

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

FORM 8-K/A

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 26, 2025

FTAI INFRASTRUCTURE INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-41370
(Commission File Number)

87-4407005
(I.R.S. Employer Identification Number)

**1345 Avenue of the Americas, 45th Floor
New York, New York 10105**
(Address of principal executive offices and zip code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Introductory Note

This Current Report on form 8-K/A (this “Amendment”) is being filed as an amendment to the Current Report on Form 8-K filed by FTAI Infrastructure Inc. (the “Company”) with the Securities and Exchange Commission on February 26, 2025 (the “Original Report”). In the Original Report, the Company disclosed, among other things, the closing on February 26, 2025 of the Purchase Agreement (the “Purchase Agreement”) with certain affiliates of GCM Grosvenor Inc. (“GCM”), owner of 49.9% of the limited liability company interests of Long Ridge Energy & Power LLC (“LREP”), to acquire GCM's 49.9% interest in LREP. Consideration to GCM for the acquisition included (i) LREP issuing a \$20.0 million promissory note to an affiliate of GCM, (ii) cash consideration of \$9.0 million paid by the Company and (iii) 160,000 shares of a newly designated series of the Company's Series B Convertible Junior Preferred Stock (“Series B Preferred Stock”) issued by the Company to certain affiliates of GCM, as set forth in the Purchase Agreement. In connection with the issuance of the Series B Preferred Stock, the Company paid and issued to its manager, FIG LLC (the “Manager”) an option to purchase 2,852,049 shares of Common Stock at a per share exercise price equal to \$5.61, the closing price of the Common Stock on February 25, 2025. The option is fully vested as of the date of grant, is exercisable as to 1/30th of the shares of Common Stock to which the option is subject on the first day of each of the 30 calendar months following the first full calendar month after the date of grant and expires on the tenth anniversary of the date of grant. This Amendment is being filed to provide the historical consolidated financial information of LREP and the unaudited pro forma combined financial information of the Company required by Items 9.01(a) and 9.01(b) of Form 8-K that were excluded from the Original Report. Such information should be read in conjunction with the Original Report. Except as set forth herein, this Amendment does not amend, modify or update the disclosure contained in the Original Report.

Item 7.01 Regulation FD Disclosure.

In addition to the historical consolidated financial information of LREP and the unaudited pro forma combined financial information filed as Exhibit 99.1 and Exhibit 99.2, respectively, to this Amendment, the Company has prepared, and has furnished as Exhibit 99.3 to this Amendment, certain supplemental non-GAAP financial information.

The information in Item 7.01 of this Amendment and Exhibit 99.3 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(a) *Financial Statements of Business Acquired.*

The historical audited consolidated financial statements of Long Ridge Energy & Power LLC for the year ended December 31, 2024 are filed as Exhibit 99.1 to this Amendment and are incorporated herein by reference. The consent of Ernst & Young LLP, Long Ridge Energy & Power LLC's independent auditors, is attached as Exhibit 23.1 to this Amendment.

(b) *Pro Forma Financial Information.*

The unaudited pro forma consolidated financial information, including the unaudited pro forma combined balance sheet as of December 31, 2024 and the unaudited pro forma combined statement of operations for the year ended December 31, 2024, and related notes showing the pro forma effects of the Company's acquisition of the remaining limited liability company interests of Long Ridge Energy & Power LLC and related financing transactions (the “Transactions”) are filed as Exhibit 99.2 to this Amendment and are incorporated herein by reference. This unaudited pro forma consolidated financial information is provided for illustrative purposes only and does not purport to represent what the Company's financial position or results of operations would have been if the Transactions been consummated on the dates indicated, nor are they necessarily indicative of what the financial position or results of operations of the Company will be in future periods.

(c) *Exhibits.*

Exhibit Number	Description
23.1	Consent of Ernst & Young LLP.
99.1	Audited consolidated financial statements of Long Ridge Energy & Power LLC and the related notes thereto for the year ended December 31, 2024.
99.2	Unaudited pro forma combined financial information of the Company, which includes the unaudited pro forma combined balance sheet as of December 31, 2024 and the unaudited pro forma combined statement of operations for the year ended December 31, 2024.
99.3	Unaudited supplemental non-GAAP financial information.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURE

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

Dated: May 13, 2025

FTAI INFRASTRUCTURE INC.

/s/ Kenneth J. Nicholson

Kenneth J. Nicholson

Chief Executive Officer and President

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form S-3 No. 333-268507 and Form S-3 No. 333-268508) of FTAI Infrastructure Inc. of our report dated May 13, 2025, related to the consolidated financial statements of Long Ridge Energy & Power LLC as of and for the year ended December 31, 2024 appearing in this Current Report on Form 8-K/A of FTAI Infrastructure Inc.

/s/ Ernst & Young LLP

New York, New York
May 13, 2025

Long Ridge Energy & Power LLC

Consolidated Financial Statements
For the year ended December 31, 2024

Long Ridge Energy & Power LLC

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Report of Independent Auditors

To the Members of Long Ridge Energy & Power LLC

Opinion

We have audited the consolidated financial statements of Long Ridge Energy & Power LLC (the Company), which comprise the consolidated balance sheet as of December 31, 2024, and the related consolidated statement of operations, comprehensive loss, changes in members' deficit and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Ernst & Young LLP

New York, New York
May 13, 2025

Long Ridge Energy & Power LLC
CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	Notes	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents		\$ 1,511
Restricted cash		20,284
Accounts receivable, net		6,891
Other assets		6,229
Total current assets		34,915
Property, plant, and equipment, net	3	805,720
Goodwill	10	86,460
Intangible assets, net	10	3,800
Other assets		5,286
Total assets		\$ 936,181
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities		\$ 31,453
Derivative liabilities	6	57,870
Current portion of long-term debt	4	4,450
Other liabilities		299
Total current liabilities		94,072
Loans - affiliates	4	164,059
Debt, net	4	590,599
Derivative liabilities	6	348,204
Other liabilities		2,750
Total liabilities		1,199,684
Members' deficit		
Contributions, net		349,588
Accumulated losses		(232,065)
Accumulated other comprehensive loss		(381,026)
Total members' deficit		(263,503)
Total liabilities and members' deficit		\$ 936,181

See accompanying notes to the consolidated financial statements.

Long Ridge Energy & Power LLC**CONSOLIDATED STATEMENT OF OPERATIONS***(Dollars in thousands)*

	Year Ended December 31, 2024
Revenues	
Terminal and transloading revenues	\$ 6,519
Natural gas revenues, net	4,699
Power sales	111,243
Realized losses on derivatives	(16,994)
Unrealized change in fair value of non-hedge derivatives	2,316
Management Fee	2,417
Total revenues	<u>110,200</u>
Expenses	
Operating expenses	41,235
Depreciation, depletion and amortization	47,199
General and administrative expenses	12,754
Acquisition and transaction expenses	397
Asset impairment	546
Other income	(575)
Total expenses	<u>101,556</u>
Other (expense) income	
Interest expense	(70,178)
Interest income	1,103
Other income	47
Total other expense	<u>(69,028)</u>
Net loss	<u>\$ (60,384)</u>

See accompanying notes to the consolidated financial statements.

Long Ridge Energy & Power LLC**CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS***(Dollars in thousands)*

	Year Ended December 31, 2024
Net loss	\$ (60,384)
Amortization of unrealized loss of hedged derivatives	3,406
Unrealized change in fair value of hedged derivatives	(8,443)
Comprehensive loss	\$ (65,421)

See accompanying notes to the consolidated financial statements.

Long Ridge Energy & Power LLC**CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' DEFICIT***(Dollars in thousands)*

	Year Ended December 31, 2024
Beginning members' deficit	\$ (198,082)
Net loss	(60,384)
Other comprehensive loss	(5,037)
Total comprehensive loss	(65,421)
Ending members' deficit	\$ (263,503)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(Dollars in thousands)

	Year Ended December 31, 2024
Cash flows from operating activities:	
Net loss	\$ (60,384)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation, depletion and amortization	47,199
Change in fair value of non-hedge derivatives	(2,316)
Unrealized loss on gas derivatives	(655)
Amortization of other comprehensive loss	3,406
Asset impairment	546
Equity based compensation expense	4
Interest expense, paid in kind	17,993
Amortization of deferred financing costs	1,022
Other	8
Changes in operating assets and liabilities:	
Accounts receivable	(1,294)
Other assets	(1,109)
Accounts payable and accrued liabilities	(14,424)
Other liabilities	(1,736)
Net cash used in operating activities	(11,740)
Cash flows from investing activities:	
Purchases of property, plant and equipment	(32,664)
Proceeds from asset sales	2,136
Net cash used in investing activities	(30,528)
Cash flows from financing activities:	
Proceeds from loans with affiliates	52,892
Principal payments on loan with affiliates	(11,433)
Principal payments on long-term debt	(4,450)
Net cash provided by financing activities	37,009
Net decrease in cash and cash equivalents and restricted cash	(5,259)
Cash and cash equivalents and restricted cash, beginning of period	27,054
Cash and cash equivalents and restricted cash, end of period	\$ 21,795
Supplemental cash flow information:	
Interest paid, net of capitalization	\$ 64,563
Non-cash investing and financing activities:	
Acquisition of property, plant and equipment	\$ 12,522
Unrealized change in fair value of cash flow hedges	(8,444)

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

1. Organization

Long Ridge Energy & Power LLC (formerly Long Ridge Terminal LLC) (“Long Ridge” or the “Company”) is a Delaware limited liability company which owns Ohio River PP Holdco LLC (“ORPP”) and Ohio River Partners Shareholder LLC (“ORPS”). ORPP owns Long Ridge Energy Generation LLC (“LREG”) and Ohio GasCo LLC (“GasCo”). LREG owns and operates a 485 megawatt (“MWh”) combined-cycle natural gas power plant in Hannibal, Ohio which commenced operations on October 27, 2021. GasCo owns and operates 24 natural gas wells in Eastern Ohio and continues to drill new natural gas wells and self-supply natural gas fuel for LREG’s plant and also sells any excess production into nearby competitive markets. ORPS owns a 1,660-acre site along the Ohio River, most of which are located in Hannibal, Ohio with additional acreage near New Martinsville, West Virginia. In addition to providing the construction site for LREG’s power project, ORPS provides terminal and transloading services along with ancillary activities including property rental, leasing a portion of its site and providing electric power capability to customers and attraction and development of new business opportunities on the Long Ridge site.

On December 20, 2019, Fortress Transportation and Infrastructure Investors LLC (“FTAI”) contributed its equity interests in ORPP and ORPS into Long Ridge and sold a 49.9% interest in the Company to Labor Impact Fund L.P., managed by GCM Grosvenor Inc. (“GCM”), for \$150.0 million in cash, plus an earn out (the “Transaction”). The Transaction resulted in a new joint venture between the two companies to which purchase accounting was applied and, accordingly, resulted in a new basis of accounting in the acquired entities.

FTAI Infrastructure Inc. (“FIP”), a publicly traded Delaware corporation (NASDAQ: FIP), was formed to effectuate the spin-off of FTAI’s infrastructure businesses (including Long Ridge) from FTAI and succeeded to FTAI’s 50.1% ownership interest on August 1, 2022.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and include the accounts of the Company and its subsidiaries. The Company consolidates those entities in which it has a controlling interest and in which it has control over significant operating decisions. All intercompany transactions and balances have been eliminated. The Company’s undivided interest in the natural gas joint wells is consolidated on a proportionate basis in accordance with Accounting Standards Codification (“ASC”) Topic 932, Extractive Activities – Oil and Gas.

Use of Estimates

The preparation of financial statements in conformity with 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Company’s activities are subject to significant risk and uncertainties, including market risk and capital market risks. Market risk reflects the risk of a downturn or volatility in the underlying industry in which the Company operates and which could adversely impact the volume or pricing of our services, a customer’s ability to make payments or depress the value of our operating assets. Capital market risk is the risk that the Company is unable to obtain capital at reasonable rates to fund the growth of our business or to refinance existing debt facilities.

Cash and Cash Equivalents

The Company considers 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 funds set aside for repayment of interest and principal for LREG’s debt obligations as well as operating costs for LREG and Gasco. This cash is restricted as required by the Company’s lending agreements.

Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amounts and do not bear interest. The Company determines the provision for doubtful accounts based on its assessment of the collectability of its receivables on a customer-by-customer basis based on credit. Changes in economic conditions may require a re-assessment of collection risk and could result in increases or decreases in the allowance for doubtful accounts. There was no allowance for doubtful accounts required at December 31, 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

Concentration of Credit Risk

The Company is subject to a concentration of credit risk with respect to electricity independent system operators, and natural gas operators.

The Company contracts with certain processors to market a portion of natural gas on behalf of the Company. The Company does not depend on any single natural gas customer and believes that the loss of one customer would not have an adverse effect on its ability to sell its natural gas. Approximately 34% of the Company's outstanding accounts receivable resulted from natural gas sales as of December 31, 2024 and represent amounts due from non-end users of natural gas. The Company did not experience any significant defaults on sales of natural gas to non-end users of natural gas for the year ended December 31, 2024.

In 2024, the Company sold electricity to PJM Interconnection, Inc. ("PJM"). PJM coordinates, controls and monitors the operation of the electrical power system within a multiple state region in the eastern United States. The Company does not depend on any single electricity customer and believes that the loss of one customer would not have an adverse effect on its ability to sell electricity. Approximately 65% of the Company's outstanding receivables as of December 31, 2024 resulted from electricity sales represented by amounts due from non-end users of electricity. The Company did not experience any significant defaults on sales of electricity for the year ended December 31, 2024.

The Company maintains 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.

Other Current Assets

Other current assets primarily consist of prepaid expenses of \$5.2 million for the year ended December 31, 2024.

Natural Gas Operations

Property and Related Depletion: The Company follows the successful efforts method of accounting for costs incurred in the exploration and development of oil and gas producing activities. All development costs, including lease acquisition costs, are capitalized. The Company capitalizes exploratory drilling costs until a determination is made that the well or project has either found proved reserves or is dry. After an exploratory well has been drilled and found oil and natural gas reserves, a determination may be pending as to whether the oil and natural gas quantities can be classified as proved. In those circumstances, the Company continues to capitalize the drilling costs pending the determination of proved status if (i) the well has found a sufficient quantity of reserves to justify its completion as a producing well and (ii) the Company is making sufficient progress assessing the reserves and the economic and operating viability of the project. If the exploratory well is determined to be a dry well, the costs are charged to exploration expense. Other exploration costs, including geological and geophysical costs, are expensed as incurred. Capitalized costs are amortized using the unit-of- production method based on total proved reserves.

Asset Impairments: Oil and natural gas proved properties periodically are assessed for possible impairment in accordance with ASC Topic 360, Property, Plant and Equipment. The Company monitors its oil and natural gas properties as well as the market and business environments in which it operates and makes assessments about events that could result in potential impairment issues. Such potential events may include, but are not limited to, commodity price declines, unanticipated increases in operating costs, and lower than expected production performance. If a material event occurs, the Company makes an estimate of undiscounted future cash flows to determine whether the asset is impaired. Impairment losses are recognized when the estimated discounted future cash flows are less than the current net book values of the properties. If the asset is impaired, the Company will record an impairment loss for the difference between the net book value of the properties and the fair value of the properties. The fair value of the properties typically is estimated using discounted cash flows.

The Company also may recognize impairments of capitalized costs for unproved properties in accordance with ASC Topic 932 – Extractive Activities – Oil and Gas. The greatest portion of these costs generally relates to the leasehold acquisitions. The costs are capitalized and periodically evaluated for recoverability, based on changes brought about by exploration activities, changes in economic factors and potential shifts in business strategy.

The Company recognized \$0.5 million of natural gas-related asset impairments for the year ended December 31, 2024. The asset impairments resulted from the expiration of certain lease contracts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

Property, Plant, and Equipment – Non-natural Gas Operations

Property, plant, and equipment for non-natural gas operations is stated at cost and depreciated using the straight-line method over the estimated useful lives. See the estimated useful lives by asset class:

<u>Asset</u>	<u>Range of Estimated Useful Lives</u>
Construction in progress	N/A
Land and improvements	N/A
Power generation	15 - 30 years
Computer software	3 - 7 years
Buildings	10 - 30 years
Machinery & equipment	5 - 15 years
Railroad assets	10 - 30 years
Vehicles	5 - 7 years

The Company performs a recoverability assessment of each of its 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. When performing a recoverability assessment, the Company measures 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 power plant services, operating 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.

Goodwill

Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets of the Company at the Transaction date. The carrying amount of goodwill was \$86.5 million as of December 31, 2024.

The Company reviews the carrying value of goodwill at least annually or whenever events or changes in circumstances indicate that the 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 the carrying amount, then a two-step goodwill impairment test is performed to identify potential goodwill impairment and measure an impairment loss. A qualitative analysis was elected for the year ended December 31, 2024 to evaluate the reporting units as there had not been significant changes to the industry, or business, as of the date of evaluation.

The ORPP reporting unit as of October 1, 2024 had a negative carrying value. The ORPP business is expected to generate positive operating cash flows for the foreseeable future. We concluded that it is more likely than not that the fair value of the ORPP reporting unit exceeds the carrying value. Based on our qualitative assessment of the ORPP reporting unit we did not record any impairment for the year ended December 31, 2024.

Intangible Asset and Amortization

The intangible asset represents the value of existing customer relationships acquired in connection with the Transaction.

Customer relationship intangible assets are amortized on a straight-line basis over their useful lives as the pattern in which the asset's economic benefits are consumed cannot reliably be determined. The customer relationship intangible asset has a useful life of approximately 15 years, no estimated residual value, and amortization is recorded as a component of Depreciation, depletion and amortization in the Consolidated Statement of Operations. The weighted-average remaining amortization period is approximately 10 years as of December 31, 2024.

Derivative Financial Instruments

Electricity Derivatives — The Company entered into derivative contracts as part of a risk management program to mitigate price risk associated with certain electricity price exposures. The Company 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. The derivative's gain or loss is reported as other comprehensive loss in our Consolidated Statement of Comprehensive Loss and recorded in members' deficit in our Consolidated Balance Sheets. The derivative's realized gain or loss is reported through net loss included in Cash flows from operating activities within our Consolidated Statement of Cash Flows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

The gain or loss is subsequently reclassified into the Consolidated Statement of Operations line item that is impacted by the forecasted transaction when the forecasted transaction affects net earnings.

Derivatives Not Designated As Hedging Instruments: Certain of these derivative instruments are not designated as hedging instruments for accounting purposes. The change in fair value of these contracts is recognized in Revenue in the Consolidated Statement of Operations. The cash flow impact of derivative contracts that are not designated as hedging instruments is recognized in change in fair value of non-hedge derivatives in our Consolidated Statement of Cash Flows.

Natural Gas Derivatives — The Company entered into a derivative contract as part of a risk management program to mitigate price risk associated with fluctuations in natural gas prices. The Company recognized the change in fair value of the derivatives in operating expenses line of our Consolidated Statement of Operations.

The Company records all derivative assets and liabilities on a gross basis at fair value and are included in the Consolidated Balance Sheets.

Leases

The Company accounts for leases in accordance with ASC 842, Leases, which requires the balance sheet recognition of lease assets and lease liabilities by lessees for those leases classified as operating and finance leases. The Company determines if an arrangement is a lease at inception. Operating leases are included in other assets and other liabilities in the Consolidated Balance Sheets. Finance leases are included in property, plant and equipment and accounts payable and accrued liabilities in the 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. Operating lease expenses are recognized on a straight-line basis over the lease term. With respect to finance leases, amortization of the right of use asset is presented separately from interest expense related to the finance lease liability.

Revenue Recognition

The Company accounts for revenue in accordance with ASC 606 - Revenue from Contracts with Customers.

The Company's terminal and transloading revenues are recognized when services are performed for customers. The performance obligation is satisfied when the service is completed.

The Company's natural gas revenues are based on actual sales volumes of commodities sold by Diversified Energy Inc. ("Diversified"). Diversified owns the portions of certain GasCo natural gas wells not owned by GasCo, operates all GasCo's natural gas wells and markets excess natural gas not required for plant operations to various end users in the open market. The Company has concluded that the control transfers to the natural gas operator at the point of delivery (i.e., wellhead or the inlet of the operating entity's system) and revenue is recognized when control transfers. In these instances, revenue is recorded net of any marketing, gathering and compressor fees.

Power sales are recognized from LREG's sales into PJM's day-ahead and spot markets. Certain transmission losses, control and dispatch market support fees, and other fees incurred by PJM are netted into revenue. Power sales are recognized upon generation of the electricity and simultaneous consumption by the customer. Revenue is recognized based on the invoiced amount which is equal to the value of the Company's performance obligation satisfied with the customer.

LREG participates in PJM's capacity market and provides a stated quantity of capacity and generates electricity as required during the performance period. LREG receives payment for and recognizes revenue with respect to LREG's capacity commitments ratably over the term of its capacity commitments.

Payment terms for all revenues are generally short term in nature.

Comprehensive Loss

Comprehensive 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 members.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

Accumulated Other Comprehensive Loss

Components of accumulated other comprehensive loss at December 31, 2024 are as follows:

	Power Derivatives
Balance at beginning of period	\$ (375,989)
Other comprehensive income (loss) before reclassification	(8,443)
Amounts reclassified from accumulated other comprehensive loss	3,406
Net current period other comprehensive loss, net of tax	(5,037)
Accumulated other comprehensive loss	\$ (381,026)

Income Taxes

The Company is a disregarded entity for tax reporting purposes and therefore no income taxes have been provided for in these financial statements, as each investor in the Company is individually responsible for reporting income or loss based upon its respective share of the Company's income and expenses as reported for income tax purposes.

There are no uncertain tax positions that would require recognition in the financial statements. An informational tax return regarding the Company is filed in the U.S. federal jurisdiction and is subject to examination by the U.S. Federal tax authorities.

3. Property, Plant and Equipment, Net

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

	December 31, 2024
Construction in progress	\$ 1,703
Unproved properties	46,316
Proved developed properties	300,043
Power generation	598,618
Computer software	133
Land and improvements	19,384
Buildings	6,873
Machinery & equipment	8,987
Railroad assets	3,673
Vehicles	160
	985,890
Less: Accumulated depreciation, depletion and amortization	(180,170)
Property, plant and equipment, net	\$ 805,720

Interest capitalized for the year was \$1.2 million for the year ended December 31, 2024. Included within property, plant and equipment, net is \$76.2 million of capitalized interest as of December 31, 2024. Depreciation, depletion and amortization expense for property, plant and equipment was \$46.8 million for the year ended December 31, 2024.

4. Debt, Net

On October 12, 2022, the Company entered into a loan agreement with FIP and GCM ("the Investors"). The agreement calls for amounts advanced by the Investors to accrue interest at a rate of 11% if paid in cash and 13% if paid-in-kind ("PIK"), compounded quarterly commencing December 31, 2022. All interest has been PIK since inception. The agreement maturity date was extended from October 15, 2023 to May 1, 2032.

On November 17, 2023, the Company entered into a co-borrowing arrangement with Long Ridge West Virginia ("LRWV") a related party controlled by FIP and GCM. The co-borrowing loan was for \$35.0 million of which each party was jointly and severally liable. The interest rate to be charged on the loan is Secured Overnight Financing Rate ("SOFR") plus 10.5%, compounded quarterly beginning December 31, 2023. The interest rate was adjusted monthly based off the monthly SOFR rate. Substantially all assets of LRWV and Ohio River Partners Shareholder LLC were pledged as security. The loan was to mature on November 16, 2026. LRWV received the original funding from the loan with the intention that they will repay the loan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

On May 17, 2024, Long Ridge West Virginia entered into a new loan agreement with CanAm Pennsylvania Regional Center, LP XI (“CanAm”). The transaction closed on September 13, 2024. LREP is a guarantor to this agreement through a pledge of the assets at Ohio River Partners Shareholder LLC. CanAm has agreed to provide up to \$115.2 million to LRWV. This loan is to mature on September 13, 2029 and has a current interest rate of 6.75%. As of December 31, 2024, LRWV has \$99.2 million outstanding on the loan and \$16.0 million available to be drawn.

The co-borrowers entered a separate agreement for a revolver from LRWV to LREP to transfer portions of the borrowing to LREP. The agreement calls for amounts advanced by LRWV to accrue interest at a rate comparable to the underlying loan, compounded quarterly commencing December 31, 2023. The interest rate was adjusted monthly based off the monthly SOFR rate while the original loan was in place. The interest rate decreased to 6.75% as of September 13, 2024 based on the CanAm loan. The agreement matures February 16, 2027.

Loans - affiliates are summarized as follows:

	Outstanding Borrowings as of December 31, 2024	Stated Interest Rate	Maturity Date
FIP Loan	\$ 114,802	13.00% PIK	05/01/2032
GCM Loan	21,443	13.00% PIK	05/01/2032
Long Ridge West Virginia Loan	27,841	6.75% PIK	02/16/2029
Deferred Financing Costs	(27)		
Total	\$ 164,059		

The loans with affiliates included \$27.7 million of payment-in-kind (“PIK”) interest for the year ended December 31, 2024.

On February 15, 2019, LREG and GasCo (together, the “Co-Borrowers”) along with ORPP as guarantor, entered into certain credit agreements establishing (i) a \$445.0 million first lien construction loan and term loan (the “First Lien Credit Agreement”), (ii) a \$143.0 million second lien construction loan and term loan (the “Second Lien Credit Agreement”), and (iii) a \$154.0 million letter of credit facility (the “LC Facility”), all of which were to be used for the purposes of funding the development, construction and completion of the power plant and drilling and completion of the associated gas wells. Upon completion of the power plant and subject to certain other conditions (“Term Conversion”), outstanding Construction Loans under the First Lien Credit Agreement, the Second Lien Credit Agreement and the LC Facility converted to Term Loans. Term Conversion occurred on May 17, 2022. Substantially all assets of ORPP are pledged as collateral against these loans.

The First Lien Credit Agreement calls for mandatory annual amortization of \$4.5 million (1% of the balance outstanding at Term Conversion) plus additional mandatory prepayments of excess cash flows, as defined in the First Lien Credit Agreement. The Second Lien Credit Agreement does not require mandatory cash flows but does require mandatory prepayments of excess cash flows as defined in the Second Lien Credit Agreement. The First and Second Lien Credit Agreements contain certain affirmative and negative covenants for which the Co-Borrowers are obligated to comply.

The LC Facility outstanding at December 31, 2021 matured on March 31, 2022 and was amended and extended to March 29, 2025 under substantially the same terms and conditions but with a maximum availability of \$126.0 million, as provided in the First Lien Credit Agreement. Fees incurred in connection with obtaining the amended and extended LC Facility are capitalized and amortized to interest expense over the term of the underlying LC Facility. Unamortized deferred financing costs was recorded in Other assets on the Consolidated Balance Sheet for \$0.3 million as of December 31, 2024.

As of December 31, 2024, \$115.5 million letters of credit have been provided to electricity swap counterparties (see Notes 6 and 12) in accordance with the provisions of the LC Facility, leaving \$10.5 million of letter of credit capacity at December 31, 2024.

The borrowings under these agreements are secured by the assets of the Co-Borrowers and ORPP and are secured by first priority security interests and second priority security interests, respectively, in all of the assets of the Co-Borrowers and the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

Long-term debt with unrelated third parties is summarized as follows:

	Outstanding Borrowings as of December 31, 2024	Stated Interest Rate	Maturity Date
First Lien Credit Agreement	\$ 433,875	7.30%	12/31/2027
Second Lien Credit Agreement	161,174	9.74%	06/30/2028
Total Debt Outstanding	\$ 595,049		

The Current portion of long term debt is \$4.5 million as of December 31, 2024. The outstanding borrowings under the Second Lien Credit Agreement included \$18.2 million of PIK interest as of December 31, 2024. Certain interest under the Second Lien Credit Agreement was permitted to be paid in kind prior to Term Conversion.

As of December 31, 2024, scheduled principal repayments under our debt agreements for the next five years and thereafter are summarized as follows:

	Principal Payments
2025	\$ 4,450
2026	4,450
2027	424,975
2028	161,174
2029	27,841
Thereafter	136,245
Total	\$ 759,135

5. 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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

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

Fair Value Measurements Using Fair Value Hierarchy as of December 31, 2024						
	Total	Level 1	Level 2	Level 3	Valuation Technique	
Assets						
Cash and cash equivalents	\$ 1,511	\$ 1,511	\$ —	\$ —	Market	
Restricted cash	20,284	20,284	—	—	Market	
Total	\$ 21,795	\$ 21,795	\$ —	\$ —		
Liabilities						
Derivative liabilities	\$ 406,074	\$ —	\$ 406,074	\$ —	Income	
Total	\$ 406,074	\$ —	\$ 406,074	\$ —		

The fair value of our electricity derivative liabilities are estimated by applying the income approach, which is based on discounted projected future cash flows. The valuation of our electricity derivatives is based on management's best estimate of certain key assumptions, which include estimated power forward curves, probability of default, and the discount rate.

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.

Financial instruments other than cash and cash equivalents and restricted cash consist principally of accounts receivable, accounts payable and accrued liabilities, and loans payable, whose fair values approximate their carrying values based on an evaluation of pricing data, vendor quotes, and historical trading activity or due to their short maturity profiles.

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

	December 31, 2024
FIP Loan	\$ 113,739
GCM Loan	21,245
Long Ridge West Virginia Loan	27,937
First Lien Credit Agreement	466,558
Second Lien Credit Agreement	169,125

6. Derivative Financial Instruments

The Company is subject to electricity price volatility stemming from the sales of electricity from our Long Ridge power generation plant. From time to time, the Company enters into electricity swap agreements to manage our exposure to electricity price fluctuations. Certain derivatives are designated as hedging instruments within cash flow hedging relationships and certain other derivatives are not designated as hedging instruments.

The Company is subject to natural gas price volatility stemming from our natural gas sales. The Company entered into forward contracts to sell a firm quantity of natural gas at a predetermined future date and at a predetermined fixed price, for a portion of our sales, in order to mitigate natural gas price volatility. The forward contracts were not designated as hedging instruments. The Company recognized the gain or loss in our Consolidated Statement of Operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

The following tables present information related to our outstanding derivative contracts as of December 31, 2024:

	December 31, 2024			
	Notional Amount	Fair Value of Assets	Fair Value of Liabilities	Term
Derivatives Designated as Cash Flow Hedges:				
Electricity Swaps (MWh)	19,350	\$ —	\$ (360,752)	4 to 7 Years
Non-Hedge Derivative Instruments:				
Electricity Swaps (MWh)	2,455	—	(45,322)	4 to 7 Years
Total		<u>\$ —</u>	<u>\$ (406,074)</u>	

The following table presents a summary of the changes in fair value for Electricity Swap derivatives:

	Year Ended December 31, 2024
Beginning balance	\$ (399,946)
Net unrealized gains recognized in earnings	2,316
Unrealized losses recognized in other comprehensive loss	(8,444)
Ending balance	<u>\$ (406,074)</u>

The following table presents a summary of the changes in fair value for Natural Gas Forward derivatives:

	Year Ended December 31, 2024
Beginning balance	\$ (655)
Net unrealized gains recognized in earnings	655
Ending balance	<u>\$ —</u>

7. Equity-Based Compensation

In April 2021, the Company granted certain employees a total of 2,050,000 Phantom Equity Units (the “Units”) and in June 2021 granted an additional 50,000 Units for a total of 2,100,000 Units issued. The Units were issued by agreement of the Company’s owners and are administered under letter agreements with each recipient. The Units are classified as a liability and are remeasured at fair value until settlement, with the change in fair value recorded as compensation expense. Under the terms of the unit award agreements, the Units will be settled in cash at the earlier of a change in control of the Company or seven years from the date the units were issued. Upon termination of the recipient for any reason, any Units which have not vested shall be immediately forfeited by the recipient without consideration of any kind and shall no longer be outstanding.

The grant date fair value of the awards was \$2.4 million and will vest over a three-year period. The Unit awards are recorded at fair value and are recorded in other liabilities for \$2.3 million at December 31, 2024.

8. Related Party Transactions

The Company may, in the ordinary course of business, enter into transactions with related parties. For the year ended December 31, 2024, the Company had \$4.7 million of natural gas revenue sourced through Diversified. At December 31, 2024, accounts receivable of \$2.4 million represented the amount due from Diversified as cash collected on behalf of the Company from sales to third parties.

On October 12, 2022, the Company entered into a loan agreement with affiliates, FIP and GCM. On November 17, 2023, the Company entered into a loan agreement with Long Ridge West Virginia. See footnote 4 *Debt, net* for further details.

9. Retirement Savings Plan

The Company sponsors a voluntary retirement savings plan. Under the provisions of the plan, qualifying employees are eligible for Company matching contributions based on their eligible earnings contributed to the plan. The Company contributed \$0.1 million for the year ended December 31, 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

10. Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost over the net tangible and identifiable intangible assets of the Company at the Transaction date. The goodwill balance was \$86.5 million as of December 31, 2024. There was no impairment of goodwill for the year ended December 31, 2024.

Identifiable intangible assets are recorded based upon fair value at the Transaction date. The Company's intangible asset is for customer relationships valued at \$5.7 million with an estimated useful life of 15 years.

The gross carrying amount and accumulated amortization of the customer relationships as of December 31, 2024 were as follows:

	December 31, 2024
Gross	\$ 5,700
Accumulated amortization	(1,900)
Intangible Asset, Net	\$ 3,800

	Estimated Amortization Expense
2025	\$ 380
2026	380
2027	380
2028	380
2029	380
Thereafter	1,900
Total	\$ 3,800

Amortization expense for the year ended December 31, 2024 was \$0.4 million.

11. Supplemental Information on Oil and Gas Producing Activities (Unaudited)

The following supplemental unaudited information regarding the Company's oil and natural gas activities is presented pursuant to the disclosure requirements of ASC 932, "Extractive Activities - Oil and Gas." The Company's natural gas reserves and activities are located solely in the United States.

Proved Natural Gas Reserve Quantities

Proved reserves are those quantities of natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, operating methods, and government regulations. Proved developed reserves are proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods, or in which the cost of the required equipment is relatively minor compared to the cost of a new well.

The Company's net proved natural gas reserves and changes in net proved natural gas reserves attributable to the natural gas properties, are summarized below:

Proved developed reserves (in MMBtus):

December 31, 2023	142,152
Revisions of previous estimates	(10,570)
Extensions and discoveries	67,390
Production and sales	(22,278)
December 31, 2024	176,694

Proved developed reserves:

December 31, 2024	176,694
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

Revisions represent changes in previous reserves estimates, either upward or downward, resulting from new information normally obtained from development drilling and production history or resulting from a change in economic factors, such as commodity prices, operating costs or development costs.

Capitalized Natural Gas Costs

Aggregate capitalized costs related to natural gas production activities with applicable accumulated depreciation, depletion, accretion and impairment are as follows:

	December 31, 2024
Natural gas properties	
Proved properties	\$ 300,043
Unproved properties	46,316
Total properties	346,359
Accumulated depreciation, depletion, accretion and impairment	(105,449)
Net capitalized costs	\$ 240,910

Costs Incurred in Natural Gas Activities

Costs incurred in natural gas acquisition and development activities are as follows:

	December 31, 2024
Acquisition costs	
Proved	\$ 21
Unproved	236
Total acquisition costs	257
Exploration costs	755
Development costs	23,218
Total costs incurred on natural gas	\$ 24,230

Results of Operations from Oil and Natural Gas Producing Activities

The following schedule sets forth the revenues and expenses related to the production and sale of natural gas. It does not include any interest costs or general and administrative costs and, therefore, is not necessarily indicative of the contribution to the net operating results of the Company's natural gas operations.

	December 31, 2024
Natural gas revenues	
Sales	\$ 4,700
Transfers	38,842
Total	43,542
Production costs	(20,038)
Depreciation, depletion and amortization	(24,009)
Impairment of natural gas properties	(546)
Results of operations before income taxes	(1,051)
Income tax expenses	—
Results of operations from producing activities (excluding corporate overhead and interest costs)	\$ (1,051)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Natural Gas Reserves

The standardized measure of discounted future net cash flows before income taxes related to the proved natural gas reserves of the properties is as follows:

	December 31, 2024
Future cash inflows	\$ 265,253
Future production and development costs	(115,589)
Future tax expenses	(8,890)
Future net cash flows	140,774
10% annual discount for estimated timing of cash flows	(68,093)
Standardized measurement discounted future net cash flows at the end of the fiscal year	\$ 72,681

Reserve estimates and future cash flows are based on the average market prices for sales of natural gas adjusted for basis differentials, on the first calendar day of each month during the year. The average price used for 2024 is \$1.545 per MMBtu for natural gas.

Future production costs are computed primarily by the Company’s petroleum engineers by estimating the expenditures to be incurred in producing the proved natural gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. A discount factor of 10% was used to reflect the timing of future net cash flows. The standardized measure of discounted future net cash flows is not intended to represent the replacement cost or fair value of the properties. An estimate of fair value would also take into account, among other things, the recovery of reserves not presently classified as proved, anticipated future changes in prices and costs, and a discount factor more representative of the time value of money and the risks inherent in natural gas reserve estimates.

12. Subsequent Events

The Company changed the legal entity name of Ohio River PP Holdco LLC (“ORPP”) to Long Ridge Energy LLC (“LRE”) on January 7, 2025.

Long Ridge Energy & Power LLC Senior Secured Notes due 2032 and Credit Agreement

On February 19, 2025, LRE closed its private offering of \$600.0 million aggregate principal amount of 8.750% senior secured notes due 2032 (the “Notes”). The Notes were issued at an issue price equal to 100.00% of principal, plus accrued interest from and including February 19, 2025. The Notes will mature on February 15, 2032. The Notes are jointly and severally guaranteed on a senior secured basis by Long Ridge Energy Generation LLC, a Delaware limited liability company (“PowerCo”), and Ohio GasCo LLC, a Delaware limited liability company (“GasCo”).

On February 19, 2025, LRE entered into a credit agreement to borrow senior secured term loans (the “New Term Loans”) for an aggregate principal amount of \$400.0 million. The New Term Loans bear interest at SOFR plus 4.50% per annum and mature on February 19, 2032. The New Term Loans are jointly and severally guaranteed on a senior secured basis by PowerCo and GasCo.

We used a portion of the proceeds to repay the First Lien Credit Agreement and Second Lien Credit Agreement in full. A portion of the remaining proceeds were used to renegotiate the terms of the swaps. Two counterparties renegotiated the strike price, one counterparty was terminated and one counterparty was partially terminated. Under the new agreements the letters of credit were renegotiated, per the below. The remaining proceeds will be set aside for capital expenditures, operations and debt service.

Each of LRE, GasCo and PowerCo operates as a special purpose bankruptcy remote entity. The assets and credit of these entities may only be used to settle obligations of such entities and are not available to satisfy the debts and other obligations of the Company, any affiliates or any other person.

On February 19, 2025, in conjunction with the financings, the letters of credit were renegotiated. As a result, there is a \$10.0 million and \$1.0 million letter of credit that have been provided to electricity swap counterparties, and will mature on February 26, 2026 and February 10, 2026, respectively.

On February 19, 2025, in conjunction with the financings, Long Ridge West Virginia was contributed into Long Ridge Energy & Power LLC. Long Ridge West Virginia had \$128.2 million of total assets and \$128.3 million of total liabilities that were contributed to the Company.

Long Ridge Energy & Power LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, unless otherwise noted)

Refer to FTAI Infrastructure Inc.'s Form 8-K which was filed with the Securities and Exchange Commission on February 25, 2025 for additional detail.

Acquisition of Outstanding Equity Interests in Long Ridge Energy & Power LLC

On February 26, 2025, FTAI Infrastructure Inc. entered into a purchase agreement with certain affiliates of GCM, owner of 49.9% of the limited liability company interests of the Company, to acquire GCM's 49.9% interest. Consideration to GCM for the acquisition included (i) the Company issuing a \$20.0 million promissory note to an affiliate of GCM, (ii) cash consideration of \$9.0 million paid by FTAI Infrastructure Inc. and (iii) 160,000 shares of newly formed Series B Convertible Junior Preferred Stock issued by FTAI Infrastructure Inc. to certain affiliates of GCM.

Refer to FTAI Infrastructure Inc.'s Form 8-K which was filed with the Securities and Exchange Commission on February 27, 2025 for additional detail.

May 2025 Long Ridge Credit Agreement

On May 7, 2025, Long Ridge Energy & Power LLC entered into a credit agreement, providing for a \$40.0 million loan facility, which matures on June 7, 2026, and bears interest at 15.75%.

Subsequent events have been evaluated through May 13, 2025, the date the financial statements were available to be issued.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information has been prepared to illustrate the estimated effects of the acquisition of 49.9% of the limited liability company interests of Long Ridge Energy & Power LLC (“Long Ridge”), from GCM Grosvenor Inc. (“GCM”) (the “Transaction”). It sets forth:

- The historical consolidated financial information of FTAI Infrastructure Inc. (“FIP”, “we”, “us”, “our”, or the “Company”) as of and for the year ended December 31, 2024, derived from our audited consolidated financial statements;
- The historical consolidated financial information of Long Ridge as of and for the year ended December 31, 2024, derived from Long Ridge’s audited consolidated financial statements;
- Pro forma adjustments to give effect to our acquisition of 49.9% of the limited liability company interests of Long Ridge on our consolidated balance sheet as of December 31, 2024, as if the Transaction closed on December 31, 2024; and
- Pro forma adjustments to give effect to our acquisition of 49.9% of the limited liability company interests of Long Ridge on our consolidated statements of operations for the year ended December 31, 2024, as if the Transaction closed on January 1, 2024.

This unaudited pro forma combined financial information should be read in conjunction with:

- The Company’s audited consolidated financial statements and the related notes thereto for the year ended December 31, 2024 included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission (“SEC”) on March 13, 2025;
- Long Ridge’s audited consolidated financial statements and the related notes thereto for the year ended December 31, 2024, filed herewith as Exhibit 99.1; and
- The accompanying notes to the unaudited pro forma combined financial information.

The unaudited pro forma combined financial information has been prepared from the respective historical consolidated financial information of the Company and Long Ridge, and reflects adjustments to the historical information in accordance with Article 11, “Pro Forma Financial Information”, under Regulation S-X of the Exchange Act, (“Article 11”). The following unaudited pro forma combined financial information primarily gives effect to:

- application of the acquisition method of accounting in connection with the Transaction;
- contribution of Long Ridge West Virginia LLC (“Long Ridge WV”) into Long Ridge in connection with the contribution on February 19, 2025 (refer to Note 4); and
- transaction costs incurred in connection with the Transaction.

The unaudited pro forma combined financial information gives effect to the Transaction, which has been accounted for using the acquisition method of accounting. Under the acquisition method of accounting, we recorded assets acquired and liabilities assumed from Long Ridge at their respective acquisition date fair values on February 26, 2025 (the “closing date”).

The allocation of the purchase price used in the unaudited pro forma combined financial information is based on preliminary estimates and assumptions. These preliminary estimates and assumptions are subject to change. We have not completed certain detailed valuation studies necessary to determine the fair value of Long Ridge’s assets acquired and liabilities assumed and the related purchase price allocation. The final purchase price allocation determination will be based on the identification of Long Ridge’s assets acquired and liabilities assumed and their respective assigned fair values as of the effective time of the acquisition.

The unaudited pro forma combined financial information has been compiled in a manner consistent with the accounting policies adopted by the Company. We believe these accounting policies are similar in material respects to those of Long Ridge. Certain reclassifications have been made to conform the presentation of Long Ridge’s financial information to that of the Company. A reconciliation of these reclassifications is provided in the notes to the unaudited pro forma combined financial information.

FTAI INFRASTRUCTURE INC.
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF DECEMBER 31, 2024
(in thousands)

	Historical			Acquisition Adjustments (Note 5)	Notes	Pro Forma Combined
	FIP	Long Ridge, as Reclassified	Contribution of LR WV (Note 4)			
Assets						
Cash and cash equivalents	\$ 27,785	\$ 1,511	\$ 27,404	\$ (9,000)	(a)	\$ 47,700
Restricted cash and cash equivalents	119,511	20,284	—	—		139,795
Accounts receivable, net	52,994	6,891	—	—		59,885
Other current assets	19,561	6,229	38	—		25,828
Total current assets	219,851	34,915	27,442	(9,000)		273,208
Leasing equipment, net	37,453	—	—	—		37,453
Operating lease right-of-use assets, net	67,937	—	—	—		67,937
Property, plant, and equipment, net	1,653,468	805,720	47,709	660,189	(b)	3,167,086
Investments	12,529	—	—	(116)	(c)	12,413
Intangible assets, net	46,229	3,800	—	(2,300)	(d)	47,729
Goodwill	275,367	86,460	—	28,543	(e)	390,370
Other assets	61,554	5,286	30,264	(27,841)	(f)	69,263
Total assets	<u>\$ 2,374,388</u>	<u>\$ 936,181</u>	<u>\$ 105,415</u>	<u>\$ 649,475</u>		<u>\$ 4,065,459</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 176,425	\$ 31,453	\$ 9,180	\$ 3,794	(g)	\$ 220,852
Debt, net	48,594	4,450	—	—		53,044
Derivative liabilities	—	57,870	—	—		57,870
Operating lease liabilities	7,172	—	—	—		7,172
Other current liabilities	18,603	299	—	—		18,902
Total current liabilities	250,794	94,072	9,180	3,794		357,840
Debt, net	1,539,241	754,658	95,693	(140,568)	(h)	2,249,024
Derivative liabilities	—	348,204	—	—		348,204
Operating lease liabilities	60,893	—	—	—		60,893
Other liabilities	67,104	2,750	—	(5,791)	(i)	64,063
Total liabilities	1,918,032	1,199,684	104,873	(142,565)		3,080,024
Redeemable preferred stock	381,218	—	—	152,642	(j)	533,860
Equity						
Common stock	1,139	—	—	—		1,139
Additional paid in capital	764,381	(263,503)	542	271,331	(k)	772,751
Accumulated (deficit) earnings	(405,818)	—	—	185,084	(l)	(220,734)
Accumulated other comprehensive (loss) income	(157,051)	—	—	182,983	(m)	25,932
Stockholders' equity	202,651	(263,503)	542	639,398		579,088
Non-controlling interest in equity of consolidated subsidiaries	(127,513)	—	—	—		(127,513)
Total equity	75,138	(263,503)	542	639,398		451,575
Total liabilities, redeemable preferred stock and equity	<u>\$ 2,374,388</u>	<u>\$ 936,181</u>	<u>\$ 105,415</u>	<u>\$ 649,475</u>		<u>\$ 4,065,459</u>

See accompanying notes to the "Unaudited Pro Forma Combined Financial Information."

FTAI INFRASTRUCTURE INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(in thousands, except per share amounts)

	Historical			Acquisition Adjustments (Note 5)	Notes	Pro Forma Combined
	FIP	Long Ridge, as Reclassified	Contribution of LR WV (Note 4)			
Revenues						
Total revenues	\$ 331,497	\$ 110,200	\$ —	\$ (2,417)	(n)	\$ 439,280
Expenses						
Operating expenses	247,674	53,414	466	—		301,554
General and administrative	14,798	—	—	—		14,798
Acquisition and transaction expenses	5,457	397	19	2,094	(o)	7,967
Management fees and incentive allocation to affiliate	11,318	—	2,417	(2,417)	(p)	11,318
Depreciation and amortization	79,410	47,199	—	12,776	(q)	139,385
Asset impairment	72,336	546	—	—		72,882
Total expenses	430,993	101,556	2,902	12,453		547,904
Other (expense) income						
Equity in (losses) earnings of unconsolidated entities	(55,496)	—	—	37,146	(r)	(18,350)
Gain on sale of assets, net	2,370	—	—	93,202	(s)	95,572
Loss on modification or extinguishment of debt	(8,925)	—	(9,430)	—		(18,355)
Interest expense	(122,108)	(70,178)	(4,876)	15,721	(t)	(181,441)
Other income	20,904	1,150	3,317	(15,412)	(u)	9,959
Total other (expense) income	(163,255)	(69,028)	(10,989)	130,657		(112,615)
(Loss) income before income taxes	(262,751)	(60,384)	(13,891)	115,787		(221,239)
Provision for (benefit from) income taxes	3,313	—	—	(59,351)	(v)	(56,038)
Net (loss) income	(266,064)	(60,384)	(13,891)	175,138		(165,201)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	(42,419)	—	—	—		(42,419)
Less: Dividends and accretion of redeemable preferred stock	70,814	—	—	2,712	(w)	73,526
Net (loss) income attributable to stockholders	\$ (294,459)	\$ (60,384)	\$ (13,891)	\$ 172,426		\$ (196,308)
Net loss attributable to common stockholders	\$ (294,459)					\$ (213,157)
Loss per share:						
Basic ^(x)	\$ (2.72)					\$ (1.97)
Diluted ^(x)	\$ (2.72)					\$ (1.97)
Weighted-average shares outstanding:						
Basic	108,217,871					108,217,871
Diluted	108,217,871					108,217,871

See accompanying notes to the “Unaudited Pro Forma Combined Financial Information.”

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

(Dollars in thousands, unless otherwise stated)

Note 1: Description of the Transaction and Basis of Pro Forma Presentation

On February 26, 2025, the Company entered into a purchase agreement (the "Purchase Agreement") with certain affiliates of GCM Grosvenor Inc. ("GCM"), owner of 49.9% of the limited liability company interests of Long Ridge Energy & Power LLC ("Long Ridge"), to acquire GCM's 49.9% interest (the "Transaction"). Consideration to GCM for the acquisition included (i) Long Ridge issuing a \$20.0 million promissory note to an affiliate of GCM, (ii) cash consideration of \$9.0 million paid by the Company and (iii) 160,000 shares of newly formed series of Series B Convertible Junior Preferred Stock (the "Series B Preferred Stock") issued by the Company to certain affiliates of GCM. At closing, the Company owned 100% of the interests in Long Ridge.

The Series B Preferred Stock ranks senior to the shares of the Company's common stock, par value \$0.01 per share, and junior to the Company's Series A Senior Preferred Stock, with respect to the payment of dividends and the distribution of assets upon a liquidation, dissolution or winding up of the Company. Each share of Series B Preferred Stock has an initial liquidation preference of \$1,000 per share. Holders of the Series B Preferred Stock are entitled to a quarterly compounding, regular dividend (the "Dividend") equal to 9.00% per annum for any Dividend paid in cash with respect to the immediately preceding quarter, and 10.00% per annum for any Dividend paid-in-kind, at the Company's election.

We estimate the total purchase consideration to be approximately \$493.6 million, as described in "—Note 3: Preliminary estimated purchase consideration and purchase price allocation," below.

The unaudited pro forma combined financial information has been prepared from the respective historical consolidated financial information of the Company and Long Ridge, and reflects adjustments to the historical financial information in accordance with Article 11 using the acquisition method of accounting, as defined by Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* ("ASC 805"), and using the fair value concepts as defined in ASC Topic 820, *Fair Value Measurement* ("ASC 820"). As a result, the Company has recorded the business combination in its consolidated financial statements and applied the acquisition method to account for Long Ridge's assets acquired and liabilities assumed as of February 26, 2025, the closing date of the acquisition. The acquisition method requires the recording of identifiable assets acquired and liabilities assumed at their fair values on the acquisition date, and the recording of goodwill for the excess of the purchase price over the aggregate fair value of the identifiable assets acquired and liabilities assumed.

The unaudited pro forma combined financial information is not necessarily indicative of what our financial position or results of operations would have been had the Transaction been consummated on the date indicated, nor is it necessarily indicative of what the financial position or results of operations of the Company will be in future periods. The historical financial information has been adjusted to depict the accounting for the Transaction. Additionally, the unaudited pro forma combined financial information does not reflect the cost of any integration activities or benefits that may result from potential revenue enhancements, anticipated cost savings and expense efficiencies or other synergies that may be achieved in the acquisition or any strategies that management may consider in order to continue to efficiently manage our operations.

To prepare the unaudited pro forma combined financial information, we adjusted Long Ridge's assets and liabilities to their estimated fair values based on preliminary valuation procedures performed and a preliminary allocation of purchase price. As of the transaction date, Long Ridge West Virginia LLC ("Long Ridge WV") was contributed into Long Ridge (see Note 4 for additional details). To reflect the assets and liabilities acquired, we included the assets and liabilities of Long Ridge WV. The final valuation and related allocation of the purchase price is still being finalized and is expected to be completed no later than 12 months after the closing date. Accordingly, the final acquisition accounting adjustments may be materially different from the unaudited pro forma adjustments presented herein and may include (i) changes in fair values of Property, plant and equipment; (ii) changes in allocations to Intangible assets, such as customer relationships, as well as goodwill; and, (iii) other changes to assets and liabilities. Furthermore, we are still evaluating Long Ridge's accounting policies in an effort to determine if differences in accounting policies require adjustment or reclassification of Long Ridge's results of operations or reclassification of assets or liabilities to conform to our accounting policies and classifications. As a result of that review, differences could be identified between the accounting policies of the two companies that, when conformed, could have a material impact on the unaudited pro forma combined financial information.

Note 2: Adjustments to Long Ridge historical financial statements***Presentation and reclassification adjustments***

Certain presentation and reclassification adjustments have been made to the historical presentation of Long Ridge's financial statements in order conform to the presentation of the Company, by reclassifying:

- Loans to affiliates to Debt, net;
- General and administrative expenses to Operating expenses;
- Other income to Operating expenses; and
- Interest income to Other income.

The following tables illustrate the impact of adjustments made to the historical Long Ridge financial statements to align to the presentation of the Company as described above:

LONG RIDGE ENERGY & POWER LLC
UNAUDITED CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2024

	Long Ridge Before Reclassification	Reclassification Adjustments	Long Ridge, as Reclassified	FIP Presentation
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,511	\$ —	\$ 1,511	Cash and cash equivalents
Restricted cash	20,284	—	20,284	Restricted cash and cash equivalents
Accounts receivable, net	6,891	—	6,891	Accounts receivable, net
Other current assets	6,229	—	6,229	Other current assets
Total current assets	34,915	—	34,915	
Property, plant and equipment, net	805,720	—	805,720	Property, plant and equipment, net
Goodwill	86,460	—	86,460	Goodwill
Intangible assets, net	3,800	—	3,800	Intangible assets, net
Other assets	5,286	—	5,286	Other assets
Total assets	\$ 936,181	\$ —	\$ 936,181	
LIABILITIES & MEMBER'S DEFICIT				
Current liabilities				
Accounts payable and accrued liabilities	\$ 31,453	\$ —	\$ 31,453	Accounts payable and accrued liabilities
Derivative liabilities	57,870	—	57,870	Derivative liabilities
Current portion of long-term debt	4,450	—	4,450	Debt, net
Other liabilities	299	—	299	Other current liabilities
Total current liabilities	94,072	—	94,072	
Non-current liabilities				
Loans - affiliates	164,059	(164,059)	—	
Debt, net	590,599	164,059	754,658	Debt, net
Derivative liabilities	348,204	—	348,204	Derivative liabilities
Other liabilities	2,750	—	2,750	Other liabilities
Total non-current liabilities	1,105,612	—	1,105,612	
Total liabilities	1,199,684	—	1,199,684	
Member's deficit				
Total member's deficit	(263,503)	—	(263,503)	Additional paid in capital
Total liabilities and member's equity	\$ 936,181	\$ —	\$ 936,181	

LONG RIDGE ENERGY & POWER LLC
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Long Ridge Before Reclassification	Reclassification Adjustments	Long Ridge, as Reclassified	FIP Presentation
Revenues				
Terminal and transloading revenues	\$ 6,519	\$ —	\$ 6,519	Terminal services revenues
Natural gas revenues, net	4,699	—	4,699	Gas revenues
Power sales	111,243	—	111,243	Power revenues
Realized losses on derivatives	(16,994)	—	(16,994)	Power revenues
Unrealized change in fair value of non-hedge derivatives	2,316	—	2,316	Power revenues
Management fee	2,417	—	2,417	Other revenue
Total revenues	<u>110,200</u>	<u>—</u>	<u>110,200</u>	Total revenues
Operating expenses				
Operating expenses	41,235	12,179	53,414	Operating expenses
Depreciation, depletion and amortization	47,199	—	47,199	Depreciation and amortization
General and administrative expenses	12,754	(12,754)	—	
Acquisition and transaction expenses	397	—	397	Acquisition and transaction expenses
Asset impairment	546	—	546	Asset impairment
Other income	(575)	575	—	
Total expenses	<u>101,556</u>	<u>—</u>	<u>101,556</u>	
Operating income	8,644	—	8,644	
Other (expense) income				
Interest expense	(70,178)	—	(70,178)	Interest expense
Interest income	1,103	(1,103)	—	
Other income	47	1,103	1,150	Other income
Net loss	\$ (60,384)	\$ —	\$ (60,384)	

Note 3: Preliminary estimated purchase consideration and purchase price allocation

The following table summarizes the components of the preliminary estimated purchase consideration:

Total consideration per purchase agreement	\$	189,000
Fair value of consideration transferred		189,758
Settlement of FIP's note receivable		114,800
Total ASC 805 purchase price	\$	493,558

The preliminary allocation of the estimated purchase price to the assets acquired and liabilities assumed as of the closing date of the Transaction includes estimated adjustments for the fair value of Long Ridge's assets and liabilities. The final allocation will be determined once we have determined the final purchase price and completed all detailed valuation analyses. The final allocation could differ materially from the preliminary allocation used in this unaudited combined financial information and related pro forma adjustments. The fair value of Long Ridge's assets and liabilities includes Long Ridge WV's assets and liabilities as these were contributed into the business before the acquisition. The following table summarizes the allocation of the preliminary estimated purchase price:

	As of December 31, 2024	
Fair value of assets acquired:		
Cash and cash equivalents	\$	28,915
Restricted cash		20,284
Accounts receivable		6,891
Property, plant and equipment		1,513,618
Intangible assets		1,500
Other assets		13,976
Amount attributable to assets acquired	\$	1,585,184
		As of December 31, 2024
Fair value of liabilities assumed:		
Accounts payable and accrued liabilities	\$	40,633
Debt, net		694,233
Derivative liabilities		406,074
Other liabilities		65,690
Amount attributable to liabilities assumed	\$	1,206,630
Fair value of net assets acquired	\$	378,554
Goodwill		115,004
Total preliminary estimated purchase consideration	\$	493,558

Long Ridge's preliminary identifiable intangible assets and their estimated useful lives consist of the following:

Identifiable intangible assets	Estimated useful life in years	Estimated fair value
Customer relationships	15	\$ 1,500

Long Ridge's preliminary property, plant and equipment and their estimated useful lives consist of the following:

Property, plant and equipment	Weighted average estimated useful life in years	Estimated fair value
Proved developed properties	N/A	\$ 168,045
Unproved properties	N/A	218,000
Land	N/A	155,149
Buildings and improvements	10-39	57,218
Power generation	12-37	848,361
Terminal machinery and equipment	2-37	62,048
Railroad assets	8-34	4,212
Computer hardware and software	2	70
Other	2-3	39
Construction in process	N/A	476
Total property, plant and equipment		\$ 1,513,618

The deferred tax liabilities included in Other liabilities above represent the deferred tax impact associated with the goodwill created from the preliminary purchase price allocation. We have estimated that the fair value adjustment to increase Other liabilities on this basis would be \$62.6 million. This assumes the estimated blended statutory tax rate of approximately 25.3% for the combined company.

The effective tax rate of the combined company could be significantly different (either higher or lower) depending on the post-acquisition activities and cash needs. The estimate is preliminary and subject to change based upon the final determination of fair value of the identifiable assets and liabilities.

Goodwill is calculated as the difference between the acquisition date fair value of consideration transferred and the values assigned to identified assets acquired and liabilities assumed. Goodwill recognized in the acquisition is not deductible for tax purposes.

Note 4: Contribution of Long Ridge WV

On February 19, 2025, Long Ridge Energy LLC, a Delaware limited liability company and wholly owned subsidiary of Long Ridge completed two refinancing transactions, which refinanced all of its outstanding indebtedness. As part of the refinancing, Long Ridge WV, a company owned by the Company and Labor Impact Fund L.P., a fund managed by affiliates of GCM, in the same proportion as Long Ridge, was contributed to Long Ridge Energy LLC, a 100% owned subsidiary of Long Ridge, and therefore, we have included the Long Ridge WV unaudited balance sheet and unaudited statement of operations for the year ended December 31, 2024 in our combined pro forma results herein. We included this as the fair value assessed in the acquisition includes the Long Ridge WV assets and liabilities. Refer to the Company's Form 8-K which was filed with the Securities and Exchange Commission on February 25, 2025 for further information about the refinancing.

Long Ridge WV refinanced their debt during the year ended December 31, 2024, which resulted in \$9.4 million loss on extinguishment of debt; this will be a non-recurring loss in the Unaudited Pro Forma Consolidated Statement of Operations.

Note 5: Pro forma acquisition accounting adjustments

- a) Reflects the pro forma adjustments to Cash and cash equivalents for cash paid to the seller at closing (see Note 1 above).
- b) Reflects the pro forma adjustments to Property, plant and equipment, net to increase Long Ridge's historical property, plant and equipment to its preliminary estimate of acquisition date fair value.
- c) Reflects the elimination of FIP's equity method investment in Long Ridge to reflect 100% ownership.
- d) Reflects the pro forma adjustment to intangible assets to decrease Long Ridge's historical intangible assets to its preliminary estimate of acquisition fair value.
- e) Reflects the pro forma adjustment for the goodwill arising from the acquisition.
- f) Reflects the pro forma adjustments to Other assets to eliminate the intercompany loan between Long Ridge WV and Long Ridge.

- g) Reflects the pro forma adjustments to Accounts payable and accrued liabilities to accrue for non-recurring transaction costs, incurred after and not yet recognized as of December 31, 2024.
- h) Reflects the pro forma adjustments to Debt, net which includes:
 - i. An adjustment of \$3,491 for the estimate of fair value of acquired debt;
 - ii. An adjustment for \$(27,841) to eliminate the intercompany loan between Long Ridge WV and Long Ridge;
 - iii. An adjustment for \$(114,800) to eliminate the intercompany note receivable between FIP and Long Ridge;
 - iv. An adjustment for \$(21,418) to eliminate the shareholder loan between Long Ridge and GCM; and
 - v. An adjustment for \$20,000 for issuing a promissory note to an affiliate of GCM at closing.
- i) Reflects the pro forma adjustments to Other liabilities which includes:
 - i. An adjustment of \$114,800 to eliminate the intercompany note receivable between FIP and Long Ridge;
 - ii. An adjustment of \$(133,042) for the elimination of FIP's equity method investment in Long Ridge to reflect 100% ownership;
 - iii. An adjustment of \$62,641 to record the opening balance for deferred tax liability; and
 - iv. An adjustment of \$(50,190) for the pro forma income tax effects of the pro forma acquisition accounting adjustments.
- j) Reflects the pro forma adjustments to Redeemable preferred stock which includes:
 - i. An adjustment of \$160,000 from "Series B Preferred Stock" issued by the Company to certain affiliates of GCM at closing; and
 - ii. An adjustment of \$(7,358) for issuance costs related to the Series B Preferred Stock.
- k) Reflects the pro forma adjustments to Additional paid in capital which includes:
 - i. An adjustment of \$262,961 for the elimination of Long Ridge's historical Members' deficit;
 - ii. An adjustment of \$7,358 for issuance costs related to the Series B Preferred Stock; and
 - iii. An adjustment of \$1,012 for warrants issued to Series A Senior Preferred Stock holders to amend for the transaction.
- l) Reflects the pro forma adjustments to Accumulated deficit which includes:
 - i. An adjustment of \$139,700 for the gain on fair value of FIP's equity method investment in Long Ridge;
 - ii. An adjustment of \$50,190 for the pro forma income tax effects of the pro forma acquisition accounting adjustments; and
 - iii. An adjustment of \$(4,806) for non-recurring transaction costs.
- m) Reflects the recognition of Accumulated other comprehensive loss on derecognition of the equity method investment.
- n) Reflects the pro forma adjustments to Total revenues to eliminate intercompany management fee income at Long Ridge from Long Ridge WV.
- o) Reflects the pro forma adjustments to Acquisition and transaction expenses to accrue for non-recurring transaction costs, incurred after and not yet recognized as of December 31, 2024.
- p) Reflects the pro forma adjustments to Management fees and incentive allocation to affiliate to eliminate intercompany management fee expense at Long Ridge WV to Long Ridge.
- q) Reflects the pro forma adjustments to Depreciation and amortization which includes:
 - i. An adjustment of \$(280) to record amortization expense related to identifiable intangible assets, based on the preliminary determination of their estimated fair value and remaining useful life. A 10% change in the valuation of the acquired intangible assets would cause a corresponding increase or decrease to the annual amortization expense of \$10; and
 - ii. An adjustment of \$13,056 to record incremental depreciation expense related to the property, plant and equipment acquired, based on the preliminary determination of their estimated fair values and remaining

useful lives. A 10% change in the valuation of the acquired property, plant and equipment would cause a corresponding increase or decrease to the annual depreciation expense of \$5,988.

- r) Reflects the pro forma adjustments to Equity in losses of unconsolidated entities for the elimination of FIP's equity method investment in Long Ridge to show 100% ownership.
- s) Reflects the pro forma adjustments to a non-recurring Gain on sale of assets, net for the gain recognized on the transaction.
- t) Reflects the pro forma adjustments to Interest expense which includes:
 - i. An adjustment of \$(127) for the removal of amortization of deferred financing costs related to Long Ridge's loan;
 - ii. An adjustment of \$(12,342) to eliminate the intercompany interest between Long Ridge and FIP;
 - iii. An adjustment of \$(2,582) to eliminate the interest on the shareholder loan with GCM;
 - iv. An adjustment of \$(3,070) to eliminate the intercompany interest between Long Ridge and Long Ridge WV; and
 - v. An adjustment of \$2,400 for interest expense on the promissory note with an affiliate of GCM that was issued at closing.
- u) Reflects the pro forma adjustments to Other income which includes:
 - i. An adjustment of \$(12,342) for the elimination of FIP interest income on intercompany loan with Long Ridge; and
 - ii. An adjustment of \$(3,070) for the elimination of Long Ridge WV interest income on intercompany loan with Long Ridge.
- v) Reflects the pro forma adjustments to Benefit from income taxes which includes:
 - i. An adjustment of \$(50,190) for the pro forma income tax effects of the partial release of the valuation allowance; and
 - ii. An adjustment for \$(9,161) for the pro forma income tax effects on other comprehensive income from the gain on derecognition of the equity method investment in Long Ridge.
- w) Reflects the pro forma adjustments to Dividends and accretion of redeemable preferred stock for deemed dividend to Series A Senior Preferred Stock holders to amend for the transaction.
- x) Reflects amounts after pro forma acquisition adjustments. Basic and diluted net loss per share ("EPS") are each calculated by dividing adjusted pro forma net loss by the weighted average shares outstanding and diluted weighted average shares outstanding for the year ended December 31, 2024.

	Year Ended December 31, 2024
Basic EPS	
Combined pro forma net loss	\$ (165,201)
Add: Net loss attributable to non-controlling interests in consolidated subsidiaries	(42,419)
Less: Dividends and accretion of redeemable preferred stock	73,526
Combined pro forma net loss attributable to FIP stockholders	(196,308)
Less: Dividends and accretion of convertible preferred stock	16,849
Combined pro forma net loss attributable to FIP common stockholders	\$ (213,157)
Weighted average common shares outstanding	108,217,871
Basic EPS	\$ (1.97)
Weighted average diluted shares outstanding	108,217,871
Diluted EPS	\$ (1.97)

FTAI INFRASTRUCTURE INC.
UNAUDITED SUPPLEMENTAL NON-GAAP FINANCIAL INFORMATION

FTAI Infrastructure Inc. (the “Company”) is furnishing the following information on the Adjusted EBITDA of Long Ridge Energy & Power LLC (“LREP”) and Pro Forma Adjusted EBITDA of the Company, in each case for the year ended December 31, 2024 (collectively, “Adjusted EBITDA”), to supplement the consolidated financial information of LREP, which is presented on a U.S. generally accepted accounting principles (“GAAP”) basis, and the unaudited pro forma combined financial information of the Company, which is presented on a GAAP basis and prepared in accordance with Article 11 of Regulation S-X. Adjusted EBITDA is a non-GAAP financial measure. The consolidated financial information of LREP and the unaudited pro forma combined financial information of the Company are contained in Exhibits 99.1 and 99.2, respectively, to the Current Report on Form 8-K/A to which this exhibit is filed.

The Company’s Chief Operating Decision Maker (“CODM”) utilizes Adjusted EBITDA as its key performance measure. Adjusted EBITDA provides the CODM with the information necessary to assess operational performance, as well as make resource and allocation decisions. The Company’s management believes Pro Forma Adjusted EBITDA provides users of the pro forma financial statements with useful information with which to evaluate pro forma results of operations. Adjusted EBITDA is defined as net loss attributable to shareholders from continuing operations (in the case of Pro Forma Adjusted EBITDA) or net loss (in the case of Adjusted EBITDA for LREP), in each case as, (i) to exclude the impact for (benefit from) provision for 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, and interest expense, interest and other costs on pension and OPEB liabilities, dividends and accretion of redeemable preferred stock, and other non-recurring items, (ii) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities and (iii) to exclude the impact of equity in losses of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

In the case of LREP, the CODM evaluates investment performance primarily based on Adjusted EBITDA. Adjusted EBITDA serves as a consistent measure for the CODM to compare profitability between periods and across businesses and make resource allocation decisions. The Company believes that net loss, as defined by GAAP, is the most appropriate earnings measurement with which to reconcile Adjusted EBITDA for LREP, as presented below. The Company believes that net loss attributable to stockholders, as presented in the Company’s unaudited pro forma combined financial information, is the most appropriate earnings measurement with which to reconcile Pro Forma Adjusted EBITDA, as presented below. These non-GAAP financial measures may not be comparable to similarly titled measures of other companies because other entities may not calculate these non-GAAP financial measures in the same manner, and should not be considered as an alternative to net loss or net loss attributable to stockholders as determined in accordance with GAAP. Although we use or have used these non-GAAP financial measures to assess the performance of LREP and our business on a pro forma basis and for the other purposes set forth above, the use of these non-GAAP financial measures as analytical tools has limitations, and you should not consider these non-GAAP financial measures in isolation, or as substitutes for analysis of financial measures reported in accordance with GAAP.

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

(dollars in thousands)	Year Ended December 31, 2024
Net loss	\$ (60,384)
Add: Provision for income taxes	—
Add: Equity-based compensation expense	4
Add: Acquisition and transaction expenses	397
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—
Add: Changes in fair value of non-hedge derivative instruments	(2,971)
Add: Asset impairment charges	546
Add: Incentive allocations	—
Add: Depreciation and amortization expense ⁽¹⁾	50,605
Add: Interest expense	70,178
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 ⁽²⁾	953
Less: Equity in losses of unconsolidated entities	—
Less: Non-controlling share of Adjusted EBITDA	—
Adjusted EBITDA (non-GAAP)	<u>\$ 59,328</u>

(1) Depreciation and amortization expense includes the following for the fiscal year ended December 31, 2024: (i) depreciation and amortization expense of \$47,199 and (ii) amortization of other comprehensive income of \$3,406.

(2) Other non-recurring items for the fiscal year ended December 31, 2024: outage costs of \$953.

The following table sets forth a reconciliation of net loss attributable to stockholders from continuing operations as presented in the unaudited pro forma combined financial information to Pro Forma Adjusted EBITDA:

(dollars in thousands) ⁽¹⁾	Year Ended December 31, 2024
Net loss attributable to stockholders	\$ (196,308)
Add: Benefit from income taxes	(56,038)
Add: Equity-based compensation expense	8,640
Add: Acquisition and transaction expenses	7,967
Add: Losses on the modification or extinguishment of debt and capital lease obligations	18,355
Add: Changes in fair value of non-hedge derivative instruments	(2,971)
Add: Asset impairment charges ⁽²⁾	70,947
Add: Incentive allocations	—
Add: Depreciation and amortization expense ⁽³⁾	147,266
Add: Interest expense	181,441
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽⁴⁾	(9,734)
Add: Dividends and accretion of redeemable preferred stock	73,526
Add: Interest and other costs on pension and OPEB liabilities	(66)
Add: Other non-recurring items ⁽⁵⁾	953
Less: Equity in losses of unconsolidated entities	18,350
Less: Non-controlling share of Adjusted EBITDA ⁽⁶⁾	(27,194)
Pro Forma Adjusted EBITDA (non-GAAP)	\$ 235,134

(1) Pro forma amounts give effect to the LREP Transactions in the manner described in the unaudited pro forma combined financial information of the Company, filed herewith as Exhibit 99.2.

(2) Asset impairment charges includes the following for the fiscal year ended December 31, 2024: (i) asset impairment charges of \$72,882 and (ii) add-back of interest income of \$(1,935).

(3) Depreciation and amortization expense includes the following for the fiscal year ended December 31, 2024: (i) depreciation and amortization expense of \$139,385, (ii) capitalized contract costs amortization of \$4,475 and (iii) amortization of other comprehensive income of \$3,406.

(4) Pro-rata share of Adjusted EBITDA from unconsolidated entities includes the following items for the fiscal year ended December 31, 2024: (i) net loss of \$(18,445), (ii) interest expense of \$5,949 and (iii) depreciation and amortization expense of \$2,762.

(5) Other non-recurring items for the fiscal year ended December 31, 2024: outage costs of \$953.

(6) Non-controlling share of Adjusted EBITDA includes the following items for the fiscal year ended December 31, 2024: (i) equity-based compensation of \$1,127, (ii) benefit from income taxes of \$(510), (iii) interest expense of \$11,555, (iv) depreciation and amortization expense of \$12,930, (v) acquisition and transaction expenses of \$7, (vi) interest and other costs on pension and OPEB liabilities of \$(1) and (vii) loss on modification or extinguishment of debt of \$2,086.