maintenance expenses were $5.1 million and $4.9 million during the three months ended June 30, 2024 and 2023, respectively, and $10.3 million and $9.2 million during the six months ended June 30, 2024 and 2023, respectively, and are included in Operating expenses in the Consolidated Statements of Operations.

Impairment of Long-Lived Assets—We perform a recoverability assessment of each of our long-lived assets whenever events or changes in circumstances, or indicators, indicate that the carrying amount or net book value of an asset may not be recoverable. Indicators may include, but are not limited to, a significant change in market conditions; or the introduction of newer technology. When performing a recoverability assessment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its net book value. The undiscounted cash flows consist of cash flows from terminal services contracts and currently contracted leases, future projected leases, terminal service and freight rail rates, transition costs, and estimated residual or scrap values. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge.

Management develops the assumptions used in the recoverability analysis based on its knowledge of active contracts, current and future expectations of the demand for a particular asset and historical experience, as well as information received from third party industry sources. The factors considered in estimating the undiscounted cash flows are impacted by changes in future periods due to changes in contracted lease rates, terminal service, and freight rail rates, residual values, economic conditions, technology, demand for a particular asset type and other factors.

(Dollars in tables in thousands, unless otherwise noted)

Other Current Assets—Other current assets is comprised of:

	June 30, 2024	December 31, 2023
Note receivable	**$ 23,144**	$ 21,425
Prepaid expenses	**10,770**	8,930
Other receivables	**8,448**	5,716
Other assets	**8,195**	5,963
Total other current assets	**$ 50,557**	$ 42,034

The Company records interest income on the note receivable in Other income in the Consolidated Statements of Operations using the contractual interest rate.

Other Assets—Other assets primarily consists of a note receivable of $11.3 million and $11.7 million as of June 30, 2024 and December 31, 2023, respectively, from CarbonFree, a business that develops technologies to capture carbon dioxide from industrial emissions sources. We elected the fair value option for this note receivable to better align the reported results with the underlying changes in the value of this note receivable. The Company records interest income, which is included in Other income in the Consolidated Statements of Operations, on this note receivable using the contractual interest rate. Other assets also consists of capitalized contract costs of $21.0 million and $17.6 million as of June 30, 2024 and December 31, 2023, respectively.

Goodwill—Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets associated with the acquisition of Jefferson Terminal, Transtar and FYX. The carrying amount of goodwill within the Jefferson Terminal, Railroad and Corporate and Other segments was $122.7 million, $147.2 million, and $5.4 million, respectively, as of June 30, 2024 and December 31, 2023, respectively.

We review the carrying values of goodwill at least annually to assess impairment since these assets are not amortized. An annual impairment review is conducted as of October 1st of each year. Additionally, we review the carrying value of goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment.

For an annual goodwill impairment assessment, an optional qualitative analysis may be performed. If the option is not elected or if it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a goodwill impairment test is performed to identify potential goodwill impairment and measure an impairment loss.

A goodwill impairment assessment compares the fair value of a respective reporting unit with its carrying amount, including goodwill. The estimate of fair value of the respective reporting unit is based on the best information available as of the date of assessment, which primarily incorporates certain factors including our assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. If the estimated fair value of the reporting unit is less than the carrying amount, a goodwill impairment is recorded to the extent that the carrying value of the reporting unit exceeds the fair value.

As of October 1, 2023, for our Jefferson Terminal reporting unit, we completed a quantitative analysis. We estimate the fair value of Jefferson Terminal using an income approach, specifically a discounted cash flow analysis. This analysis requires us to make significant assumptions and estimates about the forecasted revenue growth rates, EBITDA margins, capital expenditures and discount rates. The estimates and assumptions used consider historical performance if indicative of future performance and are consistent with the assumptions used in determining future profit plans for the reporting units.

In connection with our impairment analysis, although we believe the estimates of fair value are reasonable, the determination of certain valuation inputs is subject to management's judgment. Changes in these inputs, including as a result of events beyond our control, could materially affect the results of the impairment review. If the forecasted cash flows or other key inputs are negatively revised in the future, the estimated fair value of the reporting unit could be adversely impacted, potentially leading to an impairment in the future that could materially affect our operating results. The Jefferson Terminal reporting unit had an estimated fair value that exceeded its carrying value by more than 10% but less than 20% as of October 1, 2023. The Jefferson Terminal reporting unit forecasted revenue is dependent on the ramp up of volumes under current and expected future contracts for storage and throughput of heavy and light crude and refined products, expansion of refined product distribution to Mexico, expansion of volumes and execution of contracts related to sustainable fuels and movements in future oil spreads. At October 1, 2023, approximately 6.2 million barrels of storage was operational. Our discount rate for our 2023 goodwill impairment analysis was 10.3% and our assumed terminal growth rate was 2.5%. If our strategy changes from planned capacity downward due to an inability to source contracts or expand volumes, the fair value of the reporting unit would be negatively affected, which could lead to an impairment. The expansion of refineries in the Beaumont/Port Arthur area, as well as growing crude oil and natural gas production in the U.S. and Canada, are expected to result in increased demand for storage on the U.S. Gulf Coast. Although we do not have significant direct exposure to volatility of crude oil prices, changes in crude oil pricing that affect long term refining planned output could impact Jefferson Terminal operations.

We expect the Jefferson Terminal reporting unit to continue to generate positive Adjusted EBITDA in future years. Further delays in executing anticipated contracts or achieving our projected volumes could adversely affect the fair value of the reporting unit.

There were no impairments of goodwill for the three and six months ended June 30, 2024 and 2023.

Redeemable Preferred Stock—We classify the Series A Senior Preferred Stock ("Redeemable Preferred Stock") as temporary equity in the Consolidated Balance Sheets due to certain contingent redemption clauses that are at the election of the holders. The carrying value of the Redeemable Preferred Stock is accreted to the redemption value at the earliest redemption date, which has been determined to be August 1, 2030. We use the interest method to accrete to the redemption value.

Deferred Financing Costs—Costs incurred in connection with obtaining long-term financing are capitalized and amortized to interest expense over the term of the underlying loans. Unamortized deferred financing costs of $16.2 million and $31.3 million as of June 30, 2024 and December 31, 2023, respectively, are included in Debt, net in the Consolidated Balance Sheets.

Amortization expense was $2.7 million and $1.7 million during the three months ended June 30, 2024 and 2023, respectively, and $4.6 million and $3.1 million during the six months ended June 30, 2024 and 2023, respectively, and is included in Interest expense in the Consolidated Statements of Operations.

Terminal Services Revenues—Terminal services are provided to customers for the receipt and redelivery of various commodities. These revenues relate to performance obligations that are recognized over time using the right to invoice practical expedient, i.e., invoiced as the services are rendered and the customer simultaneously receives and consumes the benefit over the contract term. The Company’s performance of service and right to invoice corresponds with the value delivered to our customers. Revenues are typically invoiced and paid on a monthly basis.

Rail Revenues—Rail revenues generally consist of the following performance obligations: industrial switching, interline services, demurrage and storage. Switching revenues are derived from the performance of switching services, which involve the movement of cars from one point to another within the limits of an individual plant, industrial area, or a rail yard. Switching revenues are recognized as the services are performed, and the services are generally completed on the same day they are initiated.

Interline revenues are derived from transportation services for railcars that originate or terminate at our railroads and involve one or more other carriers. For interline traffic, one railroad typically invoices a customer on behalf of all railroads participating in the route directed by the customer. The invoicing railroad then pays the other railroads its portion of the total amount invoiced on a monthly basis. We record revenue related to interline traffic for transportation service segments provided by carriers along railroads that are not owned or controlled by us on a net basis. Interline revenues are recognized as the transportation movements occur.

Our ancillary services revenue primarily relates to demurrage and storage services. Demurrage represents charges assessed by railroads for the detention of cars by shippers or receivers of freight beyond a specified free time and is recognized on a per day basis. Storage services revenue is earned for the provision of storage of shippers’ railcars and is generally recognized on a per day, per car basis, as the storage services are provided.

Lease Income—Lease income consists of rental income from tenants for storage space. Lease income is recognized on a straight-line basis over the terms of the relevant lease agreement.

Roadside Services Revenues—Roadside services revenue is revenue related to providing roadside assistance services to customers in the intermodal and over-the-road trucking industries. Revenue is recognized when a performance obligation is satisfied by completing a repair service at a point in time. Revenues are typically invoiced for each repair and generally have 30-day payment terms.

Other Revenue—Other revenue primarily consists of revenue related to the handling, storage and sale of raw materials. Revenues for the handling and storage of raw materials relate to performance obligations that are recognized over time using the right to invoice practical expedient, i.e., invoiced as the services are rendered and the customer simultaneously receives and consumes the benefit over the contract term. Our performance of service and right to invoice corresponds with the value delivered to our customers. Revenues for the sale of raw materials relate to contracts that contain performance obligations to deliver the product over the term of the contract. The revenues are recognized when the control of the product is transferred to the customer, based on the volume delivered and the price within the contract. Other revenues are typically invoiced and paid on a monthly basis.

Payment terms for revenues are generally short term in nature.

Leasing Arrangements—At contract inception, we evaluate whether an arrangement is or contains a lease for which we are the lessee (that is, arrangements which provide us with the right to control a physical asset for a period of time). Operating lease right-of-use (“ROU”) assets and lease liabilities are recognized in Operating lease right-of-use assets, net and Operating lease liabilities within current liabilities and non-current liabilities in our Consolidated Balance Sheets, respectively. Finance lease ROU assets are recognized in Property, plant and equipment, net and lease liabilities are recognized in Other current liabilities and Other liabilities in our Consolidated Balance Sheets.

All lease liabilities are measured at the present value of the unpaid lease payments, discounted using our incremental borrowing rate based on the information available at commencement date of the lease. ROU assets, for both operating and finance leases, are initially measured based on the lease liability, adjusted for prepaid rent and lease incentives. ROU assets are subsequently measured at the carrying amount of the lease liability adjusted for prepaid or accrued lease payments and lease incentives. The finance lease ROU assets are subsequently amortized using the straight-line method.

Operating lease expenses are recognized on a straight-line basis over the lease term. With respect to finance leases, amortization of the ROU asset is presented separately from interest expense related to the finance lease liability. Variable lease payments, which are primarily based on usage, are recognized when the associated activity occurs.

We have elected to combine lease and non-lease components for all lease contracts where we are the lessee. Additionally, for arrangements with lease terms of 12 months or less, we do not recognize ROU assets and lease liabilities; lease payments are recognized on a straight-line basis over the lease term with variable lease payments recognized in the period in which the obligation is incurred.

Concentration of Credit Risk—We are subject to concentrations of credit risk with respect to amounts due from customers. We attempt to limit our credit risk by performing ongoing credit evaluations. We earned approximately 49% and 50% of total revenues for the three and six months ended June 30, 2024, respectively, from one customer in the Railroad segment. Additionally, we earned 13% and 14% of total revenues for the three and six months ended June 30, 2024 from one customer in the Jefferson Terminal segment. We earned 54% and 51% of total revenues for the three and six months ended June 30, 2023, respectively, from one customer in the Railroad segment. We earned 11% of total revenues for the three and six months ended June 30, 2023, respectively, from one customer in the Jefferson Terminal segment.

As of June 30, 2024, accounts receivable from three customers within the Jefferson Terminal, Railroad, and Corporate and Other segments represented 65% of total accounts receivable, net. As of December 31, 2023, accounts receivable from three customers within the Jefferson Terminal and Railroad segments represented 56% of total accounts receivable, net.

We maintain cash and restricted cash balances, which generally exceed federally insured limits, and subject us to credit risk, in high credit quality financial institutions. We monitor the financial condition of these institutions and have not experienced any losses associated with these accounts.

Allowance for Doubtful Accounts—We determine the allowance for doubtful accounts based on our assessment of the collectability of our receivables on a customer-by-customer basis. We also consider current and future economic conditions over the expected lives of the receivables, the amount of receivables in dispute, and the current receivables aging.

Comprehensive Income (Loss)—Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances, excluding those resulting from investments by and distributions to owners. Our comprehensive income (loss) represents net loss, as presented in the Consolidated Statements of Operations, adjusted for fair value changes recorded in other comprehensive income (loss) related to cash flow hedges of our equity method investees and changes in pension and other employee benefit accounts.

Derivative Financial Instruments

Electricity Derivatives—Our equity method investee, Long Ridge, enters into derivative contracts as part of a risk management program to mitigate price risk associated with certain electricity price exposures. Long Ridge primarily uses swap derivative contracts, which are agreements to buy or sell a quantity of electricity at a predetermined future date and at a predetermined price.

Cash Flow Hedges

Certain of these derivative instruments are designated and qualify as cash flow hedges. Our share of the derivative's gain or loss is reported as Other comprehensive income (loss) related to equity method investees in our Consolidated Statements of Comprehensive Income (Loss) and recorded in Accumulated other comprehensive loss in our Consolidated Balance Sheets. The change in our equity method investment balance related to derivative gains or losses on cash flow hedges is disclosed as a Non-cash change in equity method investment in our Consolidated Statements of Cash Flows.

Derivatives Not Designated As Hedging Instruments

Certain of these derivative instruments are not designated as hedging instruments for accounting purposes. Our share of the change in fair value of these contracts is recognized in Equity in (losses) earnings of unconsolidated entities in the Consolidated Statements of Operations. The cash flow impact of derivative contracts that are not designated as hedging instruments is recognized in Equity in losses (earnings) of unconsolidated entities in our Consolidated Statements of Cash Flows.

Income Taxes—Taxable income or loss generated by us and our corporate subsidiaries is subject to U.S. federal, state and foreign corporate income tax in locations where they conduct business.

We account for these taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established when management believes it is more likely than not that a deferred tax asset will not be realized.

(Dollars in tables in thousands, unless otherwise noted)

Some of our entities file income tax returns in the U.S. federal jurisdiction, various state jurisdictions and in certain foreign jurisdictions. The income tax returns filed by us and our subsidiaries are subject to examination by the U.S. federal, state and foreign tax authorities. We recognize tax benefits for uncertain tax positions only if it is more likely than not that the position is sustainable based on its technical merits. Interest and penalties on uncertain tax positions are included as a component of the Provision for income taxes in the Consolidated Statements of Operations.

Pension and Other Postretirement Benefits—We have obligations for a pension and a postretirement benefit plan in connection with the acquisition of Transtar for certain eligible Transtar employees. The pension and other postretirement obligations and the related net periodic costs are based on, among other things, assumptions regarding the discount rate, salary increases, the projected mortality of participants and the current level and future escalation of health care costs. Actuarial gains and losses occur when actual experience differs from any of the many assumptions used to value the benefit plans, or when assumptions change. We will recognize into income on an annual basis a portion of unrecognized actuarial net gains or losses that exceed 10 percent of the greater of the projected benefit obligations or the market-related value of plan assets (the corridor). This excess is amortized over the average remaining service period of active employees expected to receive benefits under the plan. Refer to Note 11 for additional discussion on the pension and postretirement benefit plans.

3. LEASING EQUIPMENT, NET AND PROPERTY

Leasing equipment, net is summarized as follows:

	June 30, 2024	December 31, 2023
Leasing equipment	**$ 47,177**	$ 45,982
Less: Accumulated depreciation	**(11,063)**	(10,395)
Leasing equipment, net	**$ 36,114**	$ 35,587

Depreciation expense for leasing equipment is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Depreciation expense for leasing equipment	**$ 345**	$ 276	**$ 676**	$ 552

Sales-Type Leases

In December 2023, Jefferson Terminal entered into an agreement to lease land to an entity controlled by certain employees of the Manager. The lease is initially for a two-year construction period and eight years post-completion with renewals that extend the lease up to 32 years. We determined that the lease is a sales-type lease as the present value of the lease payments is substantially all of fair value. Lease payments will increase based on an inflation escalator and be treated as variable lease payments as they occur.

At lease commencement, we recorded $6.6 million of gain on sales-type lease which is recorded in (Loss) gain on sale of assets in the Consolidated Statements of Operations during the year ended December 31, 2023. We also recorded $0.2 million and $0.4 million of interest income, respectively, which is included in Revenues in the Consolidated Statements of Operations during the three and six months ended June 30, 2024.

(Dollars in tables in thousands, unless otherwise noted)

4. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net is summarized as follows:

	June 30, 2024	December 31, 2023
Land, site improvements and rights	**$ 182,964**	$ 182,319
Buildings and improvements	**18,654**	18,769
Bridges and tunnels	**176,753**	176,753
Terminal machinery and equipment	**1,209,852**	1,215,197
Track and track related assets	**104,412**	103,888
Railroad equipment	**9,231**	8,999
Railcars and locomotives	**89,599**	85,162
Computer hardware and software	**19,577**	16,058
Furniture and fixtures	**2,065**	1,887
Construction in progress	**86,024**	76,491
Other	**22,174**	21,613
	1,921,305	1,907,136
Less: Accumulated depreciation	**(315,519)**	(276,307)
Property, plant and equipment, net	**$ 1,605,786**	$ 1,630,829

Depreciation expense for property, plant and equipment is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Depreciation expense	**$ 17,933**	$ 18,121	**$ 36,237**	$ 36,094

5. INVESTMENTS

The following table presents the ownership interests and carrying values of our investments:

			Carrying Value	
	Investment	Ownership Percentage	June 30, 2024	December 31, 2023
Intermodal Finance I, Ltd.	Equity method	51.0%	**$ —**	$ —
Long Ridge Energy & Power LLC [(1)]	Equity method	50.1%	**—**	—
Long Ridge West Virginia LLC	Equity method	50.1%	**6,523**	6,825
GM-FTAI Holdco LLC	Equity method	See below	**46,110**	55,740
Clean Planet Energy USA LLC	Equity method	50.0%	**10,839**	10,136
			$ 63,472	$ 72,701

[(1)] The carrying value of $(19.3) million and $(29.3) million as of June 30, 2024 and December 31, 2023, respectively, is included in Other liabilities in the Consolidated Balance Sheets.

We did not recognize any other-than-temporary impairments for the three and six months ended June 30, 2024 and 2023.

The following table presents our proportionate share of equity in (losses) earnings:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Intermodal Finance I, Ltd.	**$ 12**	$ 13	**$ 21**	$ 34
Long Ridge Energy & Power LLC	**(7,147)**	1,639	**(13,822)**	9,400
Long Ridge West Virginia LLC	**(189)**	—	**(551)**	—
GM-FTAI Holdco LLC	**(5,144)**	(2,759)	**(9,630)**	(5,100)
Clean Planet Energy USA LLC	**(320)**	(518)	**(708)**	(1,593)
Total	**$ (12,788)**	$ (1,625)	**$ (24,690)**	$ 2,741

Equity Method Investments

Intermodal Finance I, Ltd.

In 2012, we acquired a 51% non-controlling interest in Intermodal Finance I, Ltd. ("Intermodal"). Intermodal is governed by a board of directors, and its shareholders have voting rights through their equity interests. As such, Intermodal is not within the scope of ASC 810-20 and should be evaluated for consolidation under the voting interest model. Due to the existence of substantive participating rights of the 49% equity investor, including the joint approval of material operating and capital decisions, such as material contracts and capital expenditures consistent with ASC 810-10-25-11, we do not have unilateral rights over this investment and, therefore, we do not consolidate Intermodal but account for this investment in accordance with the equity method. We do not have a variable interest in this investment as none of the criteria of ASC 810-10-15-14 were met.

As of June 30, 2024, Intermodal owns a portfolio of approximately 161 shipping containers subject to multiple operating leases.

Long Ridge Energy & Power LLC

In December 2019, Ohio River Partners Shareholder LLC ("ORP"), a wholly owned subsidiary, contributed its equity interests in Long Ridge into Long Ridge Energy & Power LLC and sold a 49.9% interest (the "Long Ridge Transaction") for $150 million in cash, plus an earn out. We no longer have a controlling interest in Long Ridge but still maintain significant influence through our retained interest and, therefore, now account for this investment in accordance with the equity method. Following the sale, we deconsolidated ORP, which held the assets of Long Ridge.

In addition to our equity method investment, in October 2022 we entered into a shareholder loan agreement maturing on October 15, 2023 and accruing paid-in-kind ("PIK") interest at a 13% rate. During 2023, the maturity date was extended to May 1, 2032. As of June 30, 2024 and December 31, 2023, the balance of the note receivable was $93.7 million and $71.0 million, respectively, recorded as part of the Long Ridge investment in Other liabilities on the Consolidated Balance Sheets.

(Dollars in tables in thousands, unless otherwise noted)

The tables below present summarized financial information for Long Ridge Energy & Power LLC:

	(Unaudited) June 30, 2024	December 31, 2023
Balance Sheet		
Assets		
Current assets:		
Cash and cash equivalents	$ 2,147	$ 3,362
Restricted cash	20,504	23,691
Accounts receivable, net	8,303	5,633
Other current assets	3,568	7,357
Total current assets	34,522	40,043
Property, plant, and equipment, net	812,664	828,232
Intangible assets, net	3,990	4,180
Goodwill	86,460	86,460
Other assets	4,647	4,041
Total assets	$ 942,283	$ 962,956
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 33,639	$ 49,538
Debt, net	4,450	4,450
Derivative liabilities	53,209	39,891
Other current liabilities	555	2,136
Total current liabilities	91,853	96,015
Debt, net	728,671	699,372
Derivative liabilities	341,040	360,710
Other liabilities	4,250	4,941
Total liabilities	1,165,814	1,161,038
Equity		
Total equity	(223,531)	(198,082)
Total liabilities and equity	$ 942,283	$ 962,956

	Three Months Ended June 30,		Six Months Ended June 30,	
Income Statement	2024	2023	2024	2023
Revenue	$ 28,369	$ 46,454	$ 57,675	$ 102,859
Expenses				
Operating expenses	12,866	15,565	26,726	28,779
Depreciation and amortization	12,073	13,019	24,080	26,383
Interest expense	17,688	14,725	34,470	29,165
Total expenses	42,627	43,309	85,276	84,327
Total other (expense) income	(39)	126	(52)	231
Net (loss) income	$ (14,297)	$ 3,271	$ (27,653)	$ 18,763

GM-FTAI Holdco LLC

In September 2021, we acquired 1% of the Class A shares and 50% of the Class B shares of GM-FTAI Holdco LLC for $52.5 million. GM-FTAI Holdco LLC owns a 100% interest in Gladieux Metals Recycling LLC ("GMR") and Aleon Renewable Metals LLC ("Aleon"). GMR specializes in recycling spent catalyst produced in the petroleum refining industry.

Aleon plans to develop a lithium-ion battery recycling business across the United States. Each planned location will collect, discharge and disassemble lithium-ion batteries to extract various metals in high-purity form for resale into the lithium-ion battery production market. Aleon and GMR are governed by separate boards of directors. Our ownership of Class A and B shares in GM-FTAI Holdco LLC provides us with 1% and 50% economic interest in GMR and Aleon, respectively. We account for our investment in GM-FTAI Holdco LLC as an equity method investment as we have significant influence through our ownership of Class A and Class B shares of GM-FTAI Holdco LLC.

On June 15, 2022, we exchanged our Class B shares which gave us economic interest in Aleon for an additional 20% interest in Class A shares. In addition, we also terminated our credit agreements with GMR and Aleon in exchange for an approximate 8.5% of additional interest in Class A shares of GM-FTAI Holdco LLC. As a result of these exchange transactions, we own approximately 27% of GM-FTAI Holdco LLC, which owns 100% of both GMR and Aleon.

Clean Planet Energy USA LLC

In November 2021, we acquired 50% of the Class A shares of Clean Planet Energy USA LLC ("Clean Planet" or "CPE") with an initial investment of $1.0 million. CPE intends on building waste plastic-to-fuel plants in the United States. The plants will convert various grades of non-recyclable waste plastic to renewable diesel in the form of jet fuel, diesel, naphtha, and low sulfur fuel oil. We account for our investment in CPE as an equity method investment as we have significant influence through our ownership of Class A shares.

Long Ridge West Virginia LLC

In November 2023, we sold a 49.9% interest in Long Ridge West Virginia LLC ("Long Ridge WV"), previously a wholly owned subsidiary, for $7.5 million in cash. Long Ridge WV is a VIE as defined in U.S. GAAP, but we are not the primary beneficiary. Following the sale, we no longer have a controlling interest in Long Ridge WV, but we still maintain significant influence through our retained interest and account for this investment in accordance with the equity method.

Long Ridge WV was formed to build an energy generating property in West Virginia similar to that of Long Ridge Energy & Power LLC. On the deconsolidation, no gain was recorded as all the assets consist of unproved undeveloped gas properties. We recorded our investment in the legal entity at the cost basis of $7.2 million as of November 17, 2023.

Equity Investments

E-Circuit Motors, Inc.

E-Circuit Motors Inc. ("ECM") is a software company concentrating on the development and sale of printer circuit board stator motors and also utilizes proprietary software to develop and test such motors in a virtual environment. On March 6, 2024, the Company invested $5.0 million for 166,667 shares of Series D preferred equity, as well as 166,667 warrants of common stock at $0.01 per share in ECM. The preferred shares are convertible to common shares at the option of the investor on a one-for-one basis. We do not exercise significant influence over the investment and will record the preferred share investment as an equity security. The warrants are exercisable only if certain conditions are met over the next two years after the date of the investment. The warrants will be accounted for as equity securities.

The value of the Series D preferred equity and warrants as of the date of investment were determined to be $2.5 million each, based on relative fair value. ECM is a private company with no readily determinable fair values; if additional third-party information becomes available we will adjust the value of the investments accordingly. As of June 30, 2024, the investment of $5.0 million was recorded in Other assets on the Consolidated Balance Sheet.

(Dollars in tables in thousands, unless otherwise noted)

6. INTANGIBLE ASSETS, NET

Intangible assets, net are summarized as follows:

	June 30, 2024		
	Jefferson Terminal	Railroad	Total
Customer relationships	**$ 35,513**	**$ 60,000**	**$ 95,513**
Less: Accumulated amortization	**(34,920)**	**(11,755)**	**(46,675)**
Intangible assets, net	**$ 593**	**$ 48,245**	**$ 48,838**

	December 31, 2023		
	Jefferson Terminal	Railroad	Total
Customer relationships	$ 35,513	$ 60,000	$ 95,513
Less: Accumulated amortization	(33,145)	(9,747)	(42,892)
Intangible assets, net	$ 2,368	$ 50,253	$ 52,621

Amortization of customer relationships is included in Depreciation and amortization in the Consolidated Statements of Operations and is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Amortization of customer relationships	**$ 1,885**	$ 1,895	**$ 3,771**	$ 3,781

As of June 30, 2024, estimated net annual amortization of intangibles is as follows:

Remainder of 2024	$ 2,593
2025	4,000
2026	4,000
2027	4,000
2028	4,000
Thereafter	30,245
Total	**$ 48,838**

(Dollars in tables in thousands, unless otherwise noted)

7. DEBT, NET

Our debt, net is summarized as follows:

	Stated Interest Rate	Maturity Date	Outstanding Borrowings June 30, 2024	Outstanding Borrowings December 31, 2023
Loans payable				
DRP Revolver [1]	(i) Base Rate + 2.75%; or (ii) Base Rate + 3.75% (Term Secured Overnight Financing Rate (“SOFR”))	11/5/26	**$ 44,250**	$ 44,250
EB-5 Loan Agreement	5.75%	(i) 1/25/26 (ii) 3/11/2026 (iii) 11/26/27	**63,800**	63,800
Total loans payable			**108,050**	108,050
Bonds payable				
Series 2020 Bonds	(i) Tax Exempt Series 2020A Bonds: 3.625% (ii) Tax Exempt Series 2020A Bonds: 4.00%	(i) 1/1/35 (ii) 1/1/50	**143,165**	263,980
Series 2021 Bonds	(i) Series 2021A Bonds: 1.875% to 3.000% (ii) Series 2021B Bonds: 4.100%	(i) 1/1/26 to 1/1/50 (ii) 1/1/28	**358,710**	425,000
Series 2024 Bonds	(i) Tax Exempt Series 2024A Bonds: 5.000% to 5.250% (ii) Series 2024B Bonds: 10.000%	(i) 1/1/39 to 1/1/54 (ii) 7/1/26	**382,295**	—
Senior Notes due 2027 [2]	10.500%	6/1/27	**578,080**	575,181
Total bonds payable			**1,462,250**	1,264,161
Total debt			**1,570,300**	1,372,211
Less: Debt issuance costs			**(16,176)**	(31,301)
Total debt, net			**$ 1,554,124**	$ 1,340,910
Total debt due within one year			**$ —**	$ —

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[1] Requires a quarterly commitment fee at a rate of 1.000% on the average daily unused portion, as well as customary letter of credit fees and agency fees.

[2] Includes an unamortized discount of $21,920 and $24,819 at June 30, 2024 and December 31, 2023, respectively.

Jefferson Credit Agreement

On April 2, 2024, certain subsidiaries within the Jefferson Terminal segment entered into a credit agreement (the “Jefferson Credit Agreement”), providing for a $75.0 million term loan facility, which matures at the earlier of (i) December 13, 2024 or (ii) 30 days prior to the date on which the first cash dividend payment on preferred equity is paid, and bears interest at the Applicable Margin of 4.00% plus Adjusted Term SOFR. In June 2024, we completed an offering of Series 2024 Bonds (see below) and used a portion of the net proceeds to repay in full and terminate the Jefferson Credit Agreement.

Tender Offer for Series 2020A and Series 2021A Bonds

On May 14, 2024, we commenced a cash tender offer (the “Tender Offer”) for up to $105 million aggregate principal amount of the Tax Exempt Series 2020A and Series 2021A Bonds (the “Target Bonds”).

On June 20, 2024 (the “Settlement Date”), we completed the Tender Offer for $108.0 million aggregate principal amount of the Target Bonds under the Tender Offer at an aggregate purchase price of $88.8 million, which includes accrued and unpaid interest on such Target Bonds from the last interest payment date up to, but not including, the Settlement Date. Interest ceased to accrue on the Settlement Date for all accepted Target Bonds.

Series 2024 Bonds

On June 20, 2024, certain subsidiaries within the Jefferson Terminal segment, and the Port of Beaumont Navigation District of Jefferson County, Texas, completed their previously announced offering of $164.4 million principal amount of Series 2024A Dock and Wharf Facility Revenue Bonds (the “Tax Exempt Series 2024A Bonds”) and $217.9 million principal amount of Taxable Series 2024B Facility Revenue Bonds (the “Taxable Series 2024B Bonds” and, together with the Tax Exempt Series 2024A Bonds, the “Series 2024 Bonds”). Certain subsidiaries within the Jefferson Terminal segment pledged certain assets in support of the Series 2024 Bonds.

The Tax Exempt Series 2024A Bonds consist of:

- $67,570,000 principal amount of Term Bonds maturing on January 1, 2039, and bearing interest at a fixed rate of 5.000% per annum,
- $44,800,000 principal amount of Term Bonds maturing on January 1, 2044, and bearing interest at a fixed rate of 5.125% per annum, and
- $52,055,000 principal amount of Term Bonds maturing on January 1, 2054, and bearing interest at a fixed rate of 5.250% per annum.

The Taxable Series 2024B Bonds will mature on July 1, 2026, and bear interest at a fixed rate of 10.000% per annum.

Jefferson Terminal used a portion of the net proceeds from the Series 2024 Bonds to repay the Jefferson Credit Agreement in full, pay for or reimburse the cost of development, construction and acquisition of certain facilities, as well as pay for the Tender Offer. The Company also used a portion of the net proceeds from the Series 2024B Bonds to defease the Taxable Series 2020B Bonds in full for the aggregate principal amount of $79.1 million. We recognized a loss on modification of debt of $6.0 million from the Series 2024 Bonds and a loss on extinguishment of debt of $3.2 million from the repayment of the Jefferson Credit Agreement in connection with this transaction. In conjunction with the repayment associated with the Jefferson Credit Agreement, we wrote off $1.8 million of deferred financing costs during the period.

We were in compliance with all debt covenants as of June 30, 2024.

8. FAIR VALUE MEASUREMENTS

Fair value measurements and disclosures require the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs.
- Level 3: Unobservable inputs for which there is little or no market data and which require us to develop our own assumptions about how market participants price the asset or liability.

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

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

(Dollars in tables in thousands, unless otherwise noted)

The following tables set forth our financial assets measured at fair value on a recurring basis as of June 30, 2024 and December 31, 2023, by level within the fair value hierarchy. Assets measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement.

	Fair Value as of June 30, 2024	Fair Value Measurements Using Fair Value Hierarchy as of June 30, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**	**Valuation Technique**
Assets					
Cash and cash equivalents	$ **33,101**	$ **33,101**	$ **—**	$ **—**	Market
Restricted cash	**153,364**	**153,364**	**—**	**—**	Market
Notes receivable	**11,294**	**—**	**11,294**	**—**	Market
Total assets	$ **197,759**	$ **186,465**	$ **11,294**	$ **—**	

	Fair Value as of December 31, 2023	Fair Value Measurements Using Fair Value Hierarchy as of December 31, 2023			
	Total	**Level 1**	**Level 2**	**Level 3**	**Valuation Technique**
Assets					
Cash and cash equivalents	$ 29,367	$ 29,367	$ —	$ —	Market
Restricted cash	58,112	58,112	—	—	Market
Notes receivable	11,664	—	11,664	—	Market
Total assets	$ 99,143	$ 87,479	$ 11,664	$ —	

Our cash and cash equivalents and restricted cash consist largely of demand deposit accounts with maturities of 90 days or less when purchased that are considered to be highly liquid. These instruments are valued using inputs observable in active markets for identical instruments and are therefore classified as Level 1 within the fair value hierarchy.

Except as discussed below, our financial instruments other than cash and cash equivalents, restricted cash and the CarbonFree note receivable consist principally of accounts receivable, notes receivable, accounts payable and accrued liabilities, and loans payable, whose fair values approximate their carrying values due to their short maturity profiles.

The fair value of our bonds, notes and loans payable reported as Debt, net in the Consolidated Balance Sheets are presented in the table below:

	June 30, 2024	December 31, 2023
Series 2020 A Bonds [1]	$ **122,236**	$ 138,666
Series 2020 B Bonds [1]	**—**	75,928
Series 2021 A Bonds [1]	**121,227**	154,306
Series 2021 B Bonds [1]	**176,972**	165,208
Series 2024 A Bonds [1]	**165,802**	—
Series 2024 B Bonds [1]	**218,539**	—
Senior Notes due 2027	**636,066**	625,038
EB-5 Loan Agreement	**22,055**	21,240
EB-5.2 Loan Agreement	**8,429**	8,183
EB-5.3 Loan Agreement	**22,729**	22,491

[1] Fair value is based upon market prices for similar municipal securities.

The fair value of all other items reported as Debt, net in the Consolidated Balance Sheets approximate their carrying values due to their bearing market rates of interest and are classified as Level 2 within the fair value hierarchy.

(Dollars in tables in thousands, unless otherwise noted)

We measure the fair value of certain assets on a non-recurring basis when U.S. GAAP requires the application of fair value, including events or changes in circumstances that indicate that the carrying amounts of assets may not be recoverable. Assets subject to these measurements include goodwill, intangible assets, property, plant and equipment and leasing equipment. We record such assets at fair value when it is determined the carrying value may not be recoverable. Fair value measurements for assets subject to impairment tests are based on an income approach which uses Level 3 inputs, which include our assumptions as to future cash flows from operation of the underlying businesses.

9. REVENUES

We disaggregate our revenue from contracts with customers by products and services provided for each of our segments, as we believe it best depicts the nature, amount, timing and uncertainty of our revenue. Revenues are within the scope of ASC 606, *Revenue from Contracts with Customers*, unless otherwise noted. We have elected to exclude sales and other similar taxes from revenues.

	Three Months Ended June 30, 2024				
		Ports and Terminals			
	Railroad	Jefferson Terminal	Repauno	Corporate and Other	Total
Lease income	$ 382	$ 802	$ —	$ —	$ 1,184
Rail revenues	45,256	—	—	—	45,256
Terminal services revenues	—	20,372	3,862	—	24,234
Roadside services revenues	—	—	—	14,213	14,213
Total revenues	$ 45,638	$ 21,174	$ 3,862	$ 14,213	$ 84,887

	Six Months Ended June 30, 2024				
		Ports and Terminals			
	Railroad	Jefferson Terminal	Repauno	Corporate and Other	Total
Lease income	$ 793	$ 1,599	$ —	$ —	$ 2,392
Rail revenues	91,157	—	—	—	91,157
Terminal services revenues	—	38,191	7,941	—	46,132
Roadside services revenues	—	—	—	27,741	27,741
Total revenues	$ 91,950	$ 39,790	$ 7,941	$ 27,741	$ 167,422

(Dollars in tables in thousands, unless otherwise noted)

	Three Months Ended June 30, 2023				
		Ports and Terminals			
	Railroad	Jefferson Terminal	Repauno	Corporate and Other	Total
Lease income	$ 400	$ 319	$ —	$ —	$ 719
Rail revenues	42,146	—	—	—	42,146
Terminal services revenues	—	16,785	4,083	—	20,868
Roadside services revenues	—	—	—	18,235	18,235
Other revenue	—	—	(136)	—	(136)
Total revenues	$ 42,546	$ 17,104	$ 3,947	$ 18,235	$ 81,832

	Six Months Ended June 30, 2023				
		Ports and Terminals			
	Railroad	Jefferson Terminal	Repauno	Corporate and Other	Total
Lease income	$ 837	$ 625	$ —	$ —	$ 1,462
Rail revenues	82,714	—	—	—	82,714
Terminal services revenues	—	35,571	4,445	—	40,016
Roadside services revenues	—	—	—	36,085	36,085
Other revenue	—	—	(1,951)	—	(1,951)
Total revenues	$ 83,551	$ 36,196	$ 2,494	$ 36,085	$ 158,326

As of June 30, 2024 and December 31, 2023, we recorded capitalized contract cost of $26.0 million and $19.8 million, of which $5.0 million and $2.2 million is included in Other current assets and $21.0 million and $17.6 million is included in Other assets on the Consolidated Balance Sheets, respectively.

During the three and six months ended June 30, 2024, the Company recognized revenue of $0.3 million and $0.6 million, respectively, that was included in the deferred revenue balance at the beginning of the year.

10. EQUITY-BASED COMPENSATION

On August 1, 2022, we established a Nonqualified Stock Option and Incentive Award Plan ("Incentive Plan") which provides for the ability to grant equity compensation awards in the form of stock options, stock appreciation rights, restricted stock, and performance awards to eligible employees, consultants, directors, and other individuals who provide services to us, each as determined by the Compensation Committee of the board of directors.

As of June 30, 2024, the Incentive Plan provides for the issuance of up to 30.0 million shares. We report equity-based compensation expense within Operating expenses and General and administrative in the Consolidated Statements of Operations.

Director compensation

During the six months ended June 30, 2024, we issued 11,062 shares of common stock to certain directors as compensation.

Subsidiary Stock-Based Compensation

The following table presents the expense related to our subsidiary stock-based compensation arrangements recognized in the Consolidated Statements of Operations:

	Expense Recognized During the Three Months Ended June 30,		Expense Recognized During the Six Months Ended June 30,		Remaining Expense To Be Recognized, If All Vesting Conditions Are Met	Weighted Average Remaining Contractual Term (in years)
	2024	2023	2024	2023		
Restricted shares	**$ 179**	$ 303	**$ 179**	$ 747	**$ 179**	**1.0**
Common units	**290**	259	**580**	710	**1,510**	**0.6**
Total	**$ 469**	$ 562	**$ 759**	$ 1,457	**$ 1,689**	

(Dollars in tables in thousands, unless otherwise noted)

Restricted Stock Units to Subsidiary Employees

During the year ended December 31, 2023, we issued restricted stock units ("RSUs") of our common stock that had a grant date fair value of $16.9 million, based on the closing price of FIP's stock on the grant date, and vest over three years. These awards were made to employees of certain of our subsidiaries, are subject to continued employment, and the compensation expense is recognized ratably over the vesting periods. This grant fully canceled and replaced the vested and unvested restricted shares of our subsidiary issued in the first quarter of 2021.

The following table presents the expense related to our restricted stock units to subsidiary employees recognized in the Consolidated Statements of Operations:

	Expense Recognized During the Three Months Ended June 30,		Expense Recognized During the Six Months Ended June 30,		Remaining Expense To Be Recognized, If All Vesting Conditions Are Met	Weighted Average Remaining Contractual Term (in years)
	2024	2023	2024	2023		
Restricted stock units	**$ 1,235**	$ —	$ 3,285	$ —	**$ 3,857**	**1.0**
Total	**$ 1,235**	$ —	$ 3,285	$ —	**$ 3,857**	

11. RETIREMENT BENEFIT PLANS

We established a defined benefit pension plan as well as a postretirement benefit plan to assume certain retirement benefit obligations related to eligible Transtar employees.

Defined Benefit Pensions

Our underfunded pension plan is a tax qualified plan, and we will make contributions accordingly. Our pension plan covers certain eligible Transtar employees and is noncontributory. Pension benefits earned are generally based on years of service and compensation during active employment.

Postretirement Benefits

Our unfunded postretirement plan provides healthcare and life insurance benefits for eligible retirees and dependents of Transtar. Depending on retirement date and employee classification, certain healthcare plans contain contribution and cost-sharing features such as deductibles and co-insurance. The remaining healthcare and life insurance plans are non-contributory. In the second quarter of 2024, we amended our postretirement benefit plan to change benefits provided to certain employees. The amendment and related remeasurement resulted in a decrease of the liability by $28.2 million with a corresponding adjustment to accumulated other comprehensive loss.

(Dollars in tables in thousands, unless otherwise noted)

The following table summarizes our retirement benefit plan costs (benefits). Service costs are recorded in Operating expenses, while other net costs are recorded in Other income within the Consolidated Statements of Operations.

	Three Months Ended June 30,			
	2024		2023	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
Service costs	$ 373	$ 152	$ 348	$ 446
Interest costs	153	136	117	374
Expected return on plan assets	(50)	—	—	—
Amortization of prior service costs	—	(314)	—	34
Amortization of actuarial gains	(3)	(111)	(46)	—
Total	$ 473	$ (137)	$ 419	$ 854

	Six Months Ended June 30,			
	2024		2023	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
Service costs	$ 747	$ 636	$ 696	$ 892
Interest costs	307	545	234	748
Expected return on plan assets	(101)	—	—	—
Amortization of prior service costs	—	(274)	—	68
Amortization of actuarial gains	(6)	(111)	(92)	—
Total	$ 947	$ 796	$ 838	$ 1,708

The total employer contributions for the six months ended June 30, 2024 and 2023 were $1.2 million and $0.6 million, respectively, and the expected remaining scheduled employer contributions for the year ending December 31, 2024 is $0.8 million.

12. INCOME TAXES

The current and deferred components of the income tax provision included in the Consolidated Statements of Operations are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Current:				
Federal	$ —	$ —	$ —	$ —
State and local	111	260	579	442
Total current provision	111	260	579	442
Deferred:				
Federal	(727)	323	211	1,140
State and local	883	240	1,282	970
Total deferred provision	156	563	1,493	2,110
Provision for income taxes	$ 267	$ 823	$ 2,072	$ 2,552

Taxable income or loss generated by us and our corporate subsidiaries by our corporate subsidiaries is subject to U.S. federal, state and foreign corporate income tax in locations where they conduct business.

A valuation allowance has been established against our net U.S. federal and state deferred tax assets, including net operating loss carryforwards. As a result, our income tax provision is primarily related to separate company state taxes, deferred taxes for tax deductible goodwill, and deferred taxes for certain long-lived assets.

Our effective tax rate differs from the U.S. federal tax rate of 21% primarily due to state taxes and the valuation allowances against a significant portion of the deferred tax assets of our corporate subsidiaries.

As of and for the six months ended June 30, 2024, we had not established a liability for uncertain tax positions as no such positions existed. In general, our tax returns and the tax returns of our corporate subsidiaries are subject to U.S. federal, state, local and foreign income tax examinations by tax authorities. Generally, we are not subject to examination by taxing authorities for tax years prior to 2020. We do not believe that it is reasonably possible that the total amount of unrecognized tax benefits will significantly change within 12 months of the reporting date of June 30, 2024.

(Dollars in tables in thousands, unless otherwise noted)

13. MANAGEMENT AGREEMENT AND AFFILIATE TRANSACTIONS

We are externally managed by the Manager. The Manager is paid annual fees and incentive fees in exchange for advising us on various aspects of our business, formulating our investment strategies, arranging for the acquisition and disposition of assets, arranging for financing, monitoring performance, and managing our day-to-day operations, inclusive of all costs incidental thereto. In addition, the Manager may be reimbursed for various expenses incurred by the Manager on our behalf, including the costs of legal, accounting and other administrative activities. On July 31, 2022, in connection with the spin-off, we and the Manager entered into the Management Agreement with an initial term of six years.

The Manager is entitled to a management fee, incentive fees (comprised of an Income Incentive Fee and a Capital Gains Incentive Fee described below) and reimbursement of certain expenses. The management fee is determined by taking the average value of total equity (including redeemable preferred stock and excluding non-controlling interests) of the Company determined on a consolidated basis in accordance with U.S. GAAP at the end of the two most recently completed months multiplied by an annual rate of 1.50%, and is payable monthly in arrears in cash.

The Income Incentive Fee is calculated and distributable quarterly in arrears based on the pre-incentive fee net income for the immediately preceding calendar quarter (the "Income Incentive Fee"). For this purpose, pre-incentive fee net income means, with respect to a calendar quarter, net income attributable to stockholders during such quarter calculated in accordance with U.S. GAAP excluding our pro rata share of (1) realized or unrealized gains and losses, and (2) certain non-cash or one-time items, and (3) any other adjustments as may be approved by the independent directors. Pre-incentive allocation net income does not include any Income Incentive Fee or Capital Gains Incentive Fee (described below) paid to the Manager during the relevant quarter.

The Manager is entitled to an Income Incentive Fee with respect to its pre-incentive fee net income in each calendar quarter as follows: (1) no Income Incentive Fee in any calendar quarter in which pre-incentive fee net income, expressed as a rate of return on the average value of the Company's net equity capital (excluding non-controlling interests) at the end of the two most recently completed calendar quarters, does not exceed 2% for such quarter (8% annualized); (2) 100% of pre-incentive fee net income of the Company with respect to that portion of such pre-incentive fee net income, if any, that equals or exceeds 2% but does not exceed 2.2223% for such quarter; and (3) 10% of pre-incentive fee net income of the Company, if any, that exceeds 2.2223% for portions of such quarter. These calculations will be prorated for any periods of less than three months.

The Capital Gains Incentive Fee is calculated and paid in arrears as of the end of each calendar year and is equal to 10% of our pro rata share of cumulative realized gains from the date of the spin-off through the end of the applicable calendar year, net of our pro rata share of cumulative realized or unrealized losses, the cumulative non-cash portion of equity-based compensation expenses and all realized gains upon which prior performance-based Capital Gains Incentive Fee payments were made to the Manager.

The management fee, Income Incentive Fee, and Capital Gains Incentive Fee that are attributable to the operations of FTAI Infrastructure is recorded in the Management fees and incentive allocation to affiliate on the Consolidated Statements of Operations. These amounts are allocated on the following basis:

Management fee—Management fee is allocated to FTAI Infrastructure by applying the calculation methodology described above to the equity of FTAI Infrastructure included in these consolidated financial statements.

Income Incentive Allocation and Capital Gains Incentive Allocation—The Income Incentive Fee and Capital Gains Incentive Fee are allocated to FTAI Infrastructure by applying the allocation calculation methodology described above to FTAI Infrastructure's financial results in each respective period.

The following table summarizes the management fees, income incentive allocation and capital gains incentive allocation included in these consolidated financial statements:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Management fee	**$ 2,776**	$ 3,084	**$ 5,777**	$ 6,066
Income incentive fee	**—**	—	**—**	—
Capital gains incentive fee	**—**	—	**—**	—
Total	**$ 2,776**	$ 3,084	**$ 5,777**	$ 6,066

We pay all of our operating expenses, except those specifically required to be borne by the Manager under the Management Agreement. The expenses required to be paid by the Company include, but are not limited to, issuance and transaction costs incident to the acquisition, disposition and financing of its assets, legal and auditing fees and expenses, the compensation and expenses of the Company's independent directors, the costs associated with the establishment and maintenance of any credit facilities and other indebtedness (including commitment fees, legal fees, closing costs, etc.), expenses associated with other securities offerings, costs and expenses incurred in contracting with third parties (including affiliates of the Manager), the costs of printing and mailing proxies and reports to the stockholders, costs incurred by the Manager or its affiliates for travel on our behalf, costs associated with any computer software or hardware that is used by the Company, costs to obtain liability insurance to indemnify the Company's directors and officers and the compensation and expenses of the transfer agent.

(Dollars in tables in thousands, unless otherwise noted)

We pay or reimburse the Manager and its affiliates for performing certain legal, accounting, due diligence tasks and other services that outside professionals or outside consultants otherwise would perform, provided that such costs and reimbursements are no greater than those which would be paid to outside professionals or consultants. The Manager is responsible for all of its other costs incident to the performance of its duties under the Management Agreement, including compensation of the Manager's employees, rent for facilities and other "overhead" expenses; we do not reimburse the Manager for these expenses.

The following table summarizes our reimbursements to the Manager:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Classification in the Consolidated Statements of Operations:				
General and administrative	**$ 1,087**	$ 1,071	**$ 2,431**	$ 2,934
Acquisition and transaction expenses	**251**	314	**571**	357
Total	**$ 1,338**	$ 1,385	**$ 3,002**	$ 3,291

If we terminate the Management Agreement, we will generally be required to pay the Manager a termination fee. Pursuant to the terms of the Management Agreement, the termination fee is equal to the amount of the management fee during the 12 months immediately preceding such termination and an amount equal to the Income Incentive Fee and the Capital Gains Incentive Fee that would be paid to the Manager if the Company's assets were sold for cash at their then current fair market value (as determined by an appraisal, taking into account, among other things, the expected future value of the underlying investments).

Upon the successful completion of an offering of our common stock or other equity securities (including securities issued as consideration in an acquisition), we grant the Manager options to purchase common stock in an amount equal to 10% of the number of common stock being sold in the offering (or if the issuance relates to equity securities other than our common stock, options to purchase a number of common stock equal to 10% of the gross capital raised in the equity issuance divided by the fair market value of our common stock as of the date of issuance), with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser or attributed to such securities in connection with an acquisition (or the fair market value of our common stock as of the date of the equity issuance if it relates to equity securities other than our common stock). Any ultimate purchaser of common stock for which such options are granted may be an affiliate of Fortress. In connection with the spin-off, we issued 10.9 million options to purchase common stock to the Manager, with a term of 10 years as compensation to the Manager for services rendered in connection with the Redeemable Preferred Stock raise, as discussed in Note 15.

The following table summarizes amounts due to the Manager, which are included within Accounts payable and accrued liabilities in the Consolidated Balance Sheets:

	June 30, 2024	December 31, 2023
Accrued management fees	**$ 2,776**	$ 6,400
Other payables	**1,338**	5,595

As of June 30, 2024 and December 31, 2023, there were no receivables from the Manager.

Other Affiliate Transactions

As of June 30, 2024 and December 31, 2023, certain employees of the Manager and their related parties collectively own an approximately 20% interest in Jefferson Terminal which has been accounted for as a component of non-controlling interest in consolidated subsidiaries in the consolidated financial statements. The carrying amount of this non-controlling interest at June 30, 2024 and December 31, 2023 was $(94.0) million and $(78.0) million, respectively. In April 2024, we made a pro-rata distribution of $15.0 million to the non-controlling interest holders of Jefferson Terminal segment.

The following table presents the amount of this non-controlling interest share of net loss:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Non-controlling interest share of net loss	**$ (5,531)**	$ (10,048)	**$ (15,996)**	$ (19,233)

In March 2023, we purchased the remaining non-controlling interest of FYX from an affiliate of our Manager for a purchase price of $4.4 million. This resulted in 100% ownership in FYX and the elimination of any non-controlling interest in FYX.

In October 2022, we entered into a shareholder loan agreement with our equity method investee, Long Ridge. Refer to Note 5 for additional information.

The Company subleases a portion of office space from an entity controlled by certain employees of the Manager since February 2023. For the six months ended June 30, 2024 and 2023, the Company incurred approximately $0.2 million and $0.2 million of rent and office related expenses, respectively.

On May 14, 2024, certain members of Fortress management and affiliates of Mubadala Investment Company, through its wholly owned asset management subsidiary Mubadala Capital ("Mubadala"), completed their acquisition of 100% of the equity of Fortress. Fortress continues to operate as an independent investment manager under the Fortress brand, with autonomy over investment processes and decision making, personnel and operations.

14. SEGMENT INFORMATION

During the first quarter of 2023 we modified our definition of Adjusted EBITDA to exclude the impact of other non-recurring items, such as severance expense. All segment data and related disclosures for earlier periods presented herein have been recast to reflect the new segment reporting structure.

Our reportable segments represent strategic business units comprised of investments in different types of infrastructure assets. We have five reportable segments which operate in infrastructure businesses across several market sectors, all in North America. Our reportable segments are (i) Railroad, (ii) Jefferson Terminal, (iii) Repauno, (iv) Power and Gas and (v) Sustainability and Energy Transition. The Railroad segment is comprised of six freight railroads and one switching company that provide rail service to certain manufacturing and production facilities, in addition to KRS, a railcar cleaning operation. The Jefferson Terminal segment consists of a multi-modal crude oil and refined products terminal, Jefferson Terminal South and other related assets. The Repauno segment consists of a 1,630-acre deep-water port located along the Delaware River with an underground storage cavern, a multipurpose dock, a rail-to-ship transloading system and multiple industrial development opportunities. The Power and Gas segment is comprised of an equity method investment in Long Ridge, which is a 1,660-acre multi-modal terminal located along the Ohio River with rail, dock, and multiple industrial development opportunities, including a power plant in operation. The Sustainability and Energy Transition segment is comprised of Aleon/Gladieux, Clean Planet, and CarbonFree, and all three investments are development stage businesses focused on sustainability and recycling.

Corporate and Other primarily consists of unallocated corporate general and administrative expenses, management fees, debt and redeemable preferred stock. Additionally, Corporate and Other includes an investment in an unconsolidated entity engaged in the acquisition and leasing of shipping containers and an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The chief operating decision maker ("CODM") evaluates investment performance for each reportable segment primarily based on Adjusted EBITDA.

Adjusted EBITDA is defined as net income (loss) attributable to stockholders, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, interest expense, interest and other costs on pension and OPEB liabilities, dividends and accretion of redeemable preferred stock, and other non-recurring items, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities, and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

We believe that net income (loss) attributable to stockholders, as defined by U.S. GAAP, is the most appropriate earnings measure with which to reconcile Adjusted EBITDA. Adjusted EBITDA should not be considered as an alternative to net income (loss) attributable to stockholders as determined in accordance with U.S. GAAP.

(Dollars in tables in thousands, unless otherwise noted)

The following tables set forth certain information for each reportable segment:

I. For the Three Months Ended June 30, 2024

	Three Months Ended June 30, 2024						
		Ports and Terminals					
	Railroad	Jefferson Terminal	Repauno	Power and Gas	Sustainability and Energy Transition	Corporate and Other	Total
Revenues							
Total revenues	$ 45,638	$ 21,174	$ 3,862	$ —	$ —	$ 14,213	$ 84,887
Expenses							
Operating expenses	23,701	17,975	5,598	330	7	13,614	61,225
General and administrative	—	—	—	—	—	2,840	2,840
Acquisition and transaction expenses	153	8	—	398	—	362	921
Management fees and incentive allocation to affiliate	—	—	—	—	—	2,776	2,776
Depreciation and amortization	4,860	12,300	2,480	—	—	523	20,163
Total expenses	28,714	30,283	8,078	728	7	20,115	87,925
Other (expense) income							
Equity in (losses) earnings of unconsolidated entities	—	—	—	(7,336)	(5,464)	12	(12,788)
Loss on sale of assets, net	(150)	—	—	—	—	—	(150)
Loss on modification or extinguishment of debt	—	(9,170)	—	—	—	—	(9,170)
Interest expense	(98)	(11,190)	(242)	—	—	(18,160)	(29,690)
Other income	251	3,531	—	2,891	290	—	6,963
Total other income (expense)	3	(16,829)	(242)	(4,445)	(5,174)	(18,148)	(44,835)
Income (loss) before income taxes	16,927	(25,938)	(4,458)	(5,173)	(5,181)	(24,050)	(47,873)
Provision for (benefit from) income taxes	1,092	(612)	(25)	—	—	(188)	267
Net income (loss)	15,835	(25,326)	(4,433)	(5,173)	(5,181)	(23,862)	(48,140)
Less: Net income (loss) attributable to non-controlling interests in consolidated subsidiaries	47	(11,174)	(273)	—	—	—	(11,400)
Less: Dividends and accretion of redeemable preferred stock	—	—	—	—	—	17,610	17,610
Net income (loss) attributable to stockholders	$ 15,788	$ (14,152)	$ (4,160)	$ (5,173)	$ (5,181)	$ (41,472)	$ (54,350)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to stockholders:

	Three Months Ended June 30, 2024						
		Ports and Terminals					
	Railroad	**Jefferson Terminal**	**Repauno**	**Power and Gas**	**Sustainability and Energy Transition**	**Corporate and Other**	**Total**
Adjusted EBITDA	**$ 22,121**	**$ 12,328**	**$ (1,502)**	**$ 8,846**	**$ (2,784)**	**$ (4,753)**	**$ 34,256**
Add: Non-controlling share of Adjusted EBITDA							**8,305**
Add: Equity in losses of unconsolidated entities							**(12,788)**
Less: Interest and other costs on pension and OPEB liabilities							**138**
Less: Dividends and accretion of redeemable preferred stock							**(17,610)**
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities							**(3,208)**
Less: Interest expense							**(29,690)**
Less: Depreciation and amortization expense							**(21,596)**
Less: Incentive allocations							**—**
Less: Asset impairment charges							**—**
Less: Changes in fair value of non-hedge derivative instruments							**—**
Less: Losses on the modification or extinguishment of debt and capital lease obligations							**(9,170)**
Less: Acquisition and transaction expenses							**(921)**
Less: Equity-based compensation expense							**(1,799)**
Less: Provision for income taxes							**(267)**
Less: Other non-recurring items							**—**
Net loss attributable to stockholders							**$ (54,350)**

(Dollars in tables in thousands, unless otherwise noted)

II. For the Six Months Ended June 30, 2024

	Six Months Ended June 30, 2024						
		Ports and Terminals					
	Railroad	Jefferson Terminal	Repauno	Power and Gas	Sustainability and Energy Transition	Corporate and Other	Total
Revenues							
Total revenues	$ 91,950	$ 39,790	$ 7,941	$ —	$ —	$ 27,741	$ 167,422
Expenses							
Operating expenses	48,543	37,107	11,769	1,022	7	27,352	125,800
General and administrative	—	—	—	—	—	7,701	7,701
Acquisition and transaction expenses	337	10	—	398	—	1,102	1,847
Management fees and incentive allocation to affiliate	—	—	—	—	—	5,777	5,777
Depreciation and amortization	9,872	24,630	4,924	—	—	1,258	40,684
Total expenses	58,752	61,747	16,693	1,420	7	43,190	181,809
Other (expense) income							
Equity in (losses) earnings of unconsolidated entities	—	—	—	(14,373)	(10,338)	21	(24,690)
Loss on sale of assets, net	(163)	—	—	—	—	—	(163)
Loss on modification or extinguishment of debt	—	(9,170)	—	—	—	—	(9,170)
Interest expense	(167)	(20,487)	(388)	—	—	(36,241)	(57,283)
Other income	(352)	3,537	—	5,193	950	—	9,328
Total other expense	(682)	(26,120)	(388)	(9,180)	(9,388)	(36,220)	(81,978)
Income (loss) before income taxes	32,516	(48,077)	(9,140)	(10,600)	(9,395)	(51,669)	(96,365)
Provision for (benefit from) income taxes	2,184	(1,166)	(161)	—	—	1,215	2,072
Net income (loss)	30,332	(46,911)	(8,979)	(10,600)	(9,395)	(52,884)	(98,437)
Less: Net income (loss) attributable to non-controlling interests in consolidated subsidiaries	108	(21,639)	(559)	—	—	—	(22,090)
Less: Dividends and accretion of redeemable preferred stock	—	—	—	—	—	34,585	34,585
Net income (loss) attributable to stockholders	$ 30,224	$ (25,272)	$ (8,420)	$ (10,600)	$ (9,395)	$ (87,469)	$ (110,932)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to stockholders:

	Six Months Ended June 30, 2024						
		Ports and Terminals					
	Railroad	Jefferson Terminal	Repauno	Power and Gas	Sustainability and Energy Transition	Corporate and Other	Total
Adjusted EBITDA	**$ 43,779**	**$ 19,129**	**$ (3,185)**	**$ 19,238**	**$ (4,643)**	**$ (12,831)**	**$ 61,487**
Add: Non-controlling share of Adjusted EBITDA							**13,987**
Add: Equity in losses of unconsolidated entities							**(24,690)**
Less: Interest and other costs on pension and OPEB liabilities							**(462)**
Less: Dividends and accretion of redeemable preferred stock							**(34,585)**
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities							**(9,465)**
Less: Interest expense							**(57,283)**
Less: Depreciation and amortization expense							**(42,693)**
Less: Incentive allocations							**—**
Less: Asset impairment charges							**—**
Less: Changes in fair value of non-hedge derivative instruments							**—**
Less: Losses on the modification or extinguishment of debt and capital lease obligations							**(9,170)**
Less: Acquisition and transaction expenses							**(1,847)**
Less: Equity-based compensation expense							**(4,139)**
Less: Provision for income taxes							**(2,072)**
Less: Other non-recurring items							**—**
Net loss attributable to stockholders							**$ (110,932)**

(Dollars in tables in thousands, unless otherwise noted)

III. For the Three Months Ended June 30, 2023

	Three Months Ended June 30, 2023						
		Port and Terminals					
	Railroad	Jefferson Terminal	Repauno	Power and Gas	Sustainability and Energy Transition	Corporate and Other	Total
Revenues							
Total revenues	$ 42,546	$ 17,104	$ 3,947	$ —	$ —	$ 18,235	$ 81,832
Expenses							
Operating expenses	22,257	15,990	5,776	173	28	18,551	62,775
General and administrative	—	—	—	—	—	3,702	3,702
Acquisition and transaction expenses	184	36	—	49	—	367	636
Management fees and incentive allocation to affiliate	—	—	—	—	—	3,084	3,084
Depreciation and amortization	5,125	12,144	2,281	—	—	742	20,292
Asset impairment	602	—	—	—	—	—	602
Total expenses	28,168	28,170	8,057	222	28	26,446	91,091
Other income (expense)							
Equity in earnings (losses) of unconsolidated entities	—	—	—	1,639	(3,277)	13	(1,625)
(Loss) gain on sale of assets, net	(85)	732	—	—	—	—	647
Interest expense	(1,215)	(7,978)	(615)	(1)	—	(14,373)	(24,182)
Other (expense) income	(544)	(349)	—	1,643	620	—	1,370
Total other (expense) income	(1,844)	(7,595)	(615)	3,281	(2,657)	(14,360)	(23,790)
Income (loss) before income taxes	12,534	(18,661)	(4,725)	3,059	(2,685)	(22,571)	(33,049)
Provision for (benefit from) income taxes	720	152	40	—	—	(89)	823
Net income (loss)	11,814	(18,813)	(4,765)	3,059	(2,685)	(22,482)	(33,872)
Less: Net income (loss) attributable to non-controlling interests in consolidated subsidiaries	28	(10,048)	(255)	—	—	(1)	(10,276)
Less: Dividends and accretion of redeemable preferred stock	—	—	—	—	—	15,257	15,257
Net income (loss) attributable to stockholders	$ 11,786	$ (8,765)	$ (4,510)	$ 3,059	$ (2,685)	$ (37,738)	$ (38,853)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to stockholders:

	Three Months Ended June 30, 2023						
		Port and Terminals					
	Railroad	Jefferson Terminal	Repauno	Power and Gas	Sustainability and Energy Transition	Corporate and Other	Total
Adjusted EBITDA	$ 20,304	$ 7,082	$ (1,636)	$ 10,403	$ (1,448)	$ (7,028)	$ 27,677
Add: Non-controlling share of Adjusted EBITDA							4,946
Add: Equity in earnings of unconsolidated entities							(1,625)
Less: Interest and other costs on pension and OPEB liabilities							(480)
Less: Dividends and accretion of redeemable preferred stock							(15,257)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities							(6,886)
Less: Interest expense							(24,182)
Less: Depreciation and amortization expense							(20,292)
Less: Incentive allocations							—
Less: Asset impairment charges							(602)
Less: Changes in fair value of non-hedge derivative instruments							—
Less: Losses on the modification or extinguishment of debt and capital lease obligations							—
Less: Acquisition and transaction expenses							(636)
Less: Equity-based compensation expense							(642)
Less: Provision for income taxes							(823)
Less: Other non-recurring items							(51)
Net loss attributable to stockholders							$ (38,853)

(Dollars in tables in thousands, unless otherwise noted)

IV. For the Six Months Ended June 30, 2023

	Six Months Ended June 30, 2023						
		Port and Terminals					
	Railroad	Jefferson Terminal	Repauno	Power and Gas	Sustainability and Energy Transition	Corporate and Other	Total
Revenues							
Total revenues	$ 83,551	$ 36,196	$ 2,494	$ —	$ —	$ 36,085	$ 158,326
Expenses							
Operating expenses	47,492	32,415	10,705	597	29	36,699	127,937
General and administrative	—	—	—	—	—	6,903	6,903
Acquisition and transaction expenses	367	36	—	71	1	430	905
Management fees and incentive allocation to affiliate	—	—	—	—	—	6,066	6,066
Depreciation and amortization	10,226	24,013	4,526	—	—	1,662	40,427
Asset impairment	743	—	—	—	—	—	743
Total expenses	58,828	56,464	15,231	668	30	51,760	182,981
Other income (expense)							
Equity in earnings (losses) of unconsolidated entities	—	—	—	9,400	(6,693)	34	2,741
(Loss) gain on sale of assets, net	(209)	732	—	—	—	—	523
Interest expense	(2,170)	(15,862)	(1,203)	(3)	—	(28,194)	(47,432)
Other (expense) income	(1,096)	(1,412)	—	2,872	1,227	—	1,591
Total other (expense) income	(3,475)	(16,542)	(1,203)	12,269	(5,466)	(28,160)	(42,577)
Income (loss) before income taxes	21,248	(36,810)	(13,940)	11,601	(5,496)	(43,835)	(67,232)
Provision for income taxes	1,318	350	154	—	—	730	2,552
Net income (loss)	19,930	(37,160)	(14,094)	11,601	(5,496)	(44,565)	(69,784)
Less: Net income (loss) attributable to non-controlling interests in consolidated subsidiaries	46	(19,233)	(753)	—	—	(229)	(20,169)
Less: Dividends and accretion of redeemable preferred stock	—	—	—	—	—	29,827	29,827
Net income (loss) attributable to stockholders	$ 19,884	$ (17,927)	$ (13,341)	$ 11,601	$ (5,496)	$ (74,163)	$ (79,442)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to stockholders:

	Six Months Ended June 30, 2023						
		Port and Terminals					
	Railroad	Jefferson Terminal	Repauno	Power and Gas	Sustainability and Energy Transition	Corporate and Other	Total
Adjusted EBITDA	$ 37,455	$ 13,600	$ (6,497)	$ 21,717	$ (3,158)	$ (13,544)	$ 49,573
Add: Non-controlling share of Adjusted EBITDA							10,167
Add: Equity in earnings of unconsolidated entities							2,741
Less: Interest and other costs on pension and OPEB liabilities							(960)
Less: Dividends and accretion of redeemable preferred stock							(29,827)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities							(15,076)
Less: Interest expense							(47,432)
Less: Depreciation and amortization expense							(40,427)
Less: Incentive allocations							—
Less: Asset impairment charges							(743)
Less: Changes in fair value of non-hedge derivative instruments							(1,125)
Less: Losses on the modification or extinguishment of debt and capital lease obligations							—
Less: Acquisition and transaction expenses							(905)
Less: Equity-based compensation expense							(1,537)
Less: Provision for income taxes							(2,552)
Less: Other non-recurring items							(1,339)
Net loss attributable to stockholders							$ (79,442)

(Dollars in tables in thousands, unless otherwise noted)

V. Balance Sheet

The following tables sets forth the summarized balance sheet. All property, plant and equipment and leasing equipment are located in North America.

	June 30, 2024						
		Ports and Terminals					
	Railroad	Jefferson Terminal	Repauno	Power and Gas	Sustainability and Energy Transition	Corporate and Other	Total
Current assets	**$ 52,658**	**$ 198,019**	**$ 3,301**	**$ 1**	**$ 23,725**	**$ 11,539**	**$ 289,243**
Non-current assets	**664,714**	**1,114,978**	**295,356**	**6,524**	**68,242**	**13,351**	**2,163,165**
Total assets	**717,372**	**1,312,997**	**298,657**	**6,525**	**91,967**	**24,890**	**2,452,408**
Total debt, net	**—**	**945,810**	**44,250**	**—**	**—**	**564,064**	**1,554,124**
Current liabilities	**47,180**	**64,801**	**4,841**	**1,664**	**4**	**19,130**	**137,620**
Non-current liabilities	**31,044**	**1,004,501**	**47,644**	**19,334**	**—**	**565,781**	**1,668,304**
Total liabilities	**78,224**	**1,069,302**	**52,485**	**20,998**	**4**	**584,911**	**1,805,924**
Redeemable preferred stock	**—**	**—**	**—**	**—**	**—**	**359,817**	**359,817**
Non-controlling interests in equity of consolidated subsidiaries	**3,364**	**(110,956)**	**(572)**	**—**	**—**	**—**	**(108,164)**
Total equity	**639,148**	**243,695**	**246,172**	**(14,473)**	**91,963**	**(919,838)**	**286,667**
Total liabilities, redeemable preferred stock and equity	**$ 717,372**	**$ 1,312,997**	**$ 298,657**	**$ 6,525**	**$ 91,967**	**$ 24,890**	**$ 2,452,408**

	December 31, 2023						
		Ports and Terminals					
	Railroad	Jefferson Terminal	Repauno	Power and Gas	Sustainability and Energy Transition	Corporate and Other	Total
Current assets	$ 58,114	$ 88,542	$ 9,267	$ 2	$ 22,405	$ 7,173	$ 185,503
Non-current assets	667,501	1,137,510	295,685	6,825	77,540	9,045	2,194,106
Total assets	725,615	1,226,052	304,952	6,827	99,945	16,218	2,379,609
Total debt, net	—	737,335	44,250	—	—	559,325	1,340,910
Current liabilities	54,150	65,052	4,912	828	—	25,695	150,637
Non-current liabilities	55,975	797,854	47,816	29,310	—	559,926	1,490,881
Total liabilities	110,125	862,906	52,728	30,138	—	585,621	1,641,518
Redeemable preferred stock	—	—	—	—	—	325,232	325,232
Non-controlling interests in equity of consolidated subsidiaries	2,861	(74,278)	(13)	—	—	—	(71,430)
Total equity	615,490	363,146	252,224	(23,311)	99,945	(894,635)	412,859
Total liabilities, redeemable preferred stock and equity	$ 725,615	$ 1,226,052	$ 304,952	$ 6,827	$ 99,945	$ 16,218	$ 2,379,609

15. REDEEMABLE PREFERRED STOCK

On August 1, 2022, the Company issued and sold 300,000 shares of Redeemable Preferred Stock at a price of $1,000 per share and $0.01 par value. The shares were issued at a 3% discount for net proceeds of $291.0 million. The Company also issued two classes of warrants to the preferred stockholders. The fair value of the Redeemable Preferred Stock and the warrants at issuance were determined to be $242.7 million and $13.8 million, respectively. The Company incurred $16.4 million of issuance costs related to the Redeemable Preferred Stock and warrants. Additionally, the Company issued options to the Manager with a total fair value of $18.1 million (see Note 13).

The Redeemable Preferred Stock has the following rights, preferences and restrictions:

Voting

Each holder of the Redeemable Preferred Stock will have one vote per share on any matter on which holders of the Redeemable Preferred Stock are entitled to vote separately as a class, whether at a meeting or by written consent. The holders of shares of the Redeemable Preferred Stock do not otherwise have any voting rights.

Liquidation Preference

The Redeemable Preferred Stock ranks senior to the common stock with respect to dividend rights and rights upon the voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company. Upon a liquidation, dissolution or winding up of the affairs of the Company, each share of Redeemable Preferred Stock will be entitled to receive an amount per share equal to the greater of (i) the purchase price paid by the purchaser, plus all accrued and unpaid dividends (the “Liquidation Preference”) and (ii) the purchase price, plus $150.0 million of cash Dividends (the ”Base Preferred Return Amount”).

Dividends

Dividends on the Redeemable Preferred Stock are payable at a rate equal to 14.0% per annum subject to increase in accordance with the terms of the Redeemable Preferred Stock. Specifically, the rate will be increased by 2.0% per annum for any periods during the first two years following closing of the issuance of the Redeemable Preferred Stock, where the dividend is not paid in cash. Prior to the second anniversary of the issuance date, such dividends will automatically accrue and accumulate on each share of Redeemable Preferred Stock, whether or not declared and paid, or they may be paid in cash at our discretion. After the second anniversary of the issuance date, we are required to pay such dividends in cash. Failure to pay such dividends will result in a dividend rate equal to 18.0% per annum, and a failure to pay cash dividends for 12 monthly dividend periods (whether or not consecutive) following the second anniversary of the issuance date will constitute an event of noncompliance. The dividend rate on the Redeemable Preferred Stock will increase by 1.0% per annum beginning on the fifth anniversary of the issuance date of the Redeemable Preferred Stock.

As of June 30, 2024, the Company has $104.5 million of PIK dividends increasing our Redeemable Preferred Stock balance. Dividends recorded in Dividends and accretion of redeemable preferred stock on the Consolidated Statements of Operations totaled $15.9 million and $13.6 million for the three months ended June 30, 2024 and 2023, respectively, and $31.2 million and $26.5 million for the six months ended June 30, 2024 and 2023, respectively.

The Company has presented the Redeemable Preferred Stock in temporary equity and is accreting the discount and debt issuance costs using the interest method to the earliest redemption date of August 1, 2030. Such accretion, recorded in Dividends and accretion of redeemable preferred stock on the Consolidated Statements of Operations, totaled $1.7 million and $1.6 million for the three months ended June 30, 2024 and 2023, respectively, and $3.4 million and $3.2 million for the six months ended June 30, 2024 and 2023, respectively.

Redemption

Mandatory Redemption: The Redeemable Preferred Stock is not mandatorily redeemable at the option of the holders, except upon the occurrence of any (i) bankruptcy event, (ii) any change of control event, or (iii) any debt acceleration event (together with any bankruptcy event and change of control event) (each a “Mandatory Redemption Event”). Upon the occurrence of a Mandatory Redemption Event, to the extent not prohibited by law, we will be required to redeem all preferred stock in cash at the greater of the (i) Liquidation Preference, and (ii) the Base Preferred Return Amount at the date of redemption.

Optional Redemption: The Redeemable Preferred Stock is optionally redeemable at the option of the Company, at any time, at the greater of the (i) Liquidation Preference, and (ii) the Base Preferred Return Amount at the date of redemption. Upon certain contingent events or events of noncompliance, the preferred stockholders have the right to a majority of the board seats of the Company.

If the Redeemable Preferred Stock were redeemed as of June 30, 2024, it would be redeemable for $446.5 million.

Amendment to Certificate of Designations of Our Series A Preferred Stock

On July 5, 2023, a Certificate of Amendment (the “Amendment”) to the Certificate of Designations for its Series A Preferred Stock (the “Certificate of Designations”) became effective, amending certain provisions of the Certificate of Designations to increase the aggregate principal amount of outstanding indebtedness that the Company and its subsidiaries may incur in order to facilitate the issuance of the additional $100.0 million of Senior Notes due 2027 (the “Additional Notes”). The holders of our Series A

Preferred Stock received a customary fee for their consent and purchased $33.4 million aggregate principal amount of the Additional Notes.

16. EARNINGS PER SHARE AND EQUITY

Basic loss per share of common stock ("LPS") is calculated by dividing net loss attributable to stockholders by the weighted average number of common stock outstanding, plus any participating securities. Diluted LPS is calculated by dividing net loss attributable to stockholders by the weighted average number of common stock outstanding, plus any participating securities and potentially dilutive securities. Potentially dilutive securities are calculated using the treasury stock method.

The calculation of basic and diluted LPS is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share data)	**2024**	**2023**	**2024**	**2023**
Net loss	**$ (48,140)**	$ (33,872)	**$ (98,437)**	$ (69,784)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	**(11,400)**	(10,276)	**(22,090)**	(20,169)
Less: Dividends and accretion of redeemable preferred stock	**17,610**	15,257	**34,585**	29,827
Net loss attributable to stockholders	**$ (54,350)**	$ (38,853)	**$ (110,932)**	$ (79,442)
Weighted Average Common Stock Outstanding - Basic [1]	**105,039,831**	102,793,800	**104,612,209**	102,790,737
Weighted Average Common Stock Outstanding - Diluted [1]	**105,039,831**	102,793,800	**104,612,209**	102,790,737
Loss per share:				
Basic	**$ (0.52)**	$ (0.38)	**$ (1.06)**	$ (0.77)
Diluted [2]	**$ (0.52)**	$ (0.38)	**$ (1.06)**	$ (0.77)

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[1] Three and six months ended June 30, 2024 includes penny warrants which can be converted into a fixed amount of our stock.

[2] Diluted LPS for the three and six months ended June 30, 2024 includes the dilutive effect of subsidiary earnings per share.

For the three months ended June 30, 2024 and 2023, 10,857,288 and 2,345,888 shares of common stock, respectively, and for the six months ended June 30, 2024 and 2023, 9,500,429 and 2,007,077 shares of common stock, respectively, have been excluded from the calculation of Diluted LPS because the impact would be anti-dilutive.

Common Stock Warrants

A summary of the status of the Company's outstanding stock warrants and changes during the six months ended June 30, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as of December 31, 2023	6,685,132	$ 4.93
Issued	—	—
Expired	—	—
Exercised	—	—
Outstanding as of June 30, 2024 [1]	**6,685,132**	**$ 4.93**
Warrants exercisable as of June 30, 2024 [1]	**6,685,132**	**$ 4.93**

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[1] Weighted average exercise price as of June 30, 2024 includes adjustments for quarterly dividend payments.

The weighted average remaining contractual term of the outstanding warrants as of June 30, 2024 is 6.1 years. The aggregate intrinsic value of the warrants as of June 30, 2024 is $28.8 million.

17. COMMITMENTS AND CONTINGENCIES

In the normal course of business we, and our subsidiaries, may be involved in various claims, legal proceedings, or may enter into contracts that contain a variety of representations and warranties and which provide general indemnifications.

We have entered into an arrangement with our non-controlling interest holder of Repauno, as part of the initial acquisition, whereby the non-controlling interest holder may receive additional payments contingent upon the achievement of certain conditions, not to exceed $15.0 million. We will account for such amounts when and if such conditions are achieved. The contingency related to $5.0 million of the total $15.0 million was resolved during the year ended December 31, 2021, and the contingency related to an additional $5.0 million of the total $15.0 million was resolved during year ended December 31, 2022.

18. SUBSEQUENT EVENTS

Ares Management LLC Election to Exercise Series II Warrants

On July 22, 2024, members of Ares Management LLC exercised their rights to the Series II Warrants in full to purchase 3,342,566 shares of common stock of the Company at the exercise price of $0.01 per share pursuant to the Warrant Agreement, dated August 1, 2022.

Dividends

On August 1, 2024, our board of directors declared a cash dividend on our common stock of $0.03 per share for the quarter ended June 30, 2024, payable on August 20, 2024 to the holders of record on August 12, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help you understand FTAI Infrastructure Inc. ("we", "us", "our", or the "Company"). Our MD&A should be read in conjunction with our unaudited consolidated financial statements and the accompanying notes, and with Part II, Item 1A, "Risk Factors" and "Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q.

Overview

We are in the business of acquiring, developing and operating assets and businesses that represent critical infrastructure for customers in the transportation, energy and industrial products industries. We were formed on December 13, 2021 as FTAI Infrastructure LLC, a Delaware limited liability company and subsidiary of FTAI Aviation Ltd. (previously Fortress Transportation and Infrastructure Investors LLC; "FTAI" or "Former Parent"). We are a publicly-traded company trading on The Nasdaq Global Select Market under the symbol "FIP."

Our operations consist of four primary business lines: (i) Railroad, (ii) Ports and Terminals, (iii) Power and Gas and (iv) Sustainability and Energy Transition. Our Railroad business primarily invests in and operates short line and regional railroads in North America. Our Ports and Terminals business, consisting of our Jefferson Terminal and Repauno segments, develops or acquires industrial properties in strategic locations that store and handle for third parties a variety of energy products, including crude oil, refined products and clean fuels. Through an equity method investment, our Power and Gas business develops and operates facilities, such as a 485 megawatt power plant at the Long Ridge terminal in Ohio, that leverage the property's location and key attributes to generate incremental value. Our Sustainability and Energy Transition business focuses on investments in companies and assets that utilize green technology, produce sustainable fuels and products or enable customers to reduce their carbon footprint.

We expect to continue to invest in such market sectors, and pursue additional investment opportunities in other infrastructure businesses and assets we believe to be attractive and meet our investment objectives. Our team focuses on acquiring a diverse group of long-lived assets or operating businesses that provide mission-critical services or functions to infrastructure networks and typically have high barriers to entry, strong margins, stable cash flows and upside from earnings growth and asset appreciation driven by increased use and inflation. We believe that there are a large number of acquisition opportunities in our markets and that our Manager's expertise and business and financing relationships, together with our access to capital and generally available capital for infrastructure projects in today's marketplace, will allow us to take advantage of these opportunities. As of June 30, 2024, we had total consolidated assets of $2.5 billion and redeemable preferred stock and equity of $0.6 billion.

Operating Segments

During the first quarter of 2023 we modified our definition of Adjusted EBITDA to exclude the impact of other non-recurring items, such as severance expense. All segment data and related disclosures for earlier periods presented herein have been recast to reflect the new segment reporting structure.

Our reportable segments represent strategic business units comprised of investments in different types of infrastructure assets. We have five reportable segments which operate in infrastructure businesses across several market sectors, all in North America. Our reportable segments are (i) Railroad, (ii) Jefferson Terminal, (iii) Repauno, (iv) Power and Gas and (v) Sustainability and Energy Transition. The Railroad segment is comprised of six freight railroads and one switching company that provide rail service to certain manufacturing and production facilities, in addition to KRS, a railcar cleaning operation. The Jefferson Terminal segment consists of a multi-modal crude oil and refined products terminal, Jefferson Terminal South and other related assets. The Repauno segment consists of a 1,630-acre deep-water port located along the Delaware River with an underground storage cavern, a multipurpose dock, a rail-to-ship transloading system and multiple industrial development opportunities. The Power and Gas segment is comprised of an equity method investment in Long Ridge, which is a 1,660-acre multi-modal terminal located along the Ohio River with rail, dock, and multiple industrial development opportunities, including a power plant in operation. The Sustainability and Energy Transition segment is comprised of Aleon/Gladieux, Clean Planet, and CarbonFree, and all three investments are development stage businesses focused on sustainability and recycling.

Corporate and Other primarily consists of unallocated corporate general and administrative expenses, management fees, debt and redeemable preferred stock. Additionally, Corporate and Other includes an investment in an unconsolidated entity engaged in the acquisition and leasing of shipping containers and an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries.

Our Manager

On May 14, 2024, certain members of Fortress management and affiliates of Mubadala Investment Company, through its wholly owned asset management subsidiary Mubadala Capital ("Mubadala"), completed their acquisition of 100% of the equity of Fortress. Fortress continues to operate as an independent investment manager under the Fortress brand, with autonomy over investment processes and decision making, personnel and operations.

Results of Operations

Adjusted EBITDA (Non-GAAP)

The chief operating decision maker (“CODM”) utilizes Adjusted EBITDA as the key performance measure. Adjusted EBITDA is not a financial measure in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). This performance measure provides the CODM with the information necessary to assess operational performance, as well as make resource and allocation decisions. We believe Adjusted EBITDA is a useful metric for investors and analysts for similar purposes of assessing our operational performance.

Adjusted EBITDA is defined as net income (loss) attributable to stockholders, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, interest expense, interest and other costs on pension and OPEB liabilities, dividends and accretion of redeemable preferred stock, and other non-recurring items, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities, and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

Comparison of the three and six months ended June 30, 2024 and 2023

The following table presents our results of operations:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Revenues						
Lease income	**$ 1,184**	$ 719	$ 465	**$ 2,392**	$ 1,462	$ 930
Rail revenues	**45,256**	42,146	3,110	**91,157**	82,714	8,443
Terminal services revenues	**24,234**	20,868	3,366	**46,132**	40,016	6,116
Roadside services revenues	**14,213**	18,235	(4,022)	**27,741**	36,085	(8,344)
Other revenue	**—**	(136)	136	**—**	(1,951)	1,951
Total revenues	**84,887**	81,832	3,055	**167,422**	158,326	9,096
Expenses						
Operating expenses	**61,225**	62,775	(1,550)	**125,800**	127,937	(2,137)
General and administrative	**2,840**	3,702	(862)	**7,701**	6,903	798
Acquisition and transaction expenses	**921**	636	285	**1,847**	905	942
Management fees and incentive allocation to affiliate	**2,776**	3,084	(308)	**5,777**	6,066	(289)
Depreciation and amortization	**20,163**	20,292	(129)	**40,684**	40,427	257
Asset impairment	**—**	602	(602)	**—**	743	(743)
Total expenses	**87,925**	91,091	(3,166)	**181,809**	182,981	(1,172)
Other (expense) income						
Equity in (losses) earnings of unconsolidated entities	**(12,788)**	(1,625)	(11,163)	**(24,690)**	2,741	(27,431)
(Loss) gain on sale of assets, net	**(150)**	647	(797)	**(163)**	523	(686)
Loss on modification or extinguishment of debt	**(9,170)**	—	(9,170)	**(9,170)**	—	(9,170)
Interest expense	**(29,690)**	(24,182)	(5,508)	**(57,283)**	(47,432)	(9,851)
Other income	**6,963**	1,370	5,593	**9,328**	1,591	7,737
Total other expense	**(44,835)**	(23,790)	(21,045)	**(81,978)**	(42,577)	(39,401)
Loss from before income taxes	**(47,873)**	(33,049)	(14,824)	**(96,365)**	(67,232)	(29,133)
Provision for income taxes	**267**	823	(556)	**2,072**	2,552	(480)
Net loss	**(48,140)**	(33,872)	(14,268)	**(98,437)**	(69,784)	(28,653)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**(11,400)**	(10,276)	(1,124)	**(22,090)**	(20,169)	(1,921)
Less: Dividends and accretion of redeemable preferred stock	**17,610**	15,257	2,353	**34,585**	29,827	4,758
Net loss attributable to stockholders	**$ (54,350)**	$ (38,853)	$ (15,497)	**$ (110,932)**	$ (79,442)	$ (31,490)

The following table sets forth a reconciliation of net loss attributable to stockholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Net loss attributable to stockholders	**$ (54,350)**	$ (38,853)	$ (15,497)	**$ (110,932)**	$ (79,442)	$ (31,490)
Add: Provision for income taxes	**267**	823	(556)	**2,072**	2,552	(480)
Add: Equity-based compensation expense	**1,799**	642	1,157	**4,139**	1,537	2,602
Add: Acquisition and transaction expenses	**921**	636	285	**1,847**	905	942
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**9,170**	—	9,170	**9,170**	—	9,170
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	1,125	(1,125)
Add: Asset impairment charges	**—**	602	(602)	**—**	743	(743)
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation & amortization expense [(1)]	**21,596**	20,292	1,304	**42,693**	40,427	2,266
Add: Interest expense	**29,690**	24,182	5,508	**57,283**	47,432	9,851
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [(2)]	**3,208**	6,886	(3,678)	**9,465**	15,076	(5,611)
Add: Dividends and accretion of redeemable preferred stock	**17,610**	15,257	2,353	**34,585**	29,827	4,758
Add: Interest and other costs on pension and OPEB liabilities	**(138)**	480	(618)	**462**	960	(498)
Add: Other non-recurring items [(3)]	**—**	51	(51)	**—**	1,339	(1,339)
Less: Equity in losses (earnings) of unconsolidated entities	**12,788**	1,625	11,163	**24,690**	(2,741)	27,431
Less: Non-controlling share of Adjusted EBITDA [(4)]	**(8,305)**	(4,946)	(3,359)	**(13,987)**	(10,167)	(3,820)
Adjusted EBITDA (non-GAAP)	**$ 34,256**	$ 27,677	$ 6,579	**$ 61,487**	$ 49,573	$ 11,914

(1) Includes the following items for the three months ended June 30, 2024 and 2023: (i) depreciation and amortization expense of $20,163 and $20,292 and (ii) capitalized contract costs amortization of $1,433 and $—, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) depreciation and amortization expense of $40,684 and $40,427 and (ii) capitalized contract costs amortization of $2,009 and $—, respectively.

(2) Includes the following items for the three months ended June 30, 2024 and 2023: (i) net loss of $(12,838) and $(1,660), (ii) interest expense of $11,182 and $8,304, (iii) depreciation and amortization expense of $8,050 and $7,967, (iv) acquisition and transaction expenses of $31 and $237, (v) changes in fair value of non-hedge derivative instruments of $(3,875) and $(7,963), (vi) equity-based compensation of $1 and $1, (vii) asset impairment of $163 and $—, (viii) equity method basis adjustments of $16 and $— and (ix) other non-recurring items of $478 and $—, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) net (loss) income of $(24,780) and $2,658, (ii) interest expense of $22,075 and $16,336, (iii) depreciation and amortization expense of $13,180 and $13,633, (iv) acquisition and transaction expenses of $50 and $257, (v) changes in fair value of non-hedge derivative instruments of $(1,822) and $(17,810), (vi) equity-based compensation of $2 and $2, (vii) asset impairment of $250 and $—, (viii) equity method basis adjustments of $32 and $— and (ix) other non-recurring items of $478 and $—, respectively.

(3) Includes the following item for the three and six months ended June 30, 2023: Railroad severance expense of $51 and $1,339, respectively.

(4) Includes the following items for the three months ended June 30, 2024 and 2023: (i) equity-based compensation of $268 and $76, (ii) (benefit from) provision for income taxes of $(142) and $35, (iii) interest expense of $2,639 and $1,880, (iv) depreciation and amortization expense of $3,387 and $2,944, (v) acquisition and transaction expense of $3 and $8, (vii) interest and other costs on pension and OPEB liabilities of $— and $1, (viii) asset impairment of $— and $2 and (ix) loss on modification or extinguishment of debt of $2,150 and $—, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) equity-based compensation of $699 and $186, (ii) (benefit from) provision for income taxes of $(276) and $88, (iii) interest expense of $4,828 and $3,737, (iv) depreciation and amortization expense of $6,581 and $6,080, (v) changes in fair value of non-hedge derivative instruments of $— and $61, (vi) acquisition and transaction expense of $3 and $8, (vii) interest and other costs on pension and OPEB liabilities of $2 and $2, (viii) asset impairment of $— and $2, (ix) loss on modification or extinguishment of debt of $2,150 and $— and (x) other non-recurring items of $ — and $3, respectively.

Revenue

Comparison of the three months ended June 30, 2024 and 2023

Total revenues increased $3.1 million due to higher revenues of $3.1 million in the Railroad segment and $4.1 million in the Jefferson Terminal segment, offset by lower revenues of $4.0 million in the Corporate and Other segment and $0.1 million in the Repauno segment.

Roadside services revenue decreased $4.0 million due to the decline of roadside services for FYX.

Terminal services revenues increased $3.4 million primarily due an increase in average crude oil throughput volumes in the Jefferson Terminal segment.

Rail revenues increased $3.1 million primarily due to an increase in both carloads and rates per car in the Railroad segment.

Comparison of the six months ended June 30, 2024 and 2023

Total revenues increased $9.1 million primarily due to higher revenues of $8.4 million in the Railroad segment, $3.6 million in the Jefferson Terminal segment and $5.4 million in the Repauno segment, offset by lower revenues of $8.3 million in the Corporate and Other segment.

Roadside services revenue decreased $8.3 million primarily due to the decline of roadside services for FYX.

Terminal services revenues increased $6.1 million primarily due to the commencement of a butane throughput contract at Repauno in April 2023, as well as an increase in average crude oil throughput volumes in the Jefferson Terminal segment.

Rail revenues increased $8.4 million primarily due to an increase in both carloads and rates per car in the Railroad segment.

Expenses

Comparison of the three months ended June 30, 2024 and 2023

Total expenses decreased $3.2 million, primarily due to a decrease in (i) operating expenses, (ii) general and administrative expenses and (iii) asset impairment.

Operating expenses decreased $1.6 million which primarily reflects:

- a decrease of $4.9 million due to decreased roadside services at FYX; partially offset by
- an increase of $2.0 million primarily due to costs associated with stock-based compensation, as well as insurance and higher labor and other costs associated with increased terminal throughput activity in the Jefferson Terminal segment; and
- an increase of $1.4 million in the Railroad segment mainly due to increased car loads.

General and administrative expenses decreased $0.9 million primarily due to lower professional fees in the Corporate and Other segment.

Asset impairment decreased $0.6 million primarily due to impairment for certain scrap assets in the Railroad segment in 2023.

Comparison of the six months ended June 30, 2024 and 2023

Total expenses decreased $1.2 million, primarily due to decreased operating expenses, partially offset by increase in acquisition and transaction expenses.

Operating expenses decreased $2.1 million which primarily reflects:

- a decrease of $9.3 million due to decreased roadside services at FYX; partially offset by
- an increase of $1.1 million due to costs associated with stock-based compensation, and an increase in labor costs and professional fees related to the continued development of the site in the Repauno segment;
- an increase of $4.7 million primarily due to costs associated with stock-based compensation, as well as insurance and higher labor and other costs associated with increased terminal throughput activity in the Jefferson Terminal segment; and
- an increase of $1.1 million in the Railroad segment mainly due to increased car loads.

Acquisition and transaction expenses increased $0.9 million primarily due to professional fees for a potential acquisition at the Corporate and Other segment.

Other expense

Total other expense increased $21.0 million during the three months ended June 30, 2024 which primarily reflects:

- an increase in loss on modification or extinguishment of debt of $9.2 million in the Jefferson Terminal segment;
- an increase in interest expense of $5.5 million primarily due to an increase in the average outstanding debt of approximately $168.7 million which consists of (i) $84.3 million for the Senior Notes due 2027, (ii) $19.3 million for the DRP Revolver and (iii) $115.1 million for the 2024 Bonds as well as the Barclay's loan, offset by the full repayment of the Transtar Revolver in July 2023 for $50.0 million;
- an increase of $11.2 million in equity in losses of unconsolidated entities primarily due to a decrease in unrealized gains on power swaps at Long Ridge; and
- a gain on sale of land recognized in the prior year of $0.8 million in the Jefferson Terminal segment; partially offset by

- an increase of $5.6 million in Other income due to interest income from increased loan balance on the loan agreement between the Company and Long Ridge Energy & Power LLC.

Total other expense increased $39.4 million during the six months ended June 30, 2024 which primarily reflects:

- an increase of $27.4 million in equity in losses of unconsolidated entities primarily due to a decrease in unrealized gains on power swaps at Long Ridge;
- an increase in interest expense of $9.9 million primarily due to an increase in the average outstanding debt of approximately $119.8 million which consists of (i) $92.5 million for the Senior Notes due 2027, (ii) $19.3 million for the DRP Revolver and (iii) $58.1 million for the 2024 Bonds as well as the Barclay's loan, offset by the full repayment of the Transtar Revolver in July 2023 for $50.0 million;
- an increase in loss on modification or extinguishment of debt of $9.2 million in the Jefferson Terminal segment; and
- a gain on sale of land recognized in the prior year of $0.7 million in the Jefferson Terminal segment; partially offset by
- an increase of $7.7 million in Other income due to interest income from increased loan balance on the loan agreement between the Company and Long Ridge Energy & Power LLC.

Net loss

Net loss increased $14.3 million and $28.7 million during the three and six months ended June 30, 2024, respectively, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased $6.6 million and $11.9 million during the three and six months ended June 30, 2024, respectively, primarily due to the changes noted above.

Railroad Segment

The following table presents our results of operations:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands)	2024	2023	Change	2024	2023	Change
Revenues						
Lease income	**$ 382**	$ 400	$ (18)	**$ 793**	$ 837	$ (44)
Rail revenues	**45,256**	42,146	3,110	**91,157**	82,714	8,443
Total revenues	**45,638**	42,546	3,092	**91,950**	83,551	8,399
Expenses						
Operating expenses	**23,701**	22,257	1,444	**48,543**	47,492	1,051
Acquisition and transaction expenses	**153**	184	(31)	**337**	367	(30)
Depreciation and amortization	**4,860**	5,125	(265)	**9,872**	10,226	(354)
Asset impairment	**—**	602	(602)	**—**	743	(743)
Total expenses	**28,714**	28,168	546	**58,752**	58,828	(76)
Other (expense) income						
Loss on sale of assets, net	**(150)**	(85)	(65)	**(163)**	(209)	46
Interest expense	**(98)**	(1,215)	1,117	**(167)**	(2,170)	2,003
Other income (expense)	**251**	(544)	795	**(352)**	(1,096)	744
Total other income (expense)	**3**	(1,844)	1,847	**(682)**	(3,475)	2,793
Income before income taxes	**16,927**	12,534	4,393	**32,516**	21,248	11,268
Provision for income taxes	**1,092**	720	372	**2,184**	1,318	866
Net income	**15,835**	11,814	4,021	**30,332**	19,930	10,402
Less: Net income attributable to non-controlling interest in consolidated subsidiaries	**47**	28	19	**108**	46	62
Net income attributable to stockholders	**$ 15,788**	$ 11,786	$ 4,002	**$ 30,224**	$ 19,884	$ 10,340

The following table sets forth a reconciliation of net income attributable to stockholders to Adjusted EBITDA:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands)	2024	2023	Change	2024	2023	Change
Net income attributable to stockholders	**$ 15,788**	$ 11,786	$ 4,002	**$ 30,224**	$ 19,884	$ 10,340
Add: Provision for income taxes	**1,092**	720	372	**2,184**	1,318	866
Add: Equity-based compensation expense	**290**	159	131	**580**	484	96
Add: Acquisition and transaction expenses	**153**	184	(31)	**337**	367	(30)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	**—**	—	—
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	—	—
Add: Asset impairment charges	**—**	602	(602)	**—**	743	(743)
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense	**4,860**	5,125	(265)	**9,872**	10,226	(354)
Add: Interest expense	**98**	1,215	(1,117)	**167**	2,170	(2,003)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities	**—**	—	—	**—**	—	—
Add: Dividends and accretion of redeemable preferred stock	**—**	—	—	**—**	—	—
Add: Interest and other costs on pension and OPEB liabilities	**(138)**	480	(618)	**462**	960	(498)
Add: Other non-recurring items [(1)]	**—**	51	(51)	**—**	1,339	(1,339)
Less: Equity in earnings of unconsolidated entities	**—**	—	—	**—**	—	—
Less: Non-controlling share of Adjusted EBITDA [(2)]	**(22)**	(18)	(4)	**(47)**	(36)	(11)
Adjusted EBITDA	**$ 22,121**	$ 20,304	$ 1,817	**$ 43,779**	$ 37,455	$ 6,324

[(1)] Includes the following item for the three and six months ended June 30, 2023: Railroad severance expense of $51 and $1,339, respectively.

[(2)] Includes the following items for the three months ended June 30, 2024 and 2023: (i) equity-based compensation of $1 and $—, (ii) provision for income taxes of $3 and $—, (iii) interest expense of $1 and $3, (iv) depreciation and amortization expense of $16 and $12, (v) acquisition and transaction expense of $1 and $—, (vi) interest and other costs on pension and OPEB liabilities of $— and $1 and (vii) asset impairment of $— and $2, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) equity-based compensation of $2 and $1, (ii) provision for income taxes of $7 and $1, (iii) interest expense of $1 and $5, (iv) depreciation and amortization expense of $34 and $22, (v) acquisition and transaction expense of $1 and $—, (vi) interest and other costs on pension and OPEB liabilities of $2 and $2, (vii) asset impairment of $— and $2 and (viii) other non-recurring items of $— and $3, respectively.

Revenues

Total revenues increased $3.1 million and $8.4 million during the three and six months ended June 30, 2024, respectively, primarily due to both an increase in carloads and rates per car.

Expenses

Total expenses increased $0.5 million during the three months ended June 30, 2024, which primarily reflects an increase in operating expenses of $1.4 million mainly due to increased car loads, partially offset by impairment of $0.6 million for certain scrap assets in 2023.

Other income (expense)

Total other income increased $1.8 million and $2.8 million during the three and six months ended June 30, 2024, respectively, which primarily reflects a decrease in interest expense related to the revolver entered into in the fourth quarter of 2022 and paid off in the third quarter of 2023, and decrease in other expense related to pension and OPEB benefits due to favorable adjustments.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased $1.8 million and $6.3 million during the three and six months ended June 30, 2024, respectively, primarily due to the activity noted above.

Jefferson Terminal Segment

The following table presents our results of operations:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Revenues						
Lease income	**$ 802**	$ 319	$ 483	**$ 1,599**	$ 625	$ 974
Terminal services revenues	**20,372**	16,785	3,587	**38,191**	35,571	2,620
Total revenues	**21,174**	17,104	4,070	**39,790**	36,196	3,594
Expenses						
Operating expenses	**17,975**	15,990	1,985	**37,107**	32,415	4,692
Acquisition and transaction expenses	**8**	36	(28)	**10**	36	(26)
Depreciation and amortization	**12,300**	12,144	156	**24,630**	24,013	617
Total expenses	**30,283**	28,170	2,113	61,747	56,464	5,283
Other income (expense)						
Gain on sale of assets, net	**—**	732	(732)	**—**	732	(732)
Loss on modification or extinguishment of debt	**(9,170)**	—	(9,170)	**(9,170)**	—	(9,170)
Interest expense	**(11,190)**	(7,978)	(3,212)	**(20,487)**	(15,862)	(4,625)
Other income (expense)	**3,531**	(349)	3,880	**3,537**	(1,412)	4,949
Total other income (expense)	**(16,829)**	(7,595)	(9,234)	(26,120)	(16,542)	(9,578)
Loss before income taxes	**(25,938)**	(18,661)	(7,277)	**(48,077)**	(36,810)	(11,267)
(Benefit from) provision for income taxes	**(612)**	152	(764)	**(1,166)**	350	(1,516)
Net loss	**(25,326)**	(18,813)	(6,513)	**(46,911)**	(37,160)	(9,751)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**(11,174)**	(10,048)	(1,126)	**(21,639)**	(19,233)	(2,406)
Net income (loss) attributable to stockholders	**$ (14,152)**	$ (8,765)	$ (5,387)	**$ (25,272)**	$ (17,927)	$ (7,345)

The following table sets forth a reconciliation of net income (loss) attributable to stockholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Net income (loss) attributable to stockholders	**$ (14,152)**	$ (8,765)	$ (5,387)	**$ (25,272)**	$ (17,927)	$ (7,345)
Add: (Benefit from) provision for income taxes	**(612)**	152	(764)	**(1,166)**	350	(1,516)
Add: Equity-based compensation expense	**1,101**	303	798	**2,860**	747	2,113
Add: Acquisition and transaction expenses	**8**	36	(28)	**10**	36	(26)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**9,170**	—	9,170	**9,170**	—	9,170
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	—	—
Add: Asset impairment charges	**—**	—	—	**—**	—	—
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense [1]	**13,733**	12,144	1,589	**26,639**	24,013	2,626
Add: Interest expense	**11,190**	7,978	3,212	**20,487**	15,862	4,625
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities	**—**	—	—	**—**	—	—
Add: Dividends and accretion of redeemable preferred stock	**—**	—	—	**—**	—	—
Add: Interest and other costs on pension and OPEB liabilities	**—**	—	—	**—**	—	—
Add: Other non-recurring items	**—**	—	—	**—**	—	—
Less: Equity in earnings of unconsolidated entities	**—**	—	—	**—**	—	—
Less: Non-controlling share of Adjusted EBITDA [2]	**(8,110)**	(4,766)	(3,344)	**(13,599)**	(9,481)	(4,118)
Adjusted EBITDA (non-GAAP)	**$ 12,328**	$ 7,082	$ 5,246	**$ 19,129**	$ 13,600	$ 5,529

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[1] Includes the following items for the three months ended June 30, 2024 and 2023: (i) depreciation and amortization expense of $12,300 and $12,144 and (ii) capitalized contract costs amortization of $1,433 and $—, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) depreciation and amortization expense of $24,630 and $24,013 and (ii) capitalized contract costs amortization of $2,009 and $—, respectively.

[2] Includes the following items for the three months ended June 30, 2024 and 2023: (i) equity-based compensation of $259 and $71, (ii) (benefit from) provision for income taxes of $(143) and $35, (iii) interest expense of $2,623 and $1,844, (iv) depreciation and amortization expense of $3,219 and $2,808, (v) acquisition and transaction expense of $2 and $8 and (vi) loss on modification or extinguishment of debt of $2,150 and $—, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) equity-based compensation of $671 and $173, (ii) (benefit from) provision for income taxes of $(273) and $81, (iii) interest expense of $4,803 and $3,667, (iv) depreciation and amortization expense of $6,246 and $5,552, (v) acquisition and transaction expense of $2 and $8 and (vi) loss on modification or extinguishment of debt of $2,150 and $ —, respectively.

Revenues

Total revenues increased $4.1 million and $3.6 million during the three and six months ended June 30, 2024, respectively, due to an increase in average crude oil throughput volumes.

Expenses

Total expenses increased $2.1 million during the three months ended June 30, 2024 which primarily reflects:

- an increase in operating expenses of $2.0 million primarily due to costs associated with stock-based compensation, as well as insurance and higher labor and other costs associated with increased terminal throughput activity; and
- an increase in depreciation and amortization of $0.2 million due to additional assets being placed into service.

Total expenses increased $5.3 million during the six months ended June 30, 2024 which primarily reflects:

- an increase in operating expenses of $4.7 million primarily due to costs associated with stock-based compensation, as well as insurance and higher labor and other costs associated with increased terminal throughput activity; and
- an increase in depreciation and amortization of $0.6 million due to additional assets being placed into service.

Other income (expense)

Total other expense increased $9.2 million during the three months ended June 30, 2024, which primarily reflects a $9.2 million loss on modification or extinguishment of debt, an increase in interest expense of $3.2 million related to additional borrowings during the quarter and a $0.7 million gain on sale of land recognized in the prior year, partially offset by a $3.5 million gain from the grant of a pipeline easement.

Total other expense increased $9.6 million during the six months ended June 30, 2024 which primarily reflects a $9.2 million loss on modification or extinguishment of debt, an increase in interest expense of $4.6 million related to additional borrowings during the quarter and a $0.7 million gain on sale of land recognized in the prior year, partially offset by a $3.5 million gain from the grant of a pipeline easement and a $1.1 million benefit from the decrease in prior period losses related to the termination of a pipeline contract.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased $5.2 million and $5.5 million during the three and six months ended June 30, 2024, respectively, primarily due to the changes noted above.

Repauno Segment

The following table presents our results of operations:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Revenues						
Terminal services revenues	**$ 3,862**	$ 4,083	$ (221)	**$ 7,941**	$ 4,445	$ 3,496
Other revenue	**—**	(136)	136	**—**	(1,951)	1,951
Total revenues	**3,862**	3,947	(85)	**7,941**	2,494	5,447
Expenses						
Operating expenses	**5,598**	5,776	(178)	**11,769**	10,705	1,064
Depreciation and amortization	**2,480**	2,281	199	**4,924**	4,526	398
Total expenses	**8,078**	8,057	21	16,693	15,231	1,462
Other expense						
Interest expense	**(242)**	(615)	373	**(388)**	(1,203)	815
Total other expense	**(242)**	(615)	373	**(388)**	(1,203)	815
Loss before income taxes	**(4,458)**	(4,725)	267	**(9,140)**	(13,940)	4,800
(Benefit from) provision for income taxes	**(25)**	40	(65)	**(161)**	154	(315)
Net loss	**(4,433)**	(4,765)	332	**(8,979)**	(14,094)	5,115
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**(273)**	(255)	(18)	**(559)**	(753)	194
Net loss attributable to stockholders	**$ (4,160)**	$ (4,510)	$ 350	**$ (8,420)**	$ (13,341)	$ 4,921

The following table sets forth a reconciliation of net loss attributable to stockholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Net loss attributable to stockholders	**$ (4,160)**	$ (4,510)	$ 350	**$ (8,420)**	$ (13,341)	$ 4,921
Add: (Benefit from) provision for income taxes	**(25)**	40	(65)	**(161)**	154	(315)
Add: Equity-based compensation expense	**134**	100	34	**425**	226	199
Add: Acquisition and transaction expenses	**—**	—	—	**—**	—	—
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	**—**	—	—
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	1,125	(1,125)
Add: Asset impairment charges	**—**	—	—	**—**	—	—
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense	**2,480**	2,281	199	**4,924**	4,526	398
Add: Interest expense	**242**	615	(373)	**388**	1,203	(815)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities	**—**	—	—	**—**	—	—
Add: Dividends and accretion of redeemable preferred stock	**—**	—	—	**—**	—	—
Add: Interest and other costs on pension and OPEB liabilities	**—**	—	—	**—**	—	—
Add: Other non-recurring items	**—**	—	—	**—**	—	—
Less: Equity in earnings of unconsolidated entities	**—**	—	—	**—**	—	—
Less: Non-controlling share of Adjusted EBITDA [(1)]	**(173)**	(162)	(11)	**(341)**	(390)	49
Adjusted EBITDA (non-GAAP)	**$ (1,502)**	$ (1,636)	$ 134	**$ (3,185)**	$ (6,497)	$ 3,312

[(1)] Includes the following items for the three months ended June 30, 2024 and 2023: (i) equity-based compensation of $8 and $5, (ii) (benefit from) provision for income taxes of $(2) and $—, (iii) interest expense of $15 and $33 and (iv) depreciation and amortization expense of $152 and $124, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) equity-based compensation of $26 and $12, (ii) (benefit from) provision for income taxes of $(10) and $6, (iii) interest expense of $24 and $65, (iv) depreciation and amortization expense of $301 and $246 and (v) changes in fair value of non-hedge derivative instruments of $— and $61, respectively.

Revenues

Total revenue did not change significantly during the three months ended June 30, 2024. Total revenue increased $5.4 million during the six months ended June 30, 2024 primarily due to (i) the commencement of a butane throughput contract in April 2023, as well as (ii) losses in the prior year related to the sale of butane inventory as the terminal prepared for the new throughput contract.

Expenses

Total expenses did not change significantly during the three months ended June 30, 2024. Total expenses increased $1.5 million during the six months ended June 30, 2024 which primarily reflects higher operating expenses due to costs associated with stock-based compensation, and an increase in labor costs and professional fees related to the continued development of the site.

Other expense

Total other expense decreased $0.4 million and $0.8 million during the three and six months ended June 30, 2024, respectively, which reflects an increase in capitalized interest, partially offset by an increase in interest expense due to an increase in the borrowing amount on the revolver, amended in December 2023.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased $0.1 million and and $3.3 million during the three and six months ended June 30, 2024, respectively, primarily due to the changes noted above.

Power and Gas Segment

The following table presents our results of operations:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Revenues						
Other revenue	**$ —**	$ —	$ —	**$ —**	$ —	$ —
Total revenues	**—**	—	—	**—**	—	—
Expenses						
Operating expenses	**330**	173	157	**1,022**	597	425
Acquisition and transaction expenses	**398**	49	349	**398**	71	327
Total expenses	**728**	222	506	**1,420**	668	752
Other (expense) income						
Equity in (losses) earnings of unconsolidated entities	**(7,336)**	1,639	(8,975)	**(14,373)**	9,400	(23,773)
Interest expense	**—**	(1)	1	**—**	(3)	3
Other income	**2,891**	1,643	1,248	**5,193**	2,872	2,321
Total other (expense) income	**(4,445)**	3,281	(7,726)	**(9,180)**	12,269	(21,449)
Net (loss) income attributable to stockholders	**$ (5,173)**	$ 3,059	$ (8,232)	**$ (10,600)**	$ 11,601	$ (22,201)

The following table sets forth a reconciliation of net (loss) income attributable to stockholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Net (loss) income attributable to stockholders	**$ (5,173)**	$ 3,059	$ (8,232)	**$ (10,600)**	$ 11,601	$ (22,201)
Add: Provision for income taxes	**—**	—	—	**—**	—	—
Add: Equity-based compensation expense	**—**	—	—	**—**	—	—
Add: Acquisition and transaction expenses	**398**	49	349	**398**	71	327
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	**—**	—	—
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	—	—
Add: Asset impairment charges	**—**	—	—	**—**	—	—
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense	**—**	—	—	**—**	—	—
Add: Interest expense	**—**	1	(1)	**—**	3	(3)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities[1]	**6,285**	8,933	(2,648)	**15,067**	19,442	(4,375)
Add: Dividends and accretion of redeemable preferred stock	**—**	—	—	**—**	—	—
Add: Interest and other costs on pension and OPEB liabilities	**—**	—	—	**—**	—	—
Add: Other non-recurring items	**—**	—	—	**—**	—	—
Less: Equity in losses (earnings) of unconsolidated entities	**7,336**	(1,639)	8,975	**14,373**	(9,400)	23,773
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	**—**	—	—
Adjusted EBITDA (non-GAAP)	**$ 8,846**	$ 10,403	$ (1,557)	**$ 19,238**	$ 21,717	$ (2,479)

[1] Includes the following items for the three months ended June 30, 2024 and 2023: (i) net (loss) income of $(7,353) and $1,639, (ii) interest expense of $9,465 and $7,378, (iii) depreciation and amortization expense of $7,359 and $7,641, (iv) acquisition and transaction expenses of $31 and $237, (v) changes in fair value of non-hedge derivative instruments of $(3,875) and $(7,963), (vi) equity-based compensation of $1 and $1, (vii) asset impairment of $163 and $—, (viii) equity method basis adjustments of $16 and $— and (ix) other non-recurring items of $478 and $—, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) net (loss) income of $(14,406) and $9,400, (ii) interest expense of $18,675 and $14,612, (iii) depreciation and amortization expense of $11,808 and $12,981, (iv) acquisition and transaction expenses of $50 and $257, (v) changes in fair value of non-hedge derivative instruments of $(1,822) and $(17,810), (vi) equity-based compensation of $2 and $2, (vii) asset impairment of $250 and $—, (viii) equity method basis adjustments of $32 and $— and (ix) other non-recurring items of $478 and $—, respectively.

Expenses

Total expenses increased $0.5 million and $0.8 million during the three and six months ended June 30, 2024, respectively, which primarily relates to an increase in professional fees.

Other (expense) income

Total other expense increased $7.7 million during the three months ended June 30, 2024 which reflects:

- an increase in equity in losses of unconsolidated entities of $9.0 million, primarily due to decrease in unrealized gains on power swaps at Long Ridge; partially offset by
- an increase in other income of $1.2 million due to interest income from an increased loan balance under the loan agreement between the Company and Long Ridge Energy & Power LLC.

Total other expense increased $21.4 million during the six months ended June 30, 2024 which reflects:

- an increase in equity in losses of unconsolidated entities of $23.8 million, primarily due to decrease in unrealized gains on power swaps at Long Ridge; partially offset by
- an increase in other income of $2.3 million due to interest income from an increased loan balance under the loan agreement between the Company and Long Ridge Energy & Power LLC.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA decreased $1.6 million and $2.5 million during the three and six months ended June 30, 2024, respectively, due to a decrease in the pro-rata share of adjusted EBITDA from unconsolidated entities of $2.6 million and $4.4 million, respectively, and the changes noted above.

Sustainability and Energy Transition Segment

The following table presents our results of operations:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Revenues						
Other revenue	**$ —**	$ —	$ —	**$ —**	$ —	$ —
Total revenues	**—**	—	—	**—**	—	—
Expenses						
Operating expenses	**7**	28	(21)	**7**	29	(22)
Acquisition and transaction expenses	**—**	—	—	**—**	1	(1)
Total expenses	**7**	28	(21)	**7**	30	(23)
Other (expense) income						
Equity in losses of unconsolidated entities	**(5,464)**	(3,277)	(2,187)	**(10,338)**	(6,693)	(3,645)
Other income	**290**	620	(330)	**950**	1,227	(277)
Total other expense	**(5,174)**	(2,657)	(2,517)	**(9,388)**	(5,466)	(3,922)
Net loss attributable to stockholders	**$ (5,181)**	$ (2,685)	$ (2,496)	**$ (9,395)**	$ (5,496)	$ (3,899)

The following table sets forth a reconciliation of net loss attributable to stockholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Net loss attributable to stockholders	**$ (5,181)**	$ (2,685)	$ (2,496)	**$ (9,395)**	$ (5,496)	$ (3,899)
Add: Provision for income taxes	**—**	—	—	**—**	—	—
Add: Equity-based compensation expense	**—**	—	—	**—**	—	—
Add: Acquisition and transaction expenses	**—**	—	—	**—**	1	(1)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	**—**	—	—
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	—	—
Add: Asset impairment charges	**—**	—	—	**—**	—	—
Add: Incentive Allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense	**—**	—	—	**—**	—	—
Add: Interest expense	**—**	—	—	**—**	—	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities[1]	**(3,067)**	(2,040)	(1,027)	**(5,586)**	(4,356)	(1,230)
Add: Dividends and accretion of redeemable preferred stock	**—**	—	—	**—**	—	—
Add: Interest and other costs on pension and OPEB liabilities	**—**	—	—	**—**	—	—
Add: Other non-recurring items	**—**	—	—	**—**	—	—
Less: Equity in losses of unconsolidated entities	**5,464**	3,277	2,187	**10,338**	6,693	3,645
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	**—**	—	—
Adjusted EBITDA (non-GAAP)	**$ (2,784)**	$ (1,448)	$ (1,336)	**$ (4,643)**	$ (3,158)	$ (1,485)

(1) Includes the following items for the three months ended June 30, 2024 and 2023: (i) net loss of $(5,463) and $(3,280), (ii) interest expense of $1,705 and $914 and (iii) depreciation and amortization expense of $691 and $326, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) net loss of $(10,337) and $(6,699), (ii) interest expense of $3,379 and $1,691 and (iii) depreciation and amortization expense of $1,372 and $652, respectively.

Other expense

Total other expense increased $2.5 million and $3.9 million during the three and six months ended June 30, 2024, respectively, which reflects changes in equity in losses of unconsolidated entities primarily due to higher operating losses at GM-FTAI Holdco LLC.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA decreased $1.3 million and $1.5 million during the three and six months ended June 30, 2024, respectively, primarily due to the changes noted above.

Corporate and Other

The following table presents our results of operations:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Revenues						
Roadside services revenues	**$ 14,213**	$ 18,235	$ (4,022)	**$ 27,741**	$ 36,085	$ (8,344)
Total revenues	**14,213**	18,235	(4,022)	**27,741**	36,085	(8,344)
Expenses						
Operating expenses	**13,614**	18,551	(4,937)	**27,352**	36,699	(9,347)
General and administrative	**2,840**	3,702	(862)	**7,701**	6,903	798
Acquisition and transaction expenses	**362**	367	(5)	**1,102**	430	672
Management fees and incentive allocation to affiliate	**2,776**	3,084	(308)	**5,777**	6,066	(289)
Depreciation and amortization	**523**	742	(219)	**1,258**	1,662	(404)
Total expenses	**20,115**	26,446	(6,331)	**43,190**	51,760	(8,570)
Other income (expense)						
Equity in earnings of unconsolidated entities	**12**	13	(1)	**21**	34	(13)
Interest expense	**(18,160)**	(14,373)	(3,787)	**(36,241)**	(28,194)	(8,047)
Total other expense	**(18,148)**	(14,360)	(3,788)	**(36,220)**	(28,160)	(8,060)
Loss before income taxes	**(24,050)**	(22,571)	(1,479)	**(51,669)**	(43,835)	(7,834)
(Benefit from) provision for income taxes	**(188)**	(89)	(99)	**1,215**	730	485
Net loss	**(23,862)**	(22,482)	(1,380)	**(52,884)**	(44,565)	(8,319)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**—**	(1)	1	**—**	(229)	229
Less: Dividends and accretion of redeemable preferred stock	**17,610**	15,257	2,353	**34,585**	29,827	4,758
Net loss attributable to stockholders	**$ (41,472)**	$ (37,738)	$ (3,734)	**$ (87,469)**	$ (74,163)	$ (13,306)

The following table sets forth a reconciliation of net loss attributable to stockholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Net loss attributable to stockholders	**$ (41,472)**	$ (37,738)	$ (3,734)	**$ (87,469)**	$ (74,163)	$ (13,306)
Add: (Benefit from) provision for income taxes	**(188)**	(89)	(99)	**1,215**	730	485
Add: Equity-based compensation expense	**274**	80	194	**274**	80	194
Add: Acquisition and transaction expenses	**362**	367	(5)	**1,102**	430	672
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	**—**	—	—
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	—	—
Add: Asset impairment charges	**—**	—	—	**—**	—	—
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense	**523**	742	(219)	**1,258**	1,662	(404)
Add: Interest expense	**18,160**	14,373	3,787	**36,241**	28,194	8,047
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities (1)	**(10)**	(7)	(3)	**(16)**	(10)	(6)
Add: Dividends and accretion of redeemable preferred stock	**17,610**	15,257	2,353	**34,585**	29,827	4,758
Add: Interest and other costs on pension and OPEB liabilities	**—**	—	—	**—**	—	—
Add: Other non-recurring items	**—**	—	—	**—**	—	—
Less: Equity in earnings of unconsolidated entities	**(12)**	(13)	1	**(21)**	(34)	13
Less: Non-controlling share of Adjusted EBITDA (2)	**—**	—	—	**—**	(260)	260
Adjusted EBITDA (non-GAAP)	**$ (4,753)**	$ (7,028)	$ 2,275	**$ (12,831)**	$ (13,544)	$ 713

(1) Includes the following items for the three months ended June 30, 2024 and 2023: (i) net loss of $(22) and $(19) and (ii) interest expense of $12 and $12, respectively. Includes the following items for the six months ended June 30, 2024 and 2023: (i) net loss of $(37) and $(43) and (ii) interest expense of $21 and $33, respectively.

(2) Includes the following item for the six months ended June 30, 2023: (i) depreciation and amortization expense of $260.

Revenues

Total revenues decreased $4.0 million and $8.3 million during the three and six months ended June 30, 2024, respectively, primarily due to a decrease in roadside services at FYX.

Expenses

Total expenses decreased $6.3 million during the three months ended June 30, 2024 which primarily reflects:

- a decrease in operating expenses of $4.9 million due to a decrease in roadside services at FYX;
- a decrease in depreciation and amortization expense of $0.2 million due to assets that became fully depreciated; and
- a decrease in general and administrative expenses of $0.9 million primarily due to lower professional fees.

Total expenses decreased $8.6 million during the six months ended June 30, 2024 which primarily reflects:

- a decrease in operating expenses of $9.3 million due to a decrease in roadside services at FYX; and
- a decrease in depreciation and amortization expense of $0.4 million due to assets that became fully depreciated; partially offset by
- an increase in general and administrative expenses of $0.8 million primarily due to higher professional fees; and
- an increase in acquisition and transaction expenses of $0.7 million associated with professional fees for a potential acquisition.

Other expense

Total other expense increased $3.8 million and $8.1 million during the three and six months ended June 30, 2024, respectively, which primarily reflects an increase in interest expense due to the additional issuance of the Senior Notes due 2027 in July 2023.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased $2.3 million and $0.7 million during the three and six months ended June 30, 2024, respectively, primarily due to the changes noted above.

Liquidity and Capital Resources

We believe we have sufficient liquidity to satisfy our cash needs; however, we continue to evaluate and take action, as necessary, to preserve adequate liquidity and ensure that our business can continue to operate during these uncertain times. This includes limiting discretionary spending across the organization and re-prioritizing our capital projects.

Our principal uses of liquidity have been and continue to be (i) acquisitions of and investments in infrastructure assets, (ii) expenses associated with our operating activities and (iii) debt service obligations associated with our investments.

- Cash used for the purpose of making investments was $52.8 million and $95.5 million during the six months ended June 30, 2024 and 2023, respectively.
- Uses of liquidity associated with our operating expenses are captured on a net basis in our cash flows from operating activities. Uses of liquidity associated with our debt obligations are captured in our cash flows from financing activities.

Our principal sources of liquidity to fund these uses have been and continue to be (i) cash and restricted cash on hand as of June 30, 2024, (ii) revenues from our infrastructure business net of operating expenses, (iii) proceeds from borrowings and (iv) proceeds from asset sales.

- Cash flows used in operating activities were $21.5 million and $16.9 million during the six months ended June 30, 2024 and 2023, respectively.
- During the six months ended June 30, 2024, additional borrowings were obtained in connection with the (i) Jefferson Credit Agreement of $75.0 million and (ii) Series 2024 Bond Offering of $382.3 million. In June 2024, we used a portion of the net proceeds from the Series 2024 Bonds to (i) repay the Jefferson Credit Agreement of $75.0 million, (ii) fund the $108.0 million for the Tender Offer and (iii) refinance the Taxable Series 2020B Bonds of $79.1 million during the six months ended June 30, 2024. During the six months ended June 30, 2023, additional borrowings were obtained in connection with the (i) Transtar Revolver of $40.0 million, (ii) Credit Agreement of $25.0 million and (iii) EB-5 Loan Agreement of $1.6 million. We did not make any principal repayments of debt during the six months ended June 30, 2023.
- Proceeds from the sale of assets were $0.1 million and $1.1 million during the six months ended June 30, 2024 and 2023, respectively.

We are currently evaluating several potential transactions and related financings, including, but not limited to, providing for increased debt capacity at certain of our subsidiaries, which could occur within the next 12 months. None of these transactions, negotiations or financings are definitive or included within our planned liquidity needs. We cannot assure if or when any such transaction will be consummated or the terms of any such transaction.

Historical Cash Flow

Comparison of the six months ended June 30, 2024 and 2023

The following table compares the historical cash flow for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
(in thousands)	**2024**	**2023**
Cash Flow Data:		
Net cash used in operating activities	**$ (21,470)**	$ (16,931)
Net cash used in investing activities	**(52,652)**	(94,356)
Net cash provided by financing activities	**173,108**	59,128

Net cash used in operating activities increased $4.5 million, which primarily reflects certain adjustments to reconcile net loss to cash used in operating activities including (i) an increase in net loss of $28.7 million and (ii) changes in working capital of $16.4 million, partially offset by (i) an increase in equity in losses of unconsolidated entities of $27.4 million, (ii) an increase in equity-based compensation of $2.6 million, (iii) an increase in amortization of deferred financing costs of $1.5 million and (iv) an increase in loss on modification or extinguishment of debt of $9.2 million.

Net cash used in investing activities decreased $41.7 million, primarily due to (i) a decrease in the acquisition of property, plant and equipment of $38.3 million and (ii) a decrease in the acquisition of consolidated subsidiaries of $4.4 million, partially offset by a decrease in proceeds from the sale of property, plant and equipment of $0.9 million.

Net cash provided by financing activities increased $114.0 million, primarily due to (i) an increase in proceeds from debt of $383.1 million, partially offset by (i) an increase in repayment of debt of $242.0 million, (ii) an increase in settlement of equity-based compensation of $3.1 million, (iii) an increase in distributions to non-controlling interests of $15.0 million and (iv) an increase in payment of financing costs of $8.8 million.

Debt Obligations

Refer to Note 7 of the consolidated financial statements for additional information.

Contractual Obligations

Our material cash requirements include the following contractual and other obligations:

Debt Obligations—As of June 30, 2024, we had outstanding principal and interest payment obligations of $1.6 billion and $0.6 billion, respectively, of which, there is no principal payment due and $106.4 million of interest payments due within the next twelve months. See Note 7 to the consolidated financial statements for additional information about our debt obligations.

Lease Obligations—As of June 30, 2024, we had outstanding operating and finance lease obligations of $164.9 million, of which $8.3 million is due within the next twelve months.

Redeemable Preferred Stock Obligations—We have dividend payments of $60.9 million due on our redeemable preferred stock within the next twelve months with an option to paid-in-kind dividends at a higher interest rate and to defer payment for twelve months. See Note 15 for additional information related to our preferred stock obligations.

Other Cash Requirements—In addition to our contractual obligations, we intend to pay quarterly cash dividends on our common stock, which are subject to change at the discretion of our board of directors.

We expect to meet our future short-term liquidity requirements through cash on hand, unused borrowing capacity or future financings and net cash provided by our current operations. We expect that our operating subsidiaries will generate sufficient cash flow to cover operating expenses and the payment of principal and interest on our indebtedness as they become due. We may elect to meet certain long-term liquidity requirements or to continue to pursue strategic opportunities through utilizing cash on hand, cash generated from our current operations and the issuance of securities in the future. Management believes adequate capital and borrowings are available from various sources to fund our commitments to the extent required.

Critical Accounting Estimates and Policies

Goodwill—Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets associated with the acquisition of Jefferson Terminal, Transtar and FYX. As of December 31, 2023, the carrying amount of goodwill within the Jefferson Terminal, Railroad and Corporate and Other segments was $122.7 million, $147.2 million, and $5.4 million, respectively.

We review the carrying values of goodwill at least annually to assess impairment since these assets are not amortized. An annual impairment review is conducted as of October 1st of each year. Additionally, we review the carrying value of goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment.

For an annual goodwill impairment assessment, an optional qualitative analysis may be performed. If the option is not elected or if it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a goodwill impairment test is performed to identify potential goodwill impairment and measure an impairment loss.

A goodwill impairment assessment compares the fair value of a respective reporting unit with its carrying amount, including goodwill. The estimate of fair value of the respective reporting unit is based on the best information available as of the date of assessment, which primarily incorporates certain factors including our assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. If the estimated fair value of the reporting unit is less than the carrying amount, a goodwill impairment is recorded to the extent that the carrying value of the reporting unit exceeds the fair value.

As of October 1, 2023, for our Jefferson Terminal reporting unit, we completed a quantitative analysis. We estimate the fair value of Jefferson Terminal using an income approach, specifically a discounted cash flow analysis. This analysis requires us to make significant assumptions and estimates about the forecasted revenue growth rates, EBITDA margins, capital expenditures and discount rates. The estimates and assumptions used consider historical performance if indicative of future performance and are consistent with the assumptions used in determining future profit plans for the reporting units.

In connection with our impairment analysis, although we believe the estimates of fair value are reasonable, the determination of certain valuation inputs is subject to management's judgment. Changes in these inputs, including as a result of events beyond our control, could materially affect the results of the impairment review. If the forecasted cash flows or other key inputs are negatively revised in the future, the estimated fair value of the reporting unit could be adversely impacted, potentially leading to an impairment in the future that could materially affect our operating results. The Jefferson Terminal reporting unit had an estimated fair value that exceeded its carrying value by more than 10% but less than 20% as of October 1, 2023. The Jefferson Terminal reporting unit forecasted revenue is dependent on the ramp up of volumes under current and expected future contracts for storage and throughput of heavy and light crude and refined products, expansion of refined product distribution to Mexico, expansion of volumes and execution of contracts related to sustainable fuels and movements in future oil spreads. At October 1, 2023, approximately 6.2 million barrels of storage was operational. Our discount rate for our 2023 goodwill impairment analysis was 10.3% and our assumed terminal growth rate was 2.5%. If our strategy changes from planned capacity downward due to an inability to source contracts or expand volumes, the fair value of the reporting unit would be negatively affected, which could lead to an impairment. The expansion of refineries in the Beaumont/Port Arthur area, as well as growing crude oil and natural gas production in the U.S. and Canada, are expected to result in increased demand for storage on the U.S. Gulf Coast. Although we do not have significant direct exposure to volatility of crude oil prices, changes in crude oil pricing that affect long term refining planned output could impact Jefferson Terminal operations.

We expect the Jefferson Terminal reporting unit to continue to generate positive Adjusted EBITDA in future years. Further delays in executing anticipated contracts or achieving our projected volumes could adversely affect the fair value of the reporting unit.

There was no impairment of goodwill for the year ended December 31, 2023.

Recent Accounting Pronouncements

The Company has reviewed recently issued accounting pronouncements and concluded that such pronouncements are either not applicable to the Company or no material impact is expected in the consolidated financial statements as a result of future adoption.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of changes in value of a financial instrument, caused by fluctuations in interest rates and foreign exchange rates. Changes in these factors could cause fluctuations in our results of operations and cash flows. We are exposed to the market risks described below.

Interest Rate Risk

Interest rate risk is the exposure to loss resulting from changes in the level of interest rates and the spread between different interest rates. Interest rate risk is highly sensitive to many factors, including the U.S. government's monetary and tax policies, global economic factors and other factors beyond our control. We are exposed to changes in the level of interest rates and to changes in the relationship or spread between interest rates. Our primary interest rate exposure relates to our term loan arrangements.

Indices which are deemed “benchmarks” are the subject of recent national, international, and other regulatory guidance and proposals for reform. We are monitoring related reform proposals and evaluating the related risks; however, it is not possible to predict the effects of any of these developments, and any future initiatives to regulate, reform or change the manner of administration of benchmark indices could result in adverse consequences to the rate of interest payable and receivable on, market value of and market liquidity for financial instruments tied to variable interest rate indices.

Some of our borrowing agreements require payments based on a variable interest rate index, such as Secured Overnight Financing Rate (“SOFR”). Therefore, to the extent our borrowing costs are not fixed, increases in interest rates may reduce our net income by increasing the cost of our debt without any corresponding increase in rents or cash flow from our leases. We may elect to manage our exposure to interest rate movements through the use of interest rate derivatives (interest rate swaps and caps).

The following discussion about the potential effects of changes in interest rates is based on a sensitivity analysis, which models the effects of hypothetical interest rate shifts on our financial condition and results of operations. Although we believe a sensitivity analysis provides the most meaningful analysis permitted by the rules and regulations of the SEC, it is constrained by several factors, including the necessity to conduct the analysis based on a single point in time and by the inability to include the extraordinarily complex market reactions that normally would arise from the market shifts modeled. Although the following results of a sensitivity analysis for changes in interest rates may have some limited use as a benchmark, they should not be viewed as a forecast. This forward-looking disclosure also is selective in nature and addresses only the potential interest expense impacts on our financial instruments It also does not include a variety of other potential factors that could affect our business as a result of changes in interest rates.

As of June 30, 2024, assuming we do not hedge our exposure to interest rate fluctuations related to our outstanding floating rate debt, a hypothetical 100-basis point increase/decrease in our variable interest rate on our borrowings would result in an increase of approximately $0.4 million or a decrease of approximately $0.4 million in interest expense over the next 12 months.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)). Based upon the evaluation of our disclosure controls and procedures as of June 30, 2024, and due to the material weakness in our internal control over financial reporting described in Management’s Report on Internal Control over Financial Reporting included in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission on March 27, 2024, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were not effective.

Internal Control over Financial Reporting

No change other than certain remediation efforts related to our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have made no significant changes in our remediation plans during the six months ended June 30, 2024 that could materially affect, or are reasonably likely to materially affect, our internal control over financial reporting. For further information with regard to our “Remediation Plans,” please refer to Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission on March 27, 2024.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are and may become involved in legal proceedings, including but not limited to regulatory investigations and inquiries, in the ordinary course of our business. Although we are unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, we do not expect our current and any threatened legal proceedings to have a material adverse effect on our business, financial position or results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material adverse effect on our financial results.

Item 1A. Risk Factors

You should carefully consider the following risks and other information in this Form 10-Q in evaluating us and our common stock. Any of the following risks, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations or financial condition. The risk factors generally have been separated into the following groups: risks related to our business, risks related to our capital structure, risks related to our Manager, risks related to the spin-off and risks related to our common stock. However, these categories do overlap and should not be considered exclusive.

Risks Related to Our Business

We have limited operating history as an independent company and may not be able to successfully operate our business strategy, generate sufficient revenue to make or sustain distributions to our stockholders or meet our contractual commitments.

We have limited experience operating as an independent company and cannot assure you that we will be able to successfully operate our business or implement our operating policies and strategies as described in this report. The timing, terms, price and form of consideration that we pay in future transactions may vary meaningfully from prior transactions.

As a newly independent public company, there can be no assurance that we will be able to generate sufficient returns to pay our operating expenses and make or sustain distributions to our stockholders, or any distributions at all, or meet our contractual commitments. Our results of operations, ability to make or sustain distributions to our stockholders or meet our contractual commitments depend on several factors, including the availability of opportunities to acquire attractive assets, the level and volatility of interest rates, the availability of adequate short- and long-term financing, the financial markets and economic conditions.

The historical financial information included in this report may not be indicative of the results we would have achieved as a separate stand-alone company and are not a reliable indicator of our future performance or results.

We did not operate as a separate, stand-alone company for the entirety of the historical periods presented in the financial information included in this report. During such periods, the financial information included in this report has been derived from FTAI's historical financial statements. Therefore, the financial information in this report does not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a separate, stand-alone public company prior to our spin-off from FTAI. This is primarily a result of the following factors:

- the financial results in this report do not reflect all of the expenses we will incur as a public company;
- the working capital requirements and capital for general corporate purposes for our assets were satisfied prior to the spin-off as part of FTAI's corporate-wide cash management policies. FTAI is not required, and does not intend, to provide us with funds to finance our working capital or other cash requirements, so we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements; and
- our cost structure, management, financing and business operations will be significantly different as a result of operating as an independent public company. These changes result in increased costs, including, but not limited to, fees paid to our Manager, legal, accounting, compliance and other costs associated with being a public company with equity securities traded on Nasdaq.

Uncertainty relating to macroeconomic conditions may reduce the demand for our assets, limit our ability to obtain additional capital to finance new investments or refinance existing debt, or have other unforeseen negative effects.

Uncertainty and negative trends in general economic conditions in the United States and abroad, including significant tightening of credit markets and commodity price volatility, historically have created difficult operating environments for owners and operators in the infrastructure industry. Many factors, including factors that are beyond our control, may impact our operating results or financial condition. For some years, the world has experienced weakened economic conditions and volatility following adverse changes in global capital markets. Volatility in oil and gas markets can put significant upward or downward pressure on prices for these commodities, and may affect demand for assets used in production, refining and transportation of oil and gas. In the past, a significant decline in oil prices has led to lower production and transportation budgets worldwide. These conditions have resulted in significant contraction, deleveraging and reduced liquidity in the credit markets. A number of governments have implemented, or are considering implementing, a broad variety of governmental actions or new regulations for the financial markets. In addition, limitations on the availability of capital, higher costs of capital for financing expenditures or the desire to preserve liquidity, may cause our current or prospective customers to make reductions in future capital budgets and spending.

The industries in which we operate have experienced periods of oversupply during which asset values have declined, particularly during the most recent economic downturn, and any future oversupply could materially adversely affect our results of operations and cash flows.

The oversupply of a specific asset is likely to depress the value of our assets and result in decreased utilization of our assets, and the industries in which we operate have experienced periods of oversupply during which asset values have declined, particularly during the most recent economic downturn. Factors that could lead to such oversupply include, without limitation:

- general demand for the type of assets that we purchase;
- general macroeconomic conditions, including market prices for commodities that our assets may serve;
- geopolitical events, including war, prolonged armed conflict and acts of terrorism;
- outbreaks of communicable diseases and natural disasters;
- governmental regulation;
- interest rates;
- the availability of credit;
- restructurings and bankruptcies of companies in the industries in which we operate, including our customers;
- manufacturer production levels and technological innovation;
- manufacturers merging or exiting the industry or ceasing to produce certain asset types;
- retirement and obsolescence of the assets that we own;
- increases in supply levels of assets in the market due to the sale or merging of our customers; and
- reintroduction of previously unused or dormant assets into the industries in which we operate.

These and other related factors are generally outside of our control and could lead to persistence of, or increase in, the oversupply of the types of assets that we acquire or decreased utilization of our assets, either of which could materially adversely affect our results of operations and cash flows.

There can be no assurance that any target returns will be achieved.

Our target returns for assets are targets only and are not forecasts of future profits. We develop target returns based on our Manager’s assessment of appropriate expectations for returns on assets and the ability of our Manager to enhance the return generated by those assets through active management. There can be no assurance that these assessments and expectations will be achieved and failure to achieve any or all of them may materially adversely impact our ability to achieve any target return with respect to any or all of our assets.

In addition, our target returns are based on estimates and assumptions regarding a number of other factors, including, without limitation, holding periods, the absence of material adverse events affecting specific investments (which could include, without limitation, natural disasters, terrorism, social unrest or civil disturbances), general and local economic and market conditions, changes in law, taxation, regulation or governmental policies and changes in the political approach to infrastructure investment, either generally or in specific countries in which we may invest or seek to invest. Many of these factors, as well as the other risks described elsewhere in this report, are beyond our control and all could adversely affect our ability to achieve a target return with respect to an asset. Further, target returns are targets for the return generated by specific assets and not by us. Numerous factors could prevent us from achieving similar returns, notwithstanding the performance of individual assets, including, without limitation, taxation and fees payable by us or our operating subsidiaries, including fees and incentive allocation payable to our Manager.

There can be no assurance that the returns generated by any of our assets will meet our target returns, or any other level of return, or that we will achieve or successfully implement our asset acquisition objectives, and failure to achieve the target return in respect of any of our assets could, among other things, have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, even if the returns generated by individual assets meet target returns, there can be no assurance that the returns generated by other existing or future assets would do so, and the historical performance of the assets in our existing portfolio should not be considered as indicative of future results with respect to any assets.

Contractual defaults may adversely affect our business, prospects, financial condition, results of operations and cash flows by decreasing revenues and increasing storage, positioning, collection, recovery and lost equipment expenses.

The success of our business depends in large part on the success of the operators in the sectors in which we participate. Cash flows from our assets are substantially impacted by our ability to collect compensation and other amounts to be paid in respect of such assets from the customers with whom we enter into contractual arrangements. Inherent in the nature of the arrangements for the use of such assets is the risk that we may not receive, or may experience delay in realizing, such amounts to be paid. While we target the entry into contracts with credit-worthy counterparties, no assurance can be given that such counterparties will perform their obligations during the term of the contractual arrangement. In addition, when counterparties default, we may fail to recover all of our assets, and the assets we do recover may be returned in damaged condition or to locations where we will not be able to efficiently use or sell them.

If we acquire a high concentration of a particular type of asset, or concentrate our investments in a particular sector, our business, prospects, financial condition, results of operations and cash flows could be adversely affected by changes in market demand or problems specific to that asset or sector.

If we acquire a high concentration of a particular asset, or concentrate our investments in a particular sector, our business and financial results could be adversely affected by sector-specific or asset-specific factors. Furthermore, as a result of the spin-off transaction, our assets are focused on infrastructure and we do not have any interest in FTAI's aviation assets, which limits the diversity of our portfolio. Any decrease in the value and rates of our assets may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We may not generate a sufficient amount of cash or generate sufficient free cash flow to fund our operations or repay our indebtedness.

Our ability to make payments on our indebtedness as required depends on our ability to generate cash flow in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we do not generate sufficient free cash flow to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot provide assurance that any refinancing would be possible, that any assets could be sold, or, if sold, of the timeliness and amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the finance and credit markets. Our inability to generate sufficient free cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would materially affect our business, financial condition and results of operations.

We operate in highly competitive markets.

The business of acquiring infrastructure assets is highly competitive. Market competition for opportunities includes traditional infrastructure companies, commercial and investment banks, as well as a growing number of non-traditional participants, such as hedge funds, private equity funds and other private investors, including Fortress-related entities. Some of these competitors may have access to greater amounts of capital and/or to capital that may be committed for longer periods of time or may have different return thresholds than us, and thus these competitors may have certain advantages not shared by us. In addition, competitors may have incurred, or may in the future incur, leverage to finance their debt investments at levels or on terms more favorable than those available to us. Strong competition for investment opportunities could result in fewer such opportunities for us, as certain of these competitors have established and are establishing investment vehicles that target the same types of assets that we intend to purchase.

In addition, some of our competitors may have longer operating histories, greater financial resources and lower costs of capital than us, and consequently, may be able to compete more effectively in one or more of our target markets. We likely will not always be able to compete successfully with our competitors and competitive pressures or other factors may also result in significant price competition, particularly during industry downturns, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The values of our assets may fluctuate due to various factors.

The fair market values of our assets may decrease or increase depending on a number of factors, including general economic and market conditions affecting our target markets, type and age of assets, supply and demand for assets, competition, new governmental or other regulations and technological advances, all of which could impact our profitability and our ability to develop, operate, or sell such assets. In addition, our assets depreciate as they age and may generate lower revenues and cash flows. We must be able to replace such older, depreciated assets with newer assets, or our ability to maintain or increase our revenues and cash flows will decline. In addition, if we dispose of an asset for a price that is less than the depreciated book value of the asset on our balance sheet or if we determine that an asset's value has been impaired, we will recognize a related charge in our Consolidated Statements of Operations and such charge could be material.

We may acquire operating businesses, including businesses whose operations are not fully matured and stabilized. These businesses may be subject to significant operating and development risks, including increased competition, cost overruns and delays, and difficulties in obtaining approvals or financing. These factors could materially affect our business, financial condition, liquidity and results of operations.

We received in the spin-off, and may in the future acquire, operating businesses, including businesses whose operations are not fully matured and stabilized (including, but not limited to, our businesses within the Railroad, Jefferson Terminal, Repauno, Power and Gas, and Sustainability and Energy Transition segments). While our Manager has deep experience in the construction and operation of these companies, we are nevertheless subject to significant risks and contingencies of an operating business, and these risks are greater where the operations of such businesses are not fully matured and stabilized. Key factors that may affect our operating businesses include, but are not limited to:

- competition from market participants;
- general economic and/or industry trends, including pricing for the products or services offered by our operating businesses;
- the issuance and/or continued availability of necessary permits, licenses, approvals and agreements from governmental agencies and third parties as are required to construct and operate such businesses;
- changes or deficiencies in the design or construction of development projects;
- unforeseen engineering, environmental or geological problems;
- potential increases in construction and operating costs due to changes in the cost and availability of fuel, power, materials and supplies;
- the availability and cost of skilled labor and equipment;
- our ability to enter into additional satisfactory agreements with contractors and to maintain good relationships with these contractors in order to construct development projects within our expected cost parameters and time frame, and the ability of those contractors to perform their obligations under the contracts and to maintain their creditworthiness;
- potential liability for injury or casualty losses which are not covered by insurance;
- potential opposition from non-governmental organizations, environmental groups, local or other groups which may delay or prevent development activities;
- local and economic conditions;
- recent geopolitical events;
- changes in legal requirements; and
- force majeure events, including catastrophes and adverse weather conditions.

Any of these factors could materially affect our business, financial condition, liquidity and results of operations.

Our use of joint ventures or partnerships, and our Manager’s outsourcing of certain functions, may present unforeseen obstacles or costs.

We received in the spin-off, and may in the future acquire, interests in certain assets in cooperation with third-party partners or co-investors through jointly owned acquisition vehicles, joint ventures or other structures. In these co-investment situations, our ability to control the management of such assets depends upon the nature and terms of the joint arrangements with such partners and our relative ownership stake in the asset, each of which will be determined by negotiation at the time of the investment and the determination of which is subject to the discretion of our Manager. Depending on our Manager’s perception of the relative risks and rewards of a particular asset, our Manager may elect to acquire interests in structures that afford relatively little or no operational and/or management control to us. Such arrangements present risks not present with wholly owned assets, such as the possibility that a co-investor becomes bankrupt, develops business interests or goals that conflict with our interests and goals in respect of the assets, all of which could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

In addition, our Manager expects to utilize third-party contractors to perform services and functions related to the operation of our assets. These functions may include billing, collections, recovery and asset monitoring. Because we and our Manager do not directly control these third parties, there can be no assurance that the services they provide will be delivered at a level commensurate with our expectations, or at all. The failure of any such third-party contractors to perform in accordance with our expectations could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

We are subject to the risks and costs of obsolescence of our assets.

Technological and other improvements expose us to the risk that certain of our assets may become technologically or commercially obsolete. If we are not able to acquire new technology or are unable to implement new technology, we may suffer a competitive disadvantage. For example, as the freight transportation markets we serve continue to evolve and become more efficient, the use of certain locomotives or railcars may decline in favor of other more economic modes of transportation. If the technology we use in our lines of business is superseded, or the cost of replacing our locomotives or railcars is expensive and requires additional capital, we could experience significant cost increases and reduced availability of the assets and equipment that are necessary for our operations. Any of these risks may adversely affect our ability to sell our assets on favorable terms, if at all, which could materially adversely affect our operating results and growth prospects.

The North American rail sector is a highly regulated industry and increased costs of compliance with, or liability for violation of, existing or future laws, regulations and other requirements could significantly increase our operational costs of doing business, thereby adversely affecting our profitability.

The rail sector is subject to extensive laws, regulations and other requirements, including, but not limited to, those relating to the environment, safety, rates and charges, service obligations, employment, labor, immigration, minimum wages and overtime pay, health care and benefits, working conditions, public accessibility and other requirements. These laws and regulations are enforced by U.S. federal agencies including the U.S. Environmental Protection Agency (the "U.S. EPA"), the U.S. Department of Transportation (the "DOT"), the Occupational Safety and Health Act (the "OSHA"), the U.S. Federal Railroad Administration (the "FRA"), and the U.S. Surface Transportation Board (the "STB"), as well as numerous other state, provincial, local and federal agencies. Ongoing compliance with, or a violation of, these laws, regulations and other requirements could have a material adverse effect on our business, financial condition and results of operations.

We believe that our rail operations are in substantial compliance with applicable laws and regulations. However, these laws and regulations, and the interpretation or enforcement thereof, are subject to frequent change and varying interpretation by regulatory authorities, and we are unable to predict the ongoing cost to us of complying with these laws and regulations or the future impact of these laws and regulations on our operations. In addition, from time to time we are subject to inspections and investigations by various regulators. Violation of environmental or other laws, regulations and permits can result in the imposition of significant administrative, civil and criminal penalties, injunctions and construction bans or delays.

Legislation passed by the U.S. Congress or Canadian Parliament or new regulations issued by federal agencies can significantly affect the revenues, costs and profitability of our business. For instance, more recently proposed bills such as the "Rail Shipper Fairness Act of 2020," or competitive access proposals under consideration by the STB, if adopted, could increase government involvement in railroad pricing, service and operations and significantly change the federal regulatory framework of the railroad industry. Several of the changes under consideration could have a significant negative impact on the Company's ability to determine prices for rail services, meet service standards and could force a reduction in capital spending. Statutes imposing price constraints or affecting rail-to-rail competition could adversely affect the Company's profitability.

Under various U.S. federal, state, provincial and local environmental requirements, as the owner or operator of terminals or other facilities, we may be liable for the costs of removal or remediation of contamination at or from our existing locations, whether we knew of, or were responsible for, the presence of such contamination. The failure to timely report and properly remediate contamination may subject us to liability to third parties and may adversely affect our ability to sell or rent our property or to borrow money using our property as collateral. Additionally, we may be liable for the costs of remediating third-party sites where hazardous substances from our operations have been transported for treatment or disposal, regardless of whether we own or operate that site. In the future, we may incur substantial expenditures for investigation or remediation of contamination that has not yet been discovered at our current or former locations or locations that we may acquire.

A discharge of hydrocarbons or hazardous substances into the environment associated with operating our rail assets could subject us to substantial expense, including the cost to recover the materials spilled, restore the affected natural resources, pay fines and penalties, and natural resource damages and claims made by employees, neighboring landowners, government authorities and other third parties, including for personal injury and property damage. We may experience future catastrophic sudden or gradual releases into the environment from our facilities or discover historical releases that were previously unidentified or not assessed. Although our inspection and testing programs are designed to prevent, detect and address any such releases promptly, the liabilities incurred due to any future releases into the environment from our assets, have the potential to substantially affect our business. Such events could also subject us to media and public scrutiny that could have a negative effect on our operations and also on the value of our common stock.

Our business could be adversely affected if service on the railroads is interrupted or if more stringent regulations are adopted regarding railcar design or the transportation of crude oil by rail.

As a result of hydraulic fracturing and other improvements in extraction technologies, there has been a substantial increase in the volume of crude oil and liquid hydrocarbons produced and transported in North America, and a geographic shift in that production versus historical production. The increase in volume and shift in geography has resulted in increased pipeline congestion and a corresponding growth in crude oil being transported by rail from Canada and across the U.S. High-profile accidents involving crude-oil-carrying trains in Quebec, North Dakota and Virginia, and more recently in Saskatchewan, West Virginia and Illinois, have raised concerns about derailments and the environmental and safety risks associated with crude oil transport by rail and the associated risks arising from railcar design. In Canada, the transport of hazardous products is receiving greater scrutiny which could impact our customers and our business.

In May 2015, the DOT issued new production standards and operational controls for rail tank cars used in "High-Hazard Flammable Trains" (i.e., trains carrying commodities such as ethanol, crude oil and other flammable liquids). Similar standards have been adopted in Canada. The new standard applies for all cars manufactured after October 1, 2015, and existing tank cars must be retrofitted within the next three to eight years. The applicable operational controls include reduced speed restrictions, and maximum lengths on trains carrying these materials. Retrofitting our tank cars will be required under these new standards to the extent we elect to move certain flammable liquids in the future. While we may be able to pass some of these costs on to our customers, there may be costs that we cannot pass on to them. We continue to monitor the railcar regulatory landscape and remain in close contact with railcar suppliers and other industry stakeholders to stay informed of railcar regulation rulemaking developments. It is unclear how these regulations will impact the crude-by-rail industry, and any such impact would depend on a number of factors that are outside of our control. If, for example, overall volume of crude-by-rail decreases, or if we do not have access to a sufficient number of compliant cars to transport required volumes under our existing contracts, our operations may be negatively affected. This may lead to a decrease in revenues and other consequences.

The adoption of additional federal, state, provincial or local laws or regulations, including any voluntary measures by the rail industry regarding railcar design or crude oil and liquid hydrocarbon rail transport activities, or efforts by local communities to restrict or limit rail traffic involving crude oil, could affect our business by increasing compliance costs and decreasing demand for our services, which could adversely affect our financial position and cash flows. Moreover, any disruptions in the operations of railroads, including those due to shortages of railcars, weather-related problems, flooding, drought, accidents, mechanical difficulties, strikes, lockouts or bottlenecks, could adversely impact our customers' ability to move their product and, as a result, could affect our business.

We could be negatively impacted by environmental, social, and governance ("ESG") and sustainability-related matters.

Governments, investors, customers, employees and other stakeholders are increasingly focusing on corporate ESG practices and disclosures, and expectations in this area are rapidly evolving. We have announced, and may in the future announce, sustainability-focused investments, partnerships and other initiatives and goals. These initiatives, aspirations, targets or objectives reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our efforts to accomplish and accurately report on these initiatives and goals present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which could have a material negative impact, including on our reputation and stock price.

In addition, the standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Our selection of disclosure frameworks that seek to align with various voluntary reporting standards may change from time to time and may result in a lack of comparative data from period to period. Moreover, our processes and controls may not always align with evolving voluntary standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our goals or reported progress in achieving such goals. In this regard, the criteria by which our ESG practices and disclosures are assessed may change due to the quickly evolving landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. The increasing attention to corporate ESG initiatives could also result in increased investigations and litigation or threats thereof. If we are unable to satisfy such new criteria, investors may conclude that our ESG and sustainability practices are inadequate. If we fail or are perceived to have failed to achieve previously announced initiatives or goals or to accurately disclose our progress on such initiatives or goals, our reputation, business, financial condition and results of operations could be adversely impacted.

We transport hazardous materials.

We transport certain hazardous materials and other materials, including crude oil, ethanol, and toxic inhalation hazard ("TIH") materials, such as chlorine, that pose certain risks in the event of a release or combustion. Additionally, U.S. laws impose common carrier obligations on railroads that require us to transport certain hazardous materials regardless of risk or potential exposure to loss. In addition, insurance premiums charged for, or the self-insured retention associated with, some or all of the coverage currently maintained by us could increase dramatically or certain coverage may not be available to us in the future if there is a catastrophic event related to rail transportation of these materials. A rail accident or other incident or accident on our network, at our facilities, or at the facilities of our customers involving the release or combustion of hazardous materials could involve significant costs and claims for personal injury, property damage, and environmental penalties and remediation in excess of our insurance coverage for these risks, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

We may be affected by fluctuating prices for fuel and energy.

Volatility in energy prices could have a significant effect on a variety of items including, but not limited to: the economy; demand for transportation services; business related to the energy sector, including the production and processing of crude oil, natural gas, and coal; fuel prices; and, fuel surcharges. Particularly in our rail business, fuel costs constitute a significant portion of our expenses. Diesel fuel prices and availability can be subject to dramatic fluctuations, and significant price increases could have a material adverse effect on our operating results. If a severe fuel supply shortage arose from production curtailments, disruption of oil imports or domestic oil production, disruption of domestic refinery production, damage to refinery or pipeline infrastructure, political unrest, war, terrorist attack or otherwise, diesel fuel may not be readily available and may be subject to rationing regulations. Currently, we receive fuel surcharges and other rate adjustments to offset fuel prices, although there may be a significant delay in our recovery of fuel costs based on the terms of the fuel surcharge program. If Class I railroads change their policies regarding fuel surcharges, the compensation we receive for increases in fuel costs may decrease, which could have a negative effect on our profitability; in fact, we cannot be certain that we will always be able to mitigate rising or elevated fuel costs through fuel surcharges at all, as future market conditions or legislative or regulatory activities could adversely affect our ability to apply fuel surcharges or adequately recover increased fuel costs through fuel surcharges.

International, political, and economic factors, events and conditions, including recent geopolitical events, may affect the volatility of fuel prices and supplies. Weather can also affect fuel supplies and limit domestic refining capacity. A severe shortage of, or disruption to, domestic fuel supplies could have a material adverse effect on our results of operations, financial condition, and liquidity. In addition, lower fuel prices could have a negative impact on commodities we process and transport, such as crude oil and petroleum products, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

Because we depend on Class I railroads for a significant portion of our operations in North America, our results of operations, financial condition and liquidity may be adversely affected if our relationships with these carriers deteriorate.

The railroad industry in the United States and Canada is dominated by seven Class I carriers that have substantial market control and negotiating leverage. In addition, Class I carriers also traditionally have been significant sources of business for us, and may be future sources of potential acquisition candidates as they divest branch lines. A decision by any of these Class I carriers to cease or re-route certain freight movements or to alter existing business relationships, including operational or relationship changes, could have a material adverse effect on our results of operations. The overall impact of any such decision would depend on which Class I carrier is involved, the routes and freight movements affected, as well as the nature of any changes.

Transtar faces competition from other railroads and other transportation providers.

Transtar faces competition from other railroads, motor carriers, ships, barges, and pipelines. We operate in some corridors served by other railroads and motor carriers. In addition to price competition, we face competition with respect to transit times, quality, and reliability of service from motor carriers and other railroads. Motor carriers in particular can have an advantage over railroads with respect to transit times and timeliness of service. However, railroads are much more fuel-efficient than trucks, which reduces the impact of transporting goods on the environment and public infrastructure. Additionally, we must build or acquire and maintain our rail system, while trucks, barges, and maritime operators are able to use public rights-of-way maintained by public entities. Any of the following could also affect the competitiveness of our rail services, which could have a material adverse effect on our results of operations, financial condition, and liquidity: (i) improvements or expenditures materially increasing the quality or reducing the costs of these alternative modes of transportation, such as autonomous or more fuel efficient trucks, (ii) legislation that eliminates or significantly increases the size or weight limitations applied to motor carriers, or (iii) legislation or regulatory changes that impose operating restrictions on railroads or that adversely affect the profitability of some or all railroad traffic. Additionally, any future consolidation of the rail industry could materially affect our competitive environment.

Our assets are exposed to unplanned interruptions caused by events outside of our control which may disrupt our business and cause damage or losses that may not be adequately covered by insurance.

The operations of infrastructure projects are exposed to unplanned interruptions caused by breakdown or failure of equipment or plants, aging infrastructure, employee error or contractor or subcontractor failure, problems that delay or increase the cost of returning facilities to service after outages, limitations that may be imposed by equipment conditions or environmental, safety or other regulatory requirements, fuel supply or fuel transportation reductions or interruptions, labor disputes, difficulties with the implementation or operation of information systems, derailments, power outages, pipeline or electricity line ruptures and catastrophic events, such as hurricanes, cyclones, earthquakes, landslides, floods, explosions, fires or other disasters. Any equipment or system outage or constraint can, among other things, reduce sales, increase costs and affect the ability to meet regulatory service metrics, customer expectations and regulatory reliability and security requirements. We have in the past experienced power outages at plants which disrupted their operations and negatively impacted our revenues. We cannot assure you that similar events may not occur in the future. Operational disruption, as well as supply disruption, and increased government oversight could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in temporary or permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance, and any loss from such events may not be recoverable under relevant insurance policies. Although we believe that we are adequately insured against these types of events no assurance can be given that the occurrence of any such event will not materially adversely affect us.

We are actively evaluating potential acquisitions of assets and operating companies in other infrastructure sectors which could result in additional risks and uncertainties for our business and unexpected regulatory compliance costs.

While our existing portfolio consists of assets in the energy, port and rail sectors, we are actively evaluating potential acquisitions of assets and operating companies in other infrastructure sectors and we plan to be flexible as other attractive opportunities arise over time. To the extent we make acquisitions in other sectors, we will face numerous risks and uncertainties, including risks associated with the required investment of capital and other resources and with combining or integrating operational and management systems and controls. Entry into certain lines of business may subject us to new laws and regulations and may lead to increased litigation and regulatory risk. Many types of infrastructure assets, including certain rail and seaport assets, are subject to registration requirements by U.S. governmental agencies, as well as foreign governments if such assets are to be used outside of the United States. Failing to register the assets, or losing such registration, could result in substantial penalties, forced liquidation of the assets and/or the inability to operate and, if applicable, lease the assets. We may need to incur significant costs to comply with the laws and regulations applicable to any such new acquisition. The failure to comply with these laws and regulations could cause us to incur significant costs, fines or penalties or require the assets to be removed from service for a period of time resulting in reduced income from these assets. In addition, if our acquisitions in other sectors produce insufficient revenues, or produce investment losses, or if we are unable to efficiently manage our expanded operations, our results of operations will be adversely affected, and our reputation and business may be harmed.

Restrictive covenants in our debt agreements and the certificate of designations for our Series A Redeemable Preferred Stock may adversely affect us.

The instruments governing our outstanding debt contain, and the certificate of designations for our Series A Redeemable Preferred Stock and the indenture governing the 2027 Notes contain, certain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. For example, these covenants significantly restrict our and certain of our subsidiaries' ability to:

- incur indebtedness;
- issue equity interests of the Company ranking *pari passu* with, or senior in priority to, the Series A Redeemable Preferred Stock;
- issue equity interests of any subsidiary of the Company;
- amend or repeal the certificate of incorporation or bylaws in a manner that is adverse to the holders of the Series A Redeemable Preferred Stock;
- pay dividends or make other distributions;
- repurchase or redeem capital stock or subordinated indebtedness and make investments;
- create liens;
- incur dividend or other payment restrictions affecting the Company and certain of its subsidiaries;
- transfer or sell assets, including capital stock of subsidiaries;
- merge or consolidate with other entities or transfer all or substantially all of the Company's assets;
- take actions to cause the Company to cease to be treated as a domestic C corporation for U.S. tax purposes;
- consummate a change of control without concurrently redeeming our shares of Series A Redeemable Preferred Stock;
- amend, terminate or permit the assignment or subcontract of, or the transfer of any rights or obligations under, the Management Agreement, in order to alter the (i) scope of services in any material respect, (ii) the compensation, fee payment or other economic terms relating to the Management Agreement, or (iii) the scope of matters expressly required to be approved by the Independent Directors (as such term is defined in the Management Agreement) pursuant to the Management Agreement;
- engage in certain intercompany transactions;
- engage in certain prohibited business activities; and
- enter into transactions with affiliates.

While these covenants are subject to a number of important exceptions and qualifications, such restrictive covenants could affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities. Events beyond our control can affect our ability to comply with these covenants. If an event of default occurs, we cannot assure you that we would have sufficient assets to repay all of our obligations.

In addition, certain other debt instruments (including the Series 2020 Bonds, Series 2021 Bonds, the EB-5 loan agreements, and the Transtar Revolver) include restrictive covenants that may materially limit our ability to repay other debt or require us to achieve and maintain compliance with specified financial ratios. See "Description of Indebtedness" in the Information Statement filed with the SEC on Form 8-K on July 15, 2022.

Terrorist attacks or other hostilities could negatively impact our operations and our profitability and may expose us to liability and reputational damage.

Terrorist attacks may negatively affect our operations. Such attacks have contributed to economic instability in the United States and elsewhere, and further acts of terrorism, violence or war, including recent geopolitical events, could similarly affect world trade and the industries in which we and our customers operate. In addition, terrorist attacks or hostilities may directly impact locations where our trains and containers travel or our physical facilities or those of our customers. In addition, it is also possible that our assets could be involved in a terrorist attack or other hostilities. The consequences of any terrorist attacks or hostilities are unpredictable, and we may not be able to foresee events that could have a material adverse effect on our operations.

Our inability to obtain sufficient capital would constrain our ability to grow our portfolio and to increase our revenues.

Our business is capital intensive, and we have used and may continue to employ leverage to finance our operations. Accordingly, our ability to successfully execute our business strategy and maintain our operations depends on the availability and cost of debt and equity capital. Additionally, our ability to borrow against our assets is dependent, in part, on the appraised value of such assets. If the appraised value of such assets declines, we may be required to reduce the principal outstanding under our debt facilities or otherwise be unable to incur new borrowings.

We can give no assurance that the capital we need will be available to us on favorable terms, or at all. Our inability to obtain sufficient capital, or to renew or expand our credit facilities, could result in increased funding costs and would limit our ability to:

- meet the terms and maturities of our existing and future debt facilities;
- purchase new assets or refinance existing assets;
- fund our working capital needs and maintain adequate liquidity; and
- finance other growth initiatives.

In addition, we conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act of 1940 (the “Investment Company Act”). As such, certain forms of financing such as finance leases may not be available to us. Please see “—If we are deemed an investment company under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.”

The effects of various environmental regulations may negatively affect the industries in which we operate which could have a material adverse effect on our financial condition, results of operations and cash flows.

We are subject to federal, state and local laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites and noise and emission levels and greenhouse gas emissions. Under some environmental laws in the United States, strict liability may be imposed on the owners or operators of assets, which could render us liable for environmental and natural resource damages without regard to negligence or fault on our part. In addition, changes to environmental standards or regulations in the industries in which we operate could limit the economic life of the assets we acquire or reduce their value, and also require us to make significant additional investments in order to maintain compliance, which would negatively impact our results of operations and financial condition. In addition, a variety of new legislation is being enacted, or considered for enactment, at the federal, state and local levels relating to greenhouse gas emissions and climate change. While there has historically been a lack of consistent climate change legislation, as climate change concerns continue to grow, further legislation and regulations are expected to continue in areas such as greenhouse gas emissions control, emission disclosure requirements and building codes or other infrastructure requirements that impose energy efficiency standards. Government mandates, standards or regulations intended to mitigate or reduce greenhouse gas emissions or projected climate change impacts could result in prohibitions or severe restrictions on infrastructure development in certain areas, increased energy and transportation costs, and increased compliance expenses and other financial obligations to meet permitting or development requirements that we may be unable to fully recover (due to market conditions or other factors), any of which could result in reduced profits and adversely affect our results of operations. While we typically maintain liability insurance coverage, the insurance coverage is subject to large deductibles, limits on maximum coverage and significant exclusions and may not be sufficient or available to protect against any or all liabilities and such indemnities may not cover or be sufficient to protect us against losses arising from environmental damage. In addition, changes to environmental standards or regulations in the industries in which we operate could limit the economic life of the assets we acquire or reduce their value, and also require us to make significant additional investments in order to maintain compliance, which would negatively impact our cash flows and results of operations.

Our Repauno site and the Long Ridge property are subject to environmental laws and regulations that may expose us to significant costs and liabilities.

Our Repauno site is subject to ongoing environmental investigation and remediation by the former owner that sold Repauno to FTAI (the “Repauno Seller”) related to historic industrial operations. The Repauno Seller is responsible for completion of this work, and we benefit from a related indemnity and insurance policy. If the Repauno Seller fails to fulfill its investigation and remediation, or indemnity obligations and the related insurance, which are subject to limits and conditions, fail to cover our costs, we could incur losses. Redevelopment of the property in those areas undergoing investigation and remediation must await state environmental agency confirmation that no further investigation or remediation is required before redevelopment activities can occur in such areas of the property. Therefore, any delay in the Repauno Seller’s completion of the environmental work or receipt of related approvals in an area of the property could delay our redevelopment activities. In addition, once received, permits and approvals may be subject to litigation, and projects may be delayed or approvals reversed or modified in litigation. If there is a delay in obtaining any required regulatory approval, it could delay projects and cause us to incur costs.

In connection with FTAI’s acquisition of Long Ridge, the former owner that sold FTAI the property (the “Long Ridge Seller”) is obligated to perform certain post-closing demolition activities, remove specified containers, equipment and structures and conduct investigation, removal, cleanup and decontamination related thereto. The Long Ridge Seller is responsible for ongoing environmental remediation related to historic industrial operations on and off Long Ridge. In addition, Long Ridge is located adjacent to the former Ormet Corporation Superfund site (the “Ormet site”), which is owned and operated by the Long Ridge Seller. Pursuant to an order with the U.S. EPA, the Long Ridge Seller is obligated to pump groundwater that has been impacted by the adjacent Ormet site beneath our site and discharge it to the Ohio River and monitor the groundwater annually. Long Ridge is also subject to an environmental covenant related to the adjacent Ormet site that, inter alia, restricts the use of groundwater beneath our site and requires U.S. EPA consent for activities on Long Ridge that could disrupt the groundwater monitoring or pumping. The Long Ridge Seller is contractually obligated to complete its regulatory obligations on Long Ridge and we benefit from a related indemnity and insurance policy. If the Long Ridge Seller fails to fulfill its demolition, removal, investigation, remediation, monitoring, or indemnity obligations, and if the related insurance, which is subject to limits and conditions, fails to cover our costs, we could incur losses. Redevelopment of the property in those areas undergoing investigation and remediation pursuant to the Ohio EPA order must await state environmental agency confirmation that no further investigation or remediation is required before redevelopment activities can occur in such area of the property. Therefore, any delay in the Long Ridge Seller’s completion of the environmental work or receipt of related approvals or consents from Ohio EPA or U.S. EPA could delay our redevelopment activities.

In addition, a portion of Long Ridge was recently redeveloped as a combined cycle gas-fired electric generating facility, and other portions will likely be redeveloped in the future. Although we have not identified material impacts to soils or groundwater that reasonably would be expected to prevent or delay further redevelopment projects, impacted materials could be encountered that require special handling and/or result in delays to those projects. Any additional projects may require environmental permits and approvals from federal, state and local environmental agencies. Once received, permits and approvals may be subject to litigation, and projects may be delayed or approvals reversed or modified in litigation. If there is a delay in obtaining any required regulatory approval, it could delay projects and cause us to incur costs.

Moreover, new, stricter environmental laws, regulations or enforcement policies, including those imposed in response to climate change, could be implemented that significantly increase our compliance costs, or require us to adopt more costly methods of operation. If we are not able to transform Repauno or Long Ridge into hubs for industrial and energy development in a timely manner, their future prospects could be materially and adversely affected, which may have a material adverse effect on our business, operating results and financial condition.

We have material customer concentration with respect to the Jefferson Terminal and Railroad businesses, with a limited number of customers accounting for a material portion of our revenues.

We earned approximately 49% and 50%, respectively, of total revenues for the three and six months ended June 30, 2024 from one customer in the Railroad segment. Additionally, we earned 13% and 14%, respectively, of total revenues for the three and six months ended June 30, 2024 from one customer in the Jefferson Terminal segment. We earned approximately 54% and 51%, respectively, of total revenues for the three and six months ended June 30, 2023 from one customer in the Railroad segment. Additionally, we earned 11% of total revenues for both the three and six months ended June 30, 2023 from one customer in the Jefferson Terminal segment. As of June 30, 2024 accounts receivable from three customers within the Jefferson Terminal, Railroad and Corporate and Other segments represented 65% of total accounts receivable, net. As of December 31, 2023, accounts receivable from three customers within the Jefferson Terminal and Railroad segments represented 56% of total accounts receivable, net.

There are inherent risks whenever a large percentage of total revenues are concentrated with a limited number of customers. It is not possible for us to predict the future level of demand for our services that will be generated by these customers or the future demand for the products and services of these customers in the end-user marketplace. In addition, revenues from these customers may fluctuate from time to time based on the commencement and completion of projects, the timing of which may be affected by market conditions or other factors, some of which may be outside of our control. If any of these customers experience declining or delayed sales due to market, economic or competitive conditions, or undergo material management or ownership changes, we could be pressured to reduce the prices we charge for our services or we could lose a major customer. Any such development could have an adverse effect on our margins and financial position, and would negatively affect our revenues and results of operations and/or trading price of our common stock.

A cyberattack that bypasses our information technology (“IT”) security systems or the IT security systems of our third-party providers, causing an IT security breach or cybersecurity incident, may lead to a disruption of our IT systems and the loss of business information which may hinder our ability to conduct our business effectively and may result in lost revenues and additional costs.

Parts of our business depend on the secure operation of our IT systems and the IT systems of our third-party providers to manage, process, store, and transmit information. We have, from time to time, experienced cybersecurity threats to our data and systems, including malware and computer virus attacks. A cyberattack that bypasses our IT security systems or the IT security systems of our third-party providers, causing an IT security breach or cybersecurity incident, could adversely impact our daily operations and lead to the loss of sensitive information, including our own proprietary information and that of our customers, suppliers and employees. Such losses could harm our reputation and result in competitive disadvantages, litigation, regulatory enforcement actions, lost revenues, additional costs and liabilities. While we devote substantial resources to maintaining adequate levels of cyber-security, our resources and technical sophistication may not be adequate to prevent all types of cyberattacks or incidents.

We have identified a material weakness in our internal control over financial reporting. If we fail to properly remediate this material weakness or if we are otherwise unable to develop and maintain an effective system of internal control over financial reporting, material misstatements in our financial statements could occur and we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us, our business, results of operations and financial condition, and the trading price of our common stock.

As further described in Item 9A. Controls and Procedures of our Annual Report on Form 10-K for the year ended December 31, 2023, we identified a material weakness in our internal control over financial reporting relating to the Company’s review of the cash flow projections and other key assumptions used in the goodwill impairment test analysis as of October 1, 2023, relating to the Jefferson Terminal reporting unit was not timely or in sufficient detail.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. We continue to evaluate and implement steps to remediate the material weakness. These remediation measures may be time consuming and costly and there is no assurance that these initiatives will ultimately have the intended effects. The material weakness in our internal control over financial reporting will not be considered remediated until the controls operate for a sufficient period of time and management has concluded, through testing that these controls operate effectively. If we do not successfully remediate the material weakness, or if other material weaknesses or other deficiencies arise in the future, we may be unable to accurately report our financial results, which could cause our financial results to be materially misstated and require restatement. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports, in addition to applicable stock exchange listing requirements and requirements under certain of our agreements, which could adversely affect investor confidence in us, our business, results of operations and financial condition, and the trading price of our common stock. In addition, this material weakness may also have the effect of heightening other risks described in this "Risk Factors" section.

If we are deemed an "investment company" under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act. Section 3(a)(1)(A) of the Investment Company Act defines an investment company as any issuer that is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the Investment Company Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Excluded from the term "investment securities," among other things, are U.S. government securities and securities issued by entities which are at least 50% owned that are not themselves investment companies and are not relying on the exception from the definition of investment company for certain privately offered investment vehicles set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

The Investment Company Act may limit our and our subsidiaries' ability to enter into financing leases and engage in other types of financial activity because less than 40% of the value of our and our subsidiaries' total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis can consist of "investment securities."

If we or any of our subsidiaries were required to register as an investment company under the Investment Company Act, the registered entity would become subject to substantial regulation that would significantly change our operations, and we would not be able to conduct our business as described in this report. We have not obtained a formal determination from the SEC as to our status under the Investment Company Act and, consequently, any violation of the Investment Company Act would subject us to material adverse consequences.

Adverse judgments or settlements in legal proceedings could materially harm our business, financial condition, operating results and cash flows.

We may be party to claims that arise from time to time in the ordinary course of our business, which may include those related to, for example, contracts, sub-contracts, employment of our workforce and immigration requirements or compliance with any of a wide array of state and federal statutes, rules and regulations that pertain to different aspects of our business. We may also be required to initiate expensive litigation or other proceedings to protect our business interests. There is a risk that we will not be successful or otherwise be able to satisfactorily resolve any pending or future litigation. In addition, litigation and other legal claims are subject to inherent uncertainties and management's view of currently pending legal matters may change in the future. Those uncertainties include, but are not limited to, litigation costs and attorneys' fees, unpredictable judicial or jury decisions and the differing laws regarding damage awards among the states in which we operate. Unexpected outcomes in such legal proceedings, or changes in management's evaluation or predictions of the likely outcomes of such proceedings (possibly resulting in changes in established reserves), could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Capital Structure

The terms of our Series A Preferred Stock have provisions that could result in the holders of the Series A Preferred Stock having the ability to elect a majority of our board of directors in the case of an Event of Noncompliance, including our failure to pay amounts due upon redemption of Series A Preferred Stock.

The terms of our Series A Preferred Stock include certain events of noncompliance, including among other things, (i) failure to redeem such shares when we are required to do so, (ii) failure to pay cash dividends for 12 monthly dividend periods (whether or not consecutive) following the second anniversary of the issuance date, (iii) an event where any shares of Series A Preferred Stock remaining outstanding on the eighth anniversary of the issuance date, (iv) failure to have a board of directors comprised of a majority of independent directors at any time on or after December 31, 2022 (subject to the specified cure period), (v) any breach of a material term in the certificate of designations for our Series A Preferred Stock, (vi) certain debt acceleration events, (vii) certain bankruptcy events and (viii) a breach of a restrictive covenant set forth in the certificate of designations for our Series

A Preferred Stock (each, an “Event of Noncompliance”). If the Company fails to cure an Event of Noncompliance (to the extent curable), (i) the size of our board of directors will automatically increase to a number sufficient to constitute a majority of the board of directors, (ii) the majority of the holders of the Series A Preferred Stock will have the right to designate and elect a majority of the members of our board of directors, and (iii) other than with respect to the election of directors, the shares of Series A Preferred Stock will vote with our common stock as a single class (with the number of votes per share determined in accordance with the certificate of designations for our Series A Preferred Stock). Such remedies could have a material adverse effect on the Company’s financial condition.

The failure of the Company to pay required dividends on its Series A Preferred Stock following the second anniversary of the issuance date may have a material adverse effect on the Company’s financial condition.

Following August 1, 2024, the second anniversary of the issuance date, the Company is required to pay cash dividends equal to the cash dividend rate. The cash dividend rate will be equal to 14.0% per annum subject to increase in accordance with the terms of the Series A Preferred Stock. Specifically, the rate will be increased by 2.0% per annum for any periods during the first two years following closing where the dividend is not paid in cash. Prior to the second anniversary of the issuance date of the Series A Preferred Stock, such dividends will automatically accrue and accumulate on each share of Series A Preferred Stock, whether or not declared and paid, or they may be paid in cash at FTAI Infrastructure’s discretion. Further, after the second anniversary of the issuance date, if the Company fails to pay such cash dividends when required to do so, the dividend rate would be equal to 18.0% per annum, subject to increase as described below, until all such dividends are paid in cash. Our failure to pay such dividends for 12 monthly dividend periods (whether or not consecutive) following the second anniversary of the issuance date would result in an Event of Noncompliance. If we are unable to cure an Event of Noncompliance (to the extent curable), (i) the size of our board of directors will automatically increase to a number sufficient to constitute a majority of the board of directors, (ii) the majority of the holders of the Series A Preferred Stock will have the right to designate and elect a majority of the members of our board of directors, and (iii) other than with respect to the election of directors, the shares of Series A Preferred Stock will vote with our common stock as a single class (with the number of votes per share determined in accordance with the certificate of designations for our Series A Preferred Stock). Such remedies could have a material adverse effect on the Company’s financial condition.

Risks Related to Our Manager

We are dependent on our Manager and other key personnel at Fortress and may not find suitable replacements if our Manager terminates the Management Agreement or if other key personnel depart.

Our officers and other individuals who perform services for us (other than Jefferson Terminal, Repauno, Long Ridge, Transtar, Aleon and Gladieux, KRS, Clean Planet, FYX, and CarbonFree employees) are employees of our Manager or other Fortress entities. We are completely reliant on our Manager, which has significant discretion as to the implementation of our operating policies and strategies, to conduct our business. We are subject to the risk that our Manager will terminate the Management Agreement and that we will not be able to find a suitable replacement for our Manager in a timely manner, at a reasonable cost, or at all. Furthermore, we are dependent on the services of certain key employees of our Manager and certain key employees of Fortress entities whose compensation is partially or entirely dependent upon the amount of management fees earned by our Manager and whose continued service is not guaranteed, and the loss of such personnel or services could materially adversely affect our operations. We do not have key man insurance for any of the personnel of the Manager or other Fortress entities that are key to us. An inability to find a suitable replacement for any departing employee of our Manager or Fortress entities on a timely basis could materially adversely affect our ability to operate and grow our business.

In addition, our Manager may assign our Management Agreement to an entity whose business and operations are managed or supervised by Mr. Wesley R. Edens, who is an employee of Fortress, which is an affiliate of our Manager, and who, until May 2024, was a principal and a member of the board of directors of Fortress and a member of the management committee of Fortress since co-founding Fortress in May 1998. In the event of any such assignment to a non-affiliate of Fortress, the functions currently performed by our Manager’s current personnel may be performed by others. We can give you no assurance that such personnel would manage our operations in the same manner as our Manager currently does, and the failure by the personnel of any such entity to acquire assets generating attractive risk-adjusted returns could have a material adverse effect on our business, financial condition, results of operations and cash flows.

On May 14, 2024, certain members of Fortress management and affiliates of Mubadala completed their acquisition of 100% of the equity of Fortress. While Fortress’s senior investment professionals are expected to remain at Fortress, including those individuals who perform services for us, there can be no assurance that the transaction will not have an adverse impact on us or our relationship with our Manager.

There are conflicts of interest in our relationship with our Manager.

Our Management Agreement was not negotiated at arm’s-length, and its terms, including fees payable, may not be as favorable to us as if they had been negotiated with an unaffiliated third party.

There are conflicts of interest inherent in our relationship with our Manager insofar as our Manager and its affiliates—including investment funds, private investment funds, or businesses managed by our Manager, including Florida East Coast Industries, LLC (“FECI”)—invest in transportation and transportation-related infrastructure assets and whose investment objectives overlap with our asset acquisition objectives. Certain opportunities appropriate for us may also be appropriate for one or more of these other investment vehicles. Certain members of our board of directors and employees of our Manager who are our officers also serve as officers and/or directors of these other entities. Although we have the same Manager, we may compete with entities affiliated with our Manager or Fortress, including FECI, for certain target assets. From time to time, entities affiliated with or managed by our Manager or Fortress may focus on investments in assets with a similar profile as our target assets that we may seek to acquire. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. Fortress has multiple existing and planned funds focused on investing in one or more of our target sectors, each with significant current or expected capital commitments. In connection with the spin-off, we received assets previously purchased by FTAI, and we may in the future purchase assets from these funds, and FTAI has previously co-invested and we may in the future co-invest with these funds in infrastructure assets. Fortress funds generally have a fee structure similar to ours, but the fees actually paid will vary depending on the size, terms and performance of each fund.

Our Management Agreement generally does not limit or restrict our Manager or its affiliates from engaging in any business or managing other pooled investment vehicles that invest in assets that meet our asset acquisition objectives. Our Manager intends to engage in additional infrastructure related management and other investment opportunities in the future, which may compete with us for investments or result in a change in our current investment strategy. In addition, our certificate of incorporation provides that if any of the Fortress Parties or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us, our stockholders or our affiliates. In the event that any of our directors and officers who is also a director, officer or employee of any of the Fortress Parties or their affiliates acquires knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person’s capacity as a director or officer of us and such person acts in good faith, then to the fullest extent permitted by law such person is deemed to have fully satisfied such person’s fiduciary duties owed to us and is not liable to us if any of the Fortress Parties, or their respective affiliates, pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

The ability of our Manager and its officers and employees to engage in other business activities, subject to the terms of our Management Agreement, may reduce the amount of time our Manager, its officers or other employees spend managing us. In addition, we may engage (subject to our strategy) in material transactions with our Manager or another entity managed by our Manager or one of its affiliates, including FTAI and FECI, which may include, but are not limited to, certain acquisitions, financing arrangements, purchases of debt, co-investments, consumer loans, servicing advances and other assets that present an actual, potential or perceived conflict of interest. Our board of directors adopted a policy regarding the approval of any “related party transactions” pursuant to which certain of the material transactions described above may require disclosure to, and approval by, the independent members of our board of directors. Actual, potential or perceived conflicts have given, and may in the future give, rise to investor dissatisfaction, litigation or regulatory inquiries or enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential, actual or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially adversely affect our business in a number of ways, including causing an inability to raise additional funds, a reluctance of counterparties to do business with us, a decrease in the prices of our equity securities and a resulting increased risk of litigation and regulatory enforcement actions.

The structure of our Manager’s compensation arrangements may have unintended consequences for us. We have agreed to pay our Manager a management fee that is based on different measures of performance. Consequently, there may be conflicts in the incentives of our Manager to generate attractive risk-adjusted returns for us. Investments with higher yield potential are generally riskier or more speculative than investments with lower yield potential. This could result in increased risk to the value of our portfolio of assets and our common stock.

Our directors have approved a broad asset acquisition strategy for our Manager and will not approve each acquisition we make at the direction of our Manager. In addition, we may change our strategy without a stockholder vote, which may result in our acquiring assets that are different, riskier or less profitable than our current assets.

Our Manager is authorized to follow a broad asset acquisition strategy. We may pursue other types of acquisitions as market conditions evolve. Our Manager makes decisions about our investments in accordance with broad investment guidelines adopted by our board of directors. Accordingly, we may, without a stockholder vote, change our target sectors and acquire a variety of assets that differ from, and are possibly riskier than, our current asset portfolio. Consequently, our Manager has great latitude in determining the types and categories of assets it may decide are proper investments for us, including the latitude to invest in types and categories of assets that may differ from those in our existing portfolio. Our directors will periodically review our strategy and our portfolio of assets. However, our board will not review or pre-approve each proposed acquisition or our related financing arrangements. In addition, in conducting periodic reviews, the directors will rely primarily on information provided to them by our Manager. Furthermore, transactions entered into by our Manager may be difficult or impossible to reverse by the time they are reviewed by the directors even if the transactions contravene the terms of the Management Agreement. In addition, we may change our asset acquisition strategy, including our target asset classes, without a stockholder vote.

Our asset acquisition strategy may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets we target and our ability to finance such assets on a short or long-term basis. Opportunities that present unattractive risk-return profiles relative to other available opportunities under particular market conditions may become relatively attractive under changed market conditions and changes in market conditions may therefore result in changes in the assets we target. Decisions to make acquisitions in new asset categories present risks that may be difficult for us to adequately assess and could therefore reduce or eliminate our ability to pay dividends on our common stock or have adverse effects on our liquidity or financial condition. A change in our asset acquisition strategy may also increase our exposure to interest rate, foreign currency or credit market fluctuations. In addition, a change in our asset acquisition strategy may increase our use of non-match-funded financing, increase the guarantee obligations we agree to incur or increase the number of transactions we enter into with affiliates. Our failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect our results of operations and our financial condition.

Our Manager will not be liable to us for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of our assets.

Pursuant to our Management Agreement, our Manager will not assume any responsibility other than to render the services called for thereunder in good faith and will not be responsible for any action of our board of directors in following or declining to follow its advice or recommendations. Our Manager, its members, managers, officers, employees, sub-advisers and any other person controlling or Manager, will not be liable to us or any of our subsidiaries, to our board of directors, or our or any subsidiary's stockholders or partners for any acts or omissions by our Manager, its members, managers, officers, employees, sub-advisers and any other person controlling or Manager, except liability to us, our stockholders, directors, officers and employees and persons controlling us, by reason of acts constituting bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement. We will, to the full extent lawful, reimburse, indemnify and hold our Manager, its members, managers, officers and employees, sub-advisers and each other person, if any, controlling our Manager harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of our Manager's duties under our Management Agreement and not constituting such indemnified party's bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement.

Our Manager's due diligence of potential asset acquisitions or other transactions may not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Our Manager intends to conduct due diligence with respect to each asset acquisition opportunity or other transaction it pursues. It is possible, however, that our Manager's due diligence processes will not uncover all relevant facts, particularly with respect to any assets we acquire from third parties. In these cases, our Manager may be given limited access to information about the asset and will rely on information provided by the seller of the asset. In addition, if asset acquisition opportunities are scarce, the process for selecting bidders is competitive, or the timeframe in which we are required to complete diligence is short, our ability to conduct a due diligence investigation may be limited, and we would be required to make decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

Risks Related to the Spin-off

We may be unable to achieve some or all of the benefits that we expect to achieve from our spin-off from FTAI.

We may not be able to achieve the full strategic and financial benefits that we expect will result from our spin-off from FTAI or such benefits may be delayed or may not occur at all. For example, there can be no assurance that analysts and investors will regard our corporate structure as clearer and simpler than the former FTAI corporate structure or place a greater value on our company as a stand-alone corporation than on our businesses being a part of FTAI.

Our agreements with FTAI may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties.

The agreements related to our spin-off from FTAI, including the Separation and Distribution Agreement (refer to Item 15. Exhibits, included herein), were negotiated in the context of our spin-off from FTAI while we were still part of FTAI and, accordingly, may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties. The terms of the agreements we negotiated in the context of our spin-off related to, among other things, allocation of assets, liabilities, rights, indemnifications and other obligations among FTAI and us. See "Certain Relationships and Related Party Transactions" in the Information Statement filed with the SEC on Form 8-K on July 15, 2022.

The ownership by some of our executive officers and directors of common shares, options, or other equity awards of FTAI may create, or may create the appearance of, conflicts of interest.

Because some of our directors, officers and other employees of our Manager also currently hold positions with FTAI, they own FTAI common shares, options to purchase FTAI common shares or other equity awards. For example, Judith Hannaway and Ray Robinson are directors of both FTAI and FTAI Infrastructure. Ownership by some of our directors and officers of common shares or options to purchase common shares of FTAI, or any other equity awards, creates, or, may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for FTAI than they do for us.

We may compete with affiliates of and entities managed by our Manager which could adversely affect our and their results of operations.

Affiliates of and entities managed by our Manager are primarily engaged in the infrastructure and energy business and invest in, and actively manage, portfolios of infrastructure and energy investments and other assets. Affiliates of and entities managed by our Manager are not restricted in any manner from competing with us. After the spin-off, affiliates of and entities managed by our Manager may decide to invest in the same types of assets that we invest in. Furthermore, certain of our directors and officers are the same as certain of our Manager's affiliates. See "—Risks Related to Our Manager—There are conflicts of interest in our relationship with our Manager."

We share certain key directors with FTAI, which means those officers do not devote their full time and attention to our affairs and the overlap may give rise to conflicts.

There is an overlap between certain key directors of the Company and of FTAI. Judith Hannaway and Ray Robinson are directors of both the Company and FTAI, and Joseph Adams, Jr. is the chairman of the board of directors of both the Company and FTAI, and continues to serve as the chief executive officer of FTAI. Shared directors may have actual or apparent conflicts of interest with respect to matters involving or affecting each company. For example, there will be the potential for a conflict of interest when we on the one hand, and FTAI and its respective subsidiaries and successors on the other hand, are party to commercial transactions concerning the same or adjacent investments. In addition, certain of our directors and officers continue to own shares and/or options or other equity awards of FTAI. These ownership interests could create actual, apparent or potential conflicts of interest when these individuals are faced with decisions that could have different implications for our company and FTAI. See "Certain Relationships and Related Party Transactions—Our Manager and Management Agreement" in the Information Statement filed with the SEC on Form 8-K on July 15, 2022 for a discussion of certain procedures we instituted to help ameliorate such potential conflicts that may arise.

We incurred indebtedness in the form of the 2027 Notes, and the degree to which we are leveraged could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

In connection with the spin-off, we issued the 2027 Notes. We are responsible for servicing our own debt and obtaining and maintaining sufficient working capital and other funds to satisfy our cash requirements. Our access to and cost of debt financing is different from the historical access to and cost of debt financing under FTAI. Differences in access to and cost of debt financing may result in differences in the interest rates charged to us on financings, as well as the amount of indebtedness, types of financing structures and debt markets that may be available to us. Our ability to make payments on and to refinance our indebtedness, including the 2027 Notes, as well as any future debt that we may incur, will depend on our ability to generate cash in the future from operations, financings and/or asset sales. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Our ability to use net operating losses to offset future taxable income may be subject to limitations.

As of December 31, 2023, the entities that are included in our consolidated group for U.S. federal income tax purposes had approximately $736.6 million of net operating loss ("NOL") carryforwards, and we may continue to incur NOL carryforwards in the future. $168.5 million of our NOLs will begin to expire, if not utilized, in 2032, and $568.1 million of our NOL carryforwards have no expiration date. Net operating losses that expire unused will be unavailable to offset future income tax liabilities. In addition, under the Tax Cuts and Jobs Act, federal net operating losses incurred in 2018 and in future years may be carried forward indefinitely, but the deductibility of such federal net operating losses is limited. It is uncertain to what extent various states will conform to the Tax Cuts and Jobs Act. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change," which is generally defined as a greater than fifty-percent (50%) change, by value, in its equity ownership over a three (3)-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. We may experience ownership change in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control and may not be prevented by the restrictions on the transferability and ownership of our common stock, Series A Preferred Stock and other interests treated as our "stock" in our certificate of incorporation. If an ownership change occurs and our ability to utilize our net operating loss carryforwards is materially limited, it would harm our future operating results by effectively increasing our future U.S. federal income tax obligations. In addition, at the state level, there may be periods during which the use of net operating loss carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed by us.

Risks Related to Our Common Stock

The market price and trading volume of our common stock may be volatile, which could result in rapid and substantial losses for our stockholders.

The market price of our common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to resell your stock at or above your purchase price, if at all. The market price of our common stock may fluctuate or decline significantly in the future. Some of the factors that could negatively affect our stock price or result in fluctuations in the price or trading volume of our stock include:

- a shift in our investor base;

- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- overall market fluctuations;
- general economic conditions; and
- developments in the markets and market sectors in which we participate.

Stock markets in the United States have experienced extreme price and volume fluctuations. Market fluctuations, as well as general political and economic conditions, such as acts of terrorism, prolonged economic uncertainty, a recession or interest rate or currency rate fluctuations, could adversely affect the market price of our common stock.

An increase in market interest rates may have an adverse effect on the market price of our common stock.

One of the factors that investors may consider in deciding whether to buy or sell our stock is our distribution rate as a percentage of our stock price relative to market interest rates. If the market price of our common stock is based primarily on the earnings and return that we derive from our investments and income with respect to our investments and our related distributions to stockholders, and not from the market value of the investments themselves, then interest rate fluctuations and capital market conditions will likely affect the market price of our common stock. For instance, if market interest rates rise without an increase in our distribution rate, the market price of our common stock could decrease, as potential investors may require a higher distribution yield on our stock or seek other securities paying higher distributions or interest. In addition, rising interest rates would result in increased interest expense on our outstanding and future (variable and fixed) rate debt, thereby adversely affecting cash flows and our ability to service our indebtedness and pay distributions.

There can be no assurance that the market for our common stock will provide you with adequate liquidity.

There can be no assurance that an active trading market for our common stock will develop or be sustained in the future, and the market price of our stock may fluctuate widely, depending upon many factors, some of which may be beyond our control. These factors include, without limitation:

- a shift in our investor base;
- our quarterly or annual earnings and cash flows, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions, dispositions or other transactions;
- the failure of securities analysts to cover our stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- market performance of affiliates and other counterparties with whom we conduct business;
- the operating and stock price performance of other comparable companies;
- our failure to maintain our exemption under the Investment Company Act or satisfy Nasdaq listing requirements;
- negative public perception of us, our competitors or industry;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the market price of our common stock.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We may make investments through joint ventures and accounting for such investments can increase the complexity of maintaining effective internal control over financial reporting. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that our internal control over financial reporting was effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm may issue an adverse opinion as to the effectiveness of our internal control over financial reporting. Matters impacting our internal control over financial reporting may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in the effectiveness of our internal control over financial reporting. This could materially adversely affect us by, for example, leading to a decline in our stock price and impairing our ability to raise capital.

Your percentage ownership in us may be diluted in the future.

Your percentage ownership in us may be diluted in the future because of equity awards that we expect will be granted to our Manager, to the directors, officers and employees of our Manager who perform services for us, and to our directors, officers and employees, as well as other equity instruments such as debt and equity financing including, but not limited to, the Series A Preferred Stock and the Warrants.

On August 1, 2022, our board of directors adopted the FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Award Plan (the “Plan”), which provides for the ability to grant compensation awards in the form of stock, options, stock appreciation rights, restricted stock, performance awards, manager awards, tandem awards, other stock-based awards (including restricted stock units) and non-stock-based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisors of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. We initially reserved 30,000,000 shares of our common stock for issuance under the Plan. On the date of any equity issuance by us during the ten-year term of the Plan, that number will be increased by a number of shares of our common stock equal to 10% of (i) the number of shares of our common stock newly issued by us in such equity issuance or (ii) if such equity issuance relates to equity securities other than our common stock, the number of shares of our common stock equal to the quotient obtained by dividing the gross capital raised in such equity issuance by the fair market value of a share of our common stock as of the date of such equity issuance (such quotient, the “Equity Security Factor”). The term of the Plan expires in 2032. For a more detailed description of the Plan, see “Management—FTAI Infrastructure Nonqualified Stock Option and Inventive Award Plan” in the Information Statement filed with the SEC on Form 8-K on July 15, 2022. Upon the successful completion of an equity offering by us, we will issue to our Manager (or an affiliate of our Manager), as compensation for our Manager’s role in raising capital for us, options to purchase shares of our common stock equal to up to 10% of (i) the aggregate number of shares of our common stock being issued in such offering or (ii) if such equity issuance relates to equity securities other than shares of our common stock, the number of shares of our common stock equal to the Equity Security Factor. In addition, the compensation committee of our board of directors has the authority to grant such other awards to our Manager as it deems advisable; provided that no such award may be granted to our Manager in connection with any issuance by us of equity securities in excess of 10% of (i) the maximum number of shares of our common stock then being issued or (ii) if such equity issuance relates to equity securities other than shares of our common stock, the maximum number of shares of our common stock determined in accordance with the Equity Security Factor.

Our common stock is subject to ownership and transfer restrictions intended to preserve our ability to use our net operating loss carryforwards and other tax attributes.

We have incurred and may also continue to incur significant net operating loss carryforwards and other tax attributes, the amount and availability of which are subject to certain qualifications, limitations, and uncertainties. Our certificate of incorporation imposes certain restrictions on the transferability and ownership of our common stock, preferred stock, and other interests treated as our “stock” (such stock and other interests, the “Corporation Securities,” such restrictions on transferability and ownership, the “Ownership Restrictions”) in order to reduce the possibility of an equity ownership shift that could result in limitations on our ability to utilize net operating loss carryforwards for U.S. federal income tax purposes. Any acquisition of Corporation Securities that results in a stockholder being in violation of these restrictions may not be valid.

Subject to certain exceptions (including with respect to Initial Substantial Stockholders, as defined in our certificate of incorporation), the Ownership Restrictions will restrict (i) any person or entity (including certain groups of persons) from directly or indirectly acquiring 4.8% or more of the outstanding Corporation Securities and (ii) the ability of any person or entity (including certain groups of persons) already owning, directly or indirectly, 4.8% or more of the Corporation Securities to increase their proportionate interest in, or to sell, the Corporation Securities. Any transferee receiving Corporation Securities that would result in a violation of the Ownership Restrictions will not be recognized as an FTAI Infrastructure stockholder or entitled to any rights of stockholders, including, without limitation, the right to vote and receive dividends or distributions, whether liquidating or otherwise, in each case, with respect to the Corporation Securities causing the violation. FTAI Infrastructure common stockholders whose ownership violates the Ownership Restrictions at the time of the spin-off will not be required to sell their FTAI Infrastructure common stock, but may be prevented from acquiring more Corporation Securities.

The Ownership Restrictions will remain in effect until the earlier of (i) the date on which Section 382 of the Code is repealed, amended, or modified in such a way as to render the restrictions imposed by Section 382 of the Code no longer applicable to us or (ii) a determination by the board of directors that (1) an ownership change would not result in a substantial limitation on our ability to use our available net operating loss carryforwards and other tax attributes; (2) no significant value attributable to our available net operating loss carryforwards and other tax attributes would be preserved by continuing the transfer restrictions; or (3) it is not in our best interests to continue the Ownership Restrictions. The Ownership Restrictions may also be waived by the board of directors on a case by case basis. There is no assurance, however, that the Company will not experience a future ownership change under Section 382 that may significantly limit its ability to use its NOL carryforwards as a result of such a waiver or otherwise.

The Ownership Restrictions described above could make it more difficult for a third party to acquire, or could discourage a third party from acquiring, a large block of our common stock. This may adversely affect the marketability of our common stock by discouraging existing or potential investors from acquiring our stock or additional shares of our stock. It is also possible that the transfer restrictions could delay or frustrate the removal of incumbent directors and could make more difficult a merger, tender offer or proxy contest involving us, or impede an attempt to acquire a significant or controlling interest in us, even if such events might be beneficial to us and our stockholders.

You are advised to carefully monitor your ownership of our common stock and consult your legal advisors to determine whether your ownership of our common stock violates the ownership restrictions that are in our certificate of incorporation.

We may incur or issue debt or issue equity, which may negatively affect the market price of our common stock.

We may in the future incur or issue debt or issue equity or equity-related securities. In the event of our liquidation, lenders and holders of our debt and holders of our preferred stock (if any) would receive a distribution of our available assets before common stockholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing common stockholders on a preemptive basis. Therefore, additional issuances of common stock, directly or through convertible or exchangeable securities, warrants or options including, but not limited to, the Warrants, will dilute the holdings of our existing common stockholders and such issuances, or the perception of such issuances, may reduce the market price of our common stock. Any additional preferred stock issued by us would likely have, a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to common stockholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, stockholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our stock.

Provisions of Delaware law, our certificate of incorporation and our bylaws, prevent or delay an acquisition of our company, which could decrease the market price of our common stock.

Delaware law contains, and our certificate of incorporation and bylaws contain, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- a classified board of directors with staggered three-year terms;
- provisions regarding the election of directors, classes of directors, the term of office of directors and the filling of director vacancies;
- provisions regarding corporate opportunity;
- removal of directors only for cause and only with the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote in the election of directors;
- our board of directors to determine the powers, preferences and rights of our preferred stock and to issue such preferred stock without stockholder approval;
- advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings;
- a prohibition will be in our certificate of incorporation that states that directors will be elected by plurality vote, a provision which means that the holders of a majority of the issued and outstanding shares of common stock can elect all the directors standing for election;
- a requirement in our bylaws specifically denying the ability of our stockholders to consent in writing to take any action in lieu of taking such action at a duly called annual or special meeting of our stockholders; and
- our Corporation Securities are subject to ownership and transfer restrictions in order to reduce the possibility of an equity ownership shift that could result in limitations on our ability to utilize net operating loss carryforwards for U.S. federal income tax purposes.

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or a change in our management and board of directors and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

Our bylaws contain exclusive forum provisions for certain claims, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our bylaws, to the fullest extent permitted by law, provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of a duty (including any fiduciary duty) owed by any of our current or former directors, officers or employees to us or our stockholders; (iii) any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents arising out of or relating to any provision of the DGCL or our certificate of incorporation or our bylaws; or (iv) any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents governed by the internal affairs doctrine of the State of Delaware. As described below, this provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act, or rules and regulations thereunder.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder and our bylaws will provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Our decision to adopt such a federal forum provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that our federal forum provision should be enforced in a particular case, application of our federal forum provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court.

Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and our bylaws will provide that the exclusive forum provision does not apply to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the federal forum provision; provided, however, that stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. Additionally, our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. These provisions may limit our stockholders' ability to bring a claim in a judicial forum they find favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees and agents. Alternatively, if a court were to find the choice of forum provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

While we currently intend to pay regular quarterly dividends to our stockholders, we may change our dividend policy at any time.

Although we currently intend to pay regular quarterly dividends to holders of our common stock, we may change our dividend policy at any time. Our net cash provided by operating activities could be less than the amount of distributions to our stockholders. The declaration and payment of dividends to holders of our common stock will be at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, limitations under our contractual agreements, including the agreements governing certain of our debt financings, our taxable income, our operating expenses and other factors our board of directors deem relevant. There can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all. Furthermore, our net cash provided by operating activities could be less than the amount of distributions to our stockholders. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries and our ability to receive distributions from our subsidiaries may be limited by the financing agreements to which they are subject.

As a public company, we will incur additional costs and face increased demands on our management.

As a newly independent public company with shares listed on Nasdaq, we need to comply with an extensive body of regulations that did not apply to us previously, including certain provisions of the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, regulations of the SEC and requirements of Nasdaq. These rules and regulations will increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, as a result of becoming a public company, we must have independent directors and board committees.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding our common stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who may cover us downgrades our common stock or publishes inaccurate or unfavorable research about our business, our common stock price may decline. If analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our common stock price or trading volume to decline and our common stock to be less liquid.

Our determination of how much leverage to use to finance our acquisitions may adversely affect our return on our assets and may reduce funds available for distribution.

We utilize leverage to finance many of our asset acquisitions, which entitles certain lenders to cash flows prior to retaining a return on our assets. While our Manager targets using only what we believe to be reasonable leverage, our strategy does not limit the amount of leverage we may incur with respect to any specific asset. The return we are able to earn on our assets may be significantly reduced due to changes in market conditions, which may cause the cost of our financing to increase relative to the income that can be derived from our assets.

Non-U.S. persons that hold or have held (actually or constructively) more than 5% of our common stock may be subject to U.S. federal income tax upon the disposition of some or all their stock.

If a non-U.S. person has held (actually or constructively) more than 5% of our common stock at any time within the shorter of the five-year period ending on the date of a sale, exchange, or other taxable disposition of our stock or the period that such non-U.S. person held our stock, and we were considered a "USRPHC" at any time during such period because of our current or previous ownership of U.S. real property interests above a certain threshold, such non-U.S. person may be subject to U.S. tax on such disposition of such stock (and may have a U.S. tax return filing obligation). A corporation generally is a USRPHC if the fair market value of its U.S. real property interests, as defined in the Code and applicable Treasury regulations, equals or exceeds 50% of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that we are and are likely to remain a USRPHC. If a non-U.S. person is subject to U.S. tax as described above, gain recognized on the disposition of our common stock generally will be subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. person were a U.S. person. In addition, if we are a USRPHC and our common stock ceased to be treated as "regularly traded on an established securities market," a non-U.S. person would generally be subject to tax in the manner described in the preceding sentence regardless of what percentage of our common stock it owned, and the transferee in any disposition would generally be required to withhold 15% of the amount realized on the disposition. Non-U.S. stockholders are urged to consult their tax advisors regarding the tax consequences of an investment in our stock.

Changes to United States federal income tax laws could materially and adversely affect us and our stockholders.

The present United States federal income tax laws may be modified, possibly with retroactive effect, by legislative, judicial, or administrative action at any time, which could affect the United States federal income tax treatment of us or an investment in our common stock. The United States federal income tax rules are constantly under review by persons involved in the legislative process, the Internal Revenue Service, and the United States Treasury Department, which results in statutory changes as well as frequent revisions to regulations and interpretations. We cannot predict how changes in the tax laws might affect us and our stockholders.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

	Exhibit No.	Description
*	2.1	Separation and Distribution Agreement, dated as of August 1, 2022, between FTAI Infrastructure Inc. and Fortress Transportation and Infrastructure Investors LLC (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	3.1	Certificate of Conversion (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	3.2	Amended and Restated Certificate of Incorporation of FTAI Infrastructure Inc. (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	3.3	Amended and Restated Bylaws of FTAI Infrastructure Inc. (incorporated by reference to Exhibit 3.3 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	3.4	Certificate of Designations of Series A Preferred Stock of FTAI Infrastructure Inc. (incorporated by reference to Exhibit 3.4 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	3.5	Certificate of Amendment to the Certificate of Designations of Series A Senior Preferred Stock of FTAI Infrastructure Inc. (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed July 5, 2023).
	4.1	Indenture, dated as of July 7, 2022, between FTAI Infra Escrow Holdings, LLC and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent (incorporated by reference to Exhibit 4.1 of Amendment No. 3 to the Company's Registration Statement on Form 10, filed July 12, 2022).
	4.2	First Supplemental Indenture, dated as of July 25, 2022, between FTAI Infra Escrow Holdings, LLC and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed July 25, 2022)
	4.3	Second Supplemental Indenture, dated as of August 1, 2022, among FTAI Infrastructure Inc., the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee and as notes collateral agent (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	4.4	Third Supplemental Indenture, dated as of July 5, 2023, between FTAI Infrastructure Inc. and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed July 5, 2023).
	4.5	Description of Securities Registered under Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.5 of the Company's Annual Report on Form 10-K, filed March 27, 2024).
	10.1	Amended and Restated Management and Advisory Agreement, dated as of July 31, 2022, between FTAI Infrastructure Inc. and FIG LLC (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	10.2	Form of Indemnification Agreement by and between FTAI Infrastructure Inc. and its directors and officers (incorporated by reference to Exhibit 10.8 of the Company's Current Report on Form 8-K, filed August 1, 2022).
†	10.3	FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Award Plan (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, filed August 1, 2022).
†	10.4	Form of Award Agreement pursuant to the FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Award Plan (incorporated by reference to Exhibit 10.4 of the Company's Registration Statement on Form 10, filed April 29, 2022).
†	10.5	Form of Director Award Agreement pursuant to the FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.5 of the Company's Registration Statement on Form 10, filed April 29, 2022).
	10.6	Registration Rights Agreement, dated as of August 1, 2022, between FTAI Infrastructure Inc., FIG LLC and Fortress Worldwide Transportation and Infrastructure Master GP LLC (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	10.7	Engineering, Procuring and Construction Agreement dated as of February 15, 2019, between Long Ridge Energy Generation LLC and Kiewit Power Constructors Co. (incorporated by reference to Exhibit 10.17 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 3, 2019).
	10.8	Purchase and Sale of Power Generation Equipment and Related Services Agreement dated as of February 15, 2019, between Long Ridge Energy Generation LLC and General Electric Company (incorporated by reference to Exhibit 10.18 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 3, 2019).
	10.9	First Lien Credit Agreement dated as of February 15, 2019, among Ohio River PP Holdco LLC, Ohio Gasco LLC, Long Ridge Energy Generation LLC, the lenders and issuing banks from time to time party thereto, and Cortland Capital Market Services LLC, as administrative agent (incorporated by reference to Exhibit 10.19 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 3, 2019).
	10.10	Second Lien Credit Agreement dated as of February 15, 2019, among Ohio River PP Holdco LLC, Ohio Gasco LLC, Long Ridge Energy Generation LLC, the lenders from time to time party thereto, and Cortland Capital Market Services LLC, as administrative agent (incorporated by reference to Exhibit 10.20 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 3, 2019).
	10.11	Second Amended and Restated Senior Loan Agreement, dated as of June 1, 2024 and effective as of June 20, 2024, between Jefferson 2020 Bond Borrower LLC and Port of Beaumont Navigation District of Jefferson County, Texas (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed June 20, 2024).
	10.12	Deed of Trust, Security Agreement, Financing Statement and Fixture Filing, dated February 1, 2020, from Jefferson 2020 Bond Borrower LLC, as grantor, and Jefferson 2020 Bond Lessee LLC, as grantor, to Ken N. Whitlow, as Deed of Trust Trustee for the benefit of Deutsche Bank National Trust Company, as beneficiary (incorporated by reference to Exhibit 10.17 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 1, 2020).
	10.13	Amended and Restated Lease and Development Agreement, effective as of January 1, 2020, by and between Port of Beaumont Navigation District of Jefferson County, Texas, as lessor, and Jefferson 2020 Bond Lessee LLC, as lessee (incorporated by reference to Exhibit 10.18 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 1, 2020).

	Exhibit No.	Description
	10.14	Facilities Lease and Development Agreement, dated as of June 1, 2024 and effective as of June 20, 2024, between Jefferson 2020 Bond Lessee LLC and Port of Beaumont Navigation District of Jefferson County, Texas (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed June 20, 2024).
	10.15	Deed of Trust, Security Agreement, Financing Statement and Fixture Filing (JTS Port Property), dated as of June 20, 2024, executed and delivered by Jefferson 2020 Bond Lessee LLC and Jefferson 2020 Bond Borrower LLC, in favor of the trustee named therein for the benefit of the Collateral Agent on behalf of the owners of the Securities (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed June 20, 2024).
	10.16	Membership Interest Purchase Agreement, dated June 7, 2021, by and between United States Steel Corporation and Percy Acquisition LLC (incorporated by reference to Exhibit 10.1 of Fortress Transportation and Infrastructure Investors LLC's Current Report on Form 8-K, filed on June 8, 2021).
	10.17	Railway Services Agreement, dated July 28, 2021, by and among United States Steel Corporation, Transtar, LLC, Delray Connecting Railroad Company, Fairfield Southern Company, Inc., Gary Railway Company, Lake Terminal Railroad Company, Texas & Northern Railroad Company and Union Railroad Company, LLC (incorporated by reference to Exhibit 10.22 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on July 29, 2021).
*	10.18	Form of Subscription Agreement (incorporated by reference to Exhibit 10.17 of Amendment No. 2 to the Company's Registration Statement on Form 10, filed July 1, 2022).
	10.19	Investor Rights Agreement, dated August 1, 2022, between FTAI Infrastructure Inc. and the parties listed thereto (incorporated by reference to Exhibit 10.6 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	10.20	Warrant Agreement, dated August 1, 2022, between FTAI Infrastructure Inc. and American Stock Transfer & Trust Company, LLC, as warrant agent (incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	10.21	Trademark License Agreement, dated as of August 1, 2022, between Fortress Transportation and Infrastructure Investors LLC and FTAI Infrastructure Inc. (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	10.22	Form of Letter sent to FTAI's option holders describing the equitable adjustment to FTAI's options (incorporated by reference to Exhibit 10.7 of the Company's Current Report on Form 8-K, filed August 1, 2022).
	31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
	31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
	32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
	32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
	101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Comprehensive Income (Loss); (iv) Consolidated Statements of Changes in Equity; (v) Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.
	104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† *Management contracts and compensatory plans or arrangements.*

* *Portions of this exhibit have been omitted.*

SIGNATURES

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

FTAI INFRASTRUCTURE INC.

By:	/s/ Kenneth J. Nicholson	Date:	August 2, 2024
	Kenneth J. Nicholson		
	Chief Executive Officer and President		
By:	/s/ Scott Christopher	Date:	August 2, 2024
	Scott Christopher		
	Chief Financial Officer, Chief Accounting Officer and Treasurer		

EXHIBIT 31.1

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Kenneth J. Nicholson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FTAI Infrastructure Inc. (the "registrant");

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

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

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

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

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

August 2, 2024	/s/ Kenneth J. Nicholson
(Date)	Kenneth J. Nicholson Chief Executive Officer and President

EXHIBIT 31.2

SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Scott Christopher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FTAI Infrastructure Inc. (the "registrant");

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

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

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

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

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

August 2, 2024	/s/ Scott Christopher
(Date)	Scott Christopher
	Chief Financial Officer,Chief Accounting Officer and Treasurer

EXHIBIT 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of FTAI Infrastructure Inc. (the “Company”) for the quarterly period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Kenneth J. Nicholson, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

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

/s/ Kenneth J. Nicholson

Kenneth J. Nicholson
Chief Executive Officer and President
August 2, 2024

EXHIBIT 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of FTAI Infrastructure Inc. (the “Company”) for the quarterly period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Scott Christopher, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

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

/s/ Scott Christopher

Scott Christopher
Chief Financial Officer, Chief Accounting Officer and Treasurer
August 2, 2024