

MERAH AIRCRAFT 4 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

MERAH AIRCRAFT 4 LIMITED

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MERAH AIRCRAFT 4 LIMITED

COMPANY INFORMATION

Directors	Declan Cotter Gavin Mercer Darragh Smyth (alternate to Declan Cotter)
Company secretary	Gavin Mercer
Registered number of incorporation	621841
Registered office	West Pier Dun Laoghaire County Dublin Ireland
Independent auditor	Ernst & Young Chartered Accountants Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2 Ireland
Solicitor	McCann Fitzgerald Riverside 1 Sir John Rogerson's Quay Dublin 2 Ireland

MERAH AIRCRAFT 4 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present herewith their annual report and audited financial statements of Merah Aircraft 4 Limited (the "Company") for the financial year ended 31 December 2024. The comparative period was for the financial year ended 31 December 2023.

Principal Activities and Review of the Development of the Business

The principal activity of the Company is the leasing of jet aircraft. The Directors expect these activities to continue for the foreseeable future. The Directors continue to review and seek business opportunities for the Company.

Principal Risks and Uncertainties

The Company, in the course of its business activities, is exposed to asset, market, liquidity, credit, foreign currency and interest rate risk. The Company in turn has a financial risk policy that is managed by a related party, BBAM Aviation Services Limited ("BBAM ASL"). The Board of Directors ensures that risks are identified and managed in accordance with the objectives of the Company.

Asset risk

The Company's primary business is the leasing of flight equipment. The Company bears the risk of re-leasing or selling the flight equipment. Should demand for aircraft decrease significantly for an extended period, and/or the value of the flight equipment in the fleet reduces, the Company may incur impairment charges.

This risk is mitigated by the Company's strategy of investing in modern and fuel-efficient flight equipment in operation with significant numbers of established operators. These assets have the most stable values. In addition, the Company and BBAM ASL have significant experience of managing similar portfolios of aviation assets. The Company and BBAM ASL have in-house capability and experience in remarketing and selling flight equipment as may be required.

The risk is mitigated by the approach to asset risk management which includes proprietary analytical tools and active fleet management. The Company and BBAM ASL undertake a periodic review of the carrying values, focusing on both residual values and impairment.

Market risk

The Company is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect it through a reduced demand for its aircraft and/or reduced market rates, the potential of lessee default resulting in the aircraft being off-lease, all of which may require that the carrying values of its aircraft be materially reduced.

These exposures are managed by requiring the lessees of the Company's aircraft to maintain insurance, adequate maintenance policies and/or make contributions to a maintenance reserve to cover the major maintenance on the aircraft. The effective monitoring and controlling of these exposures is a competency of BBAM ASL who monitors the related risks as part of the financial risk policy which the Company has entered into.

A significant deterioration in the financial condition of or bankruptcy by the lessees could adversely impact the airlines' ability to comply with their lease payment obligations to the Company and expose the Company to significant financial loss. The Company and BBAM ASL periodically review the carrying values of its aircraft, trade receivables, and the sufficiency of its accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

MERAH AIRCRAFT 4 LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Principal Risks and Uncertainties (continued)

Liquidity risk

The ability of the Company to continue to operate is dependent upon its ability to meet its payment obligations, which is dependent upon factors outlined above. If the Company cannot meet its obligations under the debt arrangements or its capital commitments, it may be subject to contract breach damage suits which could question the Company's ability to operate on a going concern basis.

In the management of liquidity risk, the Company and BBAM ASL monitor and maintain a level of liquid assets deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The Company's exposure to liquidity risk is minimal as it is expected that the Company can meet its short-term liabilities as they fall due.

Credit risk

The Company is subject to the credit risk of its lessees as to collection of rental payments under their operating leases. Credit risk is defined as an unexpected loss in cash and earnings if the counterparty is unable to pay its obligations in due time. The effective monitoring and controlling of airline customer credit risk is a competency of BBAM ASL as part of the financial risk policy the Company has entered into. The creditworthiness of each new customer is assessed, and the Company seeks security deposits in the form of cash or Letters of Credit to mitigate overall financial exposure to any of its lessees. The assessment process takes into account qualitative and quantitative information about the customer such as business activities, financial resources and performance or business risks, to the extent that this information is publicly available or otherwise disclosed to the Company.

The Company holds cash balances which are invested on a short-term basis and are classified as cash and cash equivalents. These deposits give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty. The Company typically does not enter into deposits with duration of more than three months.

The value of trade receivables is highly dependent upon the financial strength of the commercial aviation industry as described in market risk section. Defaults by the lessees could have a material adverse effect on the Company's cash flow and earnings and its ability to meet the debt obligations of the Company. The Company and BBAM ASL periodically perform reviews of its trade receivables and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

Foreign currency risk

The Company's exposure to foreign currency risk is minimal. The Company's foreign currency exposures arise mainly on audit and tax fees, which are denominated in euro.

Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities. The interest rate and terms of repayment of financial liabilities are disclosed in the respective notes to the financial statements. The impact of changes in interest rates on floating-rate borrowings is offset by the impact of changes in interest rates on variable operating income.

Results for the Financial Year and State of Affairs at 31 December 2024

The profit and loss account for the financial year ended 31 December 2024 and balance sheet at 31 December 2024 are set out on pages 10, 11 and 12, respectively. The Company's loss on ordinary activities for the financial year before taxation amounted to US\$898,612 (2023: US\$12,373,088). After crediting taxation of US\$224,653 (2023: US\$3,093,272), a net loss of US\$673,959 (2023: US\$9,279,816) is transferred to profit and loss account. Shareholders' funds at 31 December 2024 amounted to a deficit of US\$25,594,948 (2023: US\$24,920,989). The Directors do not recommend a dividend to be paid in respect of the current financial year (2023: US\$Nil).

MERAH AIRCRAFT 4 LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Directors' and Secretary's Interests

The Directors who served during the financial year are set out on page 1 of these financial statements. In accordance with the Articles of Association, the Directors are not required to retire by rotation.

The Directors and the Company Secretary do not have any direct or beneficial interest in the shares, deferred shares, share options and debentures of the Company at 31 December 2024 or 31 December 2023 requiring disclosure in the Directors' Report pursuant to Section 329 of the Companies Act 2014.

Going Concern

The Directors have prepared the financial statements for the financial year ended 31 December 2024 on the going concern basis of preparation.

The Directors have considered the impact on Incline B Aviation Limited Partnership, the ultimate parent undertaking and controlling party, and its subsidiaries, in the context of the Company's use of the going concern basis of preparation at the date of signing of these financial statements by evaluating all cash inflows and outflows of Incline B Aviation Limited Partnership and its subsidiaries, over the coming year under the following assumptions, judgments and estimates;

- the current cash and liquidity position and its committed income;
- the estimated cash outflows to cover all obligations for the next twelve months;
- the letter of support provided by the ultimate parent undertaking and controlling party; and
- the additional liquidity from available unfunded capital commitments. As at 31 December 2024 and as of the date of these financial statements, the unfunded capital commitments of the ultimate parent undertaking's investors amount to US\$270.3 million and US\$248.1 million, respectively.

Based on this analysis and all information available at present, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation for at least twelve months from the date of approval of these financial statements.

Events after the Reporting Period

There are no significant events subsequent to 31 December 2024 that require adjustment to or disclosure in these financial statements.

Political Donations

No political donations were made by the Company during the financial year (2023: US\$Nil).

Charitable Contributions

No charitable contributions were made by the Company during the financial year (2023: US\$Nil).

Accounting Records

The measures that the Directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, include the provision of appropriate resources to maintain adequate accounting records throughout the Company, including the appointment of personnel with appropriate qualifications, experience and expertise.

The accounting records are maintained by BBAM Limited Partnership ("BBAM LP"), a related party undertaking, at 150 Spear Street, Suite 850, San Francisco, CA 94105, USA. Although the accounting records are kept at a place outside the State, such information and returns relating to the business dealt with in the accounting records will (a) disclose with reasonable accuracy the assets, liabilities, financial position and profit or loss of that business at intervals not exceeding 6 months, and (b) enable to be prepared in accordance with Part 6 of the Companies Act 2014 the Company's statutory financial statements as required by Section 290 and the Directors' Report as required by Section 325. These accounting records are held at the Company's registered office.

MERAH AIRCRAFT 4 LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Statement on Relevant Audit Information

In the case of each person who is a Director at the time this report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's statutory auditor is unaware, and
- the Directors have taken all steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and establish that the Company's statutory auditor is aware of that information.

Independent Auditor

Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the Directors to prepare the financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MERAH AIRCRAFT 4 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Directors' Compliance Statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its 'relevant obligations' as defined in Section 225 of the Companies Act 2014 (as defined in section 225(1) thereof). As required under Section 225(3), the Directors confirm that:

1. a compliance policy has been drawn up setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;
2. appropriate arrangements or structures are in place that, in the Directors' opinion, are designed to secure material compliance with the Company's relevant obligations; and
3. a review has been conducted of the aforementioned arrangements or structures.

The Directors note that the arrangements and structures, referred to in paragraph 2 above, are reviewed during the financial year. The Directors acknowledge that these reviews have taken place during the financial year ended 31 December 2024.

Approved by the Board and authorised for issue on 18 September 2025.



Declan Cotter
Director



Gavin Mercer
Director



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with confidence**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERAH AIRCRAFT 4 LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Merah Aircraft 4 Limited ('the Company') for the year ended 31 December 2024, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including the material accounting policy information set out in Note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. 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 independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERAH AIRCARFT 4
LIMITED (CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERAH AIRCARFT 4 LIMITED (CONTINUED)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in cursive script, appearing to read 'Patrick O'Driscoll', written in dark ink.

Patrick O'Driscoll
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm
Dublin
Date: 18 September 2025

MERAH AIRCRAFT 4 LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Operating income, net	2	30,353,955	32,553,908
Operating expenses	4	(17,280,247)	(18,415,774)
Net operating profit on continuing operations		<u>13,073,708</u>	<u>14,138,134</u>
Interest income	5	24,819,592	909,331
Interest expense	6	(37,684,390)	(31,037,628)
Reversal of expected credit loss	3	1,365,030	3,696,721
Amortisation of loan costs	14	(146,078)	(79,646)
Other expenses	10	(2,326,474)	-
Loss on ordinary activities before taxation		<u>(898,612)</u>	<u>(12,373,088)</u>
Income tax credit on ordinary activities	7	224,653	3,093,272
Loss on ordinary activities after taxation		<u><u>(673,959)</u></u>	<u><u>(9,279,816)</u></u>

The accompanying notes on pages 14 to 39 form an integral part of these financial statements.

All items of profit and loss are due to continuing operations. There are no other comprehensive income items during the financial year (2023: None).

MERAH AIRCRAFT 4 LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2024**

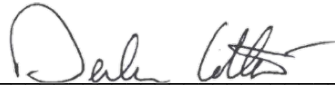
	Note	2024 US\$	2023 US\$
Assets			
Flight equipment assets held for operating leases, net	11	301,774,322	312,186,895
Rent receivable, net	10	20,013,868	25,032,707
Other assets	12	680,344	942,828
Deferred tax assets, net	7	8,526,893	8,302,240
Total non-current assets		330,995,427	346,464,670
Cash and cash equivalents	8	10,530,027	84,520
Amounts due from fellow group undertakings	9, 24	-	67,154,416
Rent receivable, net	10	20,766,544	35,272,905
Other assets	12	262,482	262,482
Total current assets		31,559,053	102,774,323
Total assets		362,554,480	449,238,993

MERAH AIRCRAFT 4 LIMITED


**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024**

	Note	2024 US\$	2023 US\$
Liabilities			
Maintenance payment liabilities	15	22,953,437	8,874,695
Notes payable to affiliates	14	182,501,170	319,900,645
Security deposits	16	4,923,641	4,923,641
		<u>210,378,248</u>	<u>333,698,981</u>
Total creditors: amounts falling due after more than one year			
Amounts due to fellow group undertakings	13, 24	68,116,710	31,612,408
Notes payable to affiliates	14	106,726,736	105,901,562
Deferred operating lease rental income	17	2,084,848	2,084,848
Other liabilities	18	842,886	862,183
		<u>177,771,180</u>	<u>140,461,001</u>
Total creditors: amounts falling due within one year			
		<u>388,149,428</u>	<u>474,159,982</u>
Total liabilities			
		<u>(25,594,948)</u>	<u>(24,920,989)</u>
Net liabilities			
Capital and reserves			
Share capital	19	1	1
Profit and loss account		(25,594,949)	(24,920,990)
		<u>(25,594,948)</u>	<u>(24,920,989)</u>
Total shareholders' funds			

These financial statements were approved by the Board and authorised for issue on 18 September 2025.



Declan Cotter
 Director



Gavin Mercer
 Director

The accompanying notes on pages 14 to 39 form an integral part of these financial statements.

MERAH AIRCRAFT 4 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share Capital	Profit and Loss Account	Total Shareholder Funds
	US\$	US\$	US\$
At 1 January 2023	1	(15,641,174)	(15,641,173)
Loss for the financial year	-	(9,279,816)	(9,279,816)
Total comprehensive loss for the year	-	(9,279,816)	(9,279,816)
At 31 December 2023	1	(24,920,990)	(24,920,989)
At 1 January 2024	1	(24,920,990)	(24,920,989)
Loss for the financial year	-	(673,959)	(673,959)
Total comprehensive loss for the year	-	(673,959)	(673,959)
At 31 December 2024	1	(25,594,949)	(25,594,948)

The accompanying notes on pages 14 to 39 form an integral part of these financial statements.

No dividends were declared and paid during the financial year (2023: US\$Nil).

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information

1.1 Corporate information

The Company is a limited company incorporated on 23 February 2018 and domiciled in the Republic of Ireland. The registered office is located at West Pier, Dun Laoghaire, County Dublin, Ireland. The registered number of incorporation is 621841.

The principal activities of the Company are described in the Directors' Report on page 2. Information on the Company's ultimate and immediate parent undertakings is provided in Note 23.

1.2 Basis of preparation and statement of compliance

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with Financial Reporting Standards 101 Reduced Disclosures Framework ("FRS 101") and applicable accounting standards at 31 December 2024. The financial statements also comply with the requirements of Irish Company Law applicable to FRS 101 reporters.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the financial year ended 31 December 2024.

The smallest group in which the financial statements of the Company are consolidated is Incline Aladdin Holdings Limited ("Aladdin Holdings"). The largest group in which the financial statements of the Company are consolidated is Incline B Aviation Limited Partnership ("Incline B") which is incorporated in the Cayman Islands and has its registered office at P.O. Box 309 Uglan House Grand Cayman, YY KY1-1104. The Company has its registered office at West Pier, Dun Laoghaire, County Dublin. Aladdin Holdings' consolidated financial statements are publicly available at Aladdin Holdings' registered office. The consolidated financial statements of Incline B are not publicly available. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- i. The requirements in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - a. Paragraph 73(e) of IAS 16 *Property, Plant and Equipment*; and
- ii. the requirements in paragraph 10 and 111 of IAS 1 *Presentation of Financial Statements* to present a Cash Flow and Cash Flow Statement;
- iii. the requirements in paragraphs 134-136, Capital Management disclosures;
- iv. the requirements of IAS 7 *Cash Flow Statement*;
- v. the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- vi. the requirements of paragraph 17 and 18A of IAS 24 *Related Party Disclosures*;
- vii. the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- viii. the requirements of paragraph 30 and 31 of IAS 8 to disclose new and amended standards issued, but not yet effective;
- ix. the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- x. the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*; and
- xi. the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.2 Basis of preparation and statement of compliance (continued)

Going Concern

The Directors have prepared the financial statements for the financial year ended 31 December 2024 on the going concern basis of preparation.

The Directors have considered the impact on Incline B Aviation Limited Partnership, the ultimate parent undertaking and controlling party, and its subsidiaries, in the context of the Company's use of the going concern basis of preparation at the date of signing of these financial statements by evaluating all cash inflows and outflows of Incline B Aviation Limited Partnership and its subsidiaries, over the coming year under the following assumptions, judgments and estimates;

- the current cash and liquidity position and its committed income,
- the estimated cash outflows to cover all obligations for the next twelve months,
- the letter of support provided by the ultimate parent undertaking and controlling party, and
- the additional liquidity from available unfunded capital commitments. As at 31 December 2024 and as of the date of these financial statements, the unfunded capital commitments of the ultimate parent undertaking's investors amount to US\$270.3 million and US\$248.1 million, respectively.

Based on this analysis and all information available at present, the Directors believe that Merah Aircraft 4 Limited has sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation for at least twelve months from the date of approval of these financial statements.

1.3 New and amended accounting standards and pronouncements adopted

The Company has adopted all relevant new standards that have come into effect for annual periods beginning 1 January 2024. The application of these amendments did not result in material changes to the Company's financial statements.

1.4 Foreign currencies

The Company's financial statements are prepared in U.S. dollars (US\$), which is also the functional currency of the Company. All financial information presented in US\$ has been rounded to the nearest dollar unless otherwise indicated. Foreign currency transactions are initially recorded at the spot rate and are translated at the rate of exchange prevailing on the first day of the month. However, where there is a difference of more than 5% between this rate and the rate at the date of the transaction an adjustment is made.

Monetary assets and liabilities denominated in currencies other than US\$ are translated into US\$ at exchange rates prevailing at the end of the financial year. Non-monetary assets are stated at cost based on the exchange rate prevailing at the date of acquisition of the asset. All exchange differences are included in the profit and loss account.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.5 Operating income

Operating income is recognised on a straight-line basis over the term of the underlying lease. The difference between lease rentals invoiced and amounts recognised in income, resulting from the straight-lining of revenues, are included in deferred operating lease rental income in the balance sheet. As the Company's lease contracts require payment in advance, rentals received but unearned under the lease agreements are recorded in deferred operating lease rental income.

1.6 Operating expenses

Operating expenses are administrative and other expenses primarily related to management, accounting, auditing, tax, legal and advisory fees. Operating expenses are recognised in the financial statements on an accrual basis. Depreciation for the financial year is included in operating expenses and is calculated and disclosed in line with IAS 16, *Property, Plant and Equipment* (see Note 4).

1.7 Interest income

Interest on deposits with financial institutions is recognised as earned using the effective interest rate method. A receivable is recorded for interest income earned but not yet received. To the extent interest is received but not yet earned, deferred income is recorded for the unearned portion.

1.8 Interest expense

Interest on borrowings is recognised as incurred using the effective interest rate method. A prepayment is recorded for interest payments made and not yet incurred. For interest that has been incurred but unpaid at the end of the period, an accrual is recorded.

1.9 Leases

Leases are accounted for and classified in accordance with IFRS 16, *Leases*. Leases where the Company transfers substantially all of the risks and rewards of ownership to the lessee are classified as finance leases. All other leases are classified as operating leases.

1.10 Lease costs

Costs incurred and directly attributable to the leasing out of the aircraft are capitalised and amortised over the term of the lease.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.11 Flight equipment assets held for operating leases, net

The Company states all flight equipment assets owned and other tangible assets at cost, net of accumulated depreciation and accumulated impairment losses. The cost of the asset is made up of the purchase price of the asset plus any costs directly attributable to bringing the asset into working condition for its intended use.

The depreciable amount of the flight equipment asset, comprised of the flight equipment's cost less its estimated salvage value, is allocated on a systematic basis over the asset's useful life, which was determined taking into consideration the service potential and maintenance condition of the asset. The useful life of the aircraft is assessed to be 25 years from the date of manufacture. Residual values are generally estimated to be 15% of the original manufacturer's cost for aircraft when new. Management may, at its discretion, make exceptions to this policy on a case-by-case basis when, in its judgment, the residual values calculated pursuant to this policy do not appear to reflect current expectations of residual values.

The depreciation methodology, which is straight-line for all flight equipment assets, is determined taking into consideration the pattern in which the asset's economic benefits are consumed by the Company.

Impairment of an asset is recognised in accordance with IAS 36, *Impairment of Assets*, which stipulates that the recoverable amount of an asset is measured whenever there is an indication that the asset is impaired. The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any condition exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments at the time value of money and the risks specific to the asset. Future cash flows include contracted lease rental, forecast lease rentals, a forecast cash flow to adjust from full to half-life maintenance return condition and forecast half-life residual value at the end of the flight equipment life.

If the recoverable amounts are lower than carrying values, assets are reduced to their recoverable amounts with the resultant impairment charges being recorded in the profit and loss account. Where a prior impairment loss has decreased or reversed, the carrying amount of the asset is increased and the impairment loss reversed in the profit and loss account to the extent the asset is not carried at a higher value than if no impairment loss had been recognised in prior periods.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.12 Maintenance rights

At the time of acquisition of flight equipment with an in-place lease, the Company identifies, measures and accounts for maintenance right assets and liabilities associated with its acquisition. A maintenance right asset represents the fair value of its contractual right under a lease to receive flight equipment in an improved maintenance condition at lease expiry as compared to the maintenance condition on the acquisition date. A maintenance right liability represents the Company's obligation to pay the lessee for the difference between the lease end contractual maintenance condition of the flight equipment at lease expiry and the actual maintenance condition of the flight equipment on the acquisition date.

The Company's flight equipment is typically subject to triple-net leases pursuant to which the lessee is responsible for maintenance, which is accomplished through one of two types of provisions in its leases: (i) end of lease return conditions (EOL Leases) or (ii) periodic maintenance payments (MR Leases). Maintenance rights are not subject to amortisation.

EOL Leases

Under EOL Leases, the lessee is obligated to comply with certain return conditions which require the lessee to perform lease end maintenance work or make cash compensation payments at the end of the lease to bring the flight equipment into a specified maintenance condition.

Maintenance right assets in EOL Leases represent the difference in value between the contractual right to receive flight equipment in an improved maintenance condition at lease expiry as compared to the maintenance condition on the acquisition date. Maintenance right assets are recorded in flight equipment assets.

Maintenance right liabilities exist in EOL Leases if, on the acquisition date, the maintenance condition of the flight equipment is greater than the contractual return condition in the lease at lease expiry and the Company is required to pay the lessee in cash for the improved maintenance condition. The Company has no maintenance rights liabilities in EOL Leases as of 31 December 2024 and 2023.

When the Company has recorded maintenance right assets with respect to EOL Leases, the following accounting scenarios exist: (i) the flight equipment is returned at lease expiry in the contractually specified maintenance condition without any cash payment to the Company by the lessee, the maintenance right asset is relieved and a flight equipment improvement is recorded to the extent the improvement is substantiated and deemed to meet the Company's capitalisation policy; (ii) the lessee pays the Company cash compensation at lease expiry in excess of the value of the maintenance right asset, the maintenance right asset is relieved and any excess is recognised as end of lease income; or (iii) the lessee pays the Company cash compensation at lease expiry that is less than the value of the maintenance right asset, the cash is applied to the maintenance right asset and the balance of such asset is relieved and recorded as a flight equipment improvement to the extent the improvement is substantiated and meets the Company's capitalization policy. Any flight equipment improvement will be depreciated over a period to the next scheduled maintenance event in accordance with the Company's policy with respect to major maintenance.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.12 Maintenance rights (continued)

When the Company has recorded maintenance right liabilities with respect to EOL Leases, the following accounting scenarios exist: (i) the flight equipment is returned at lease expiry in the contractually specified maintenance condition without any cash payment by the Company to the lessee, the maintenance right liability is relieved and end of lease income is recognised; (ii) the Company pays the lessee cash compensation at lease expiry of less than the value of the maintenance right liability, the maintenance right liability is relieved and any difference is recognised as end of lease income; or (iii) the Company pays the lessee cash compensation at lease expiry in excess of the value of the maintenance right liability, the maintenance right liability is relieved and the excess amount is recorded as a flight equipment improvement.

Maintenance Rights (MR) Leases

Under MR Leases, the lessee is required to make periodic maintenance payments to the Company based upon usage of the flight equipment. When qualified major maintenance is performed during the lease term, the Company is required to reimburse the lessee for the costs associated with such maintenance. At the end of lease, the Company is entitled to retain any cash receipts in excess of the required reimbursements to the lessee.

Maintenance right assets in MR Leases represent the right to receive flight equipment in an improved condition relative to the actual condition on the acquisition date. The flight equipment is improved by the performance of qualified major maintenance paid for by the lessee who is reimbursed by the Company from the periodic maintenance payments that it receives.

When the Company has recorded maintenance right assets with respect to MR Leases, the following accounting scenarios exist: (i) the flight equipment is returned at lease expiry and no qualified major maintenance has been performed by the lessee since the acquisition date, the maintenance right asset is offset by the amount of the associated maintenance payment liability and any excess is recorded as end of lease income, which is consistent with the Company's existing policy; or (ii) the Company has reimbursed the lessee for the performance of qualified major maintenance, the maintenance right asset is relieved and a flight equipment improvement is recorded.

The Company has no maintenance right liabilities for MR Leases.

When flight equipment is sold, maintenance rights are released from the Balance Sheet as part of the disposition gain or loss.

1.13 Lease premium and lease discount

Lease premium represents the value of an acquired lease where the contractual rent payments are above the market lease rate at the date of acquisition. This asset is recognised at cost based on discounted cash flows and is amortised on a straight-line basis over the remaining term of the related lease and is recorded as a component of operating lease revenue in the profit and loss account.

Lease discount represents the value of an acquired lease where the contractual rent payments are below the market lease rate at the date of acquisition. This liability is recognised at cost based on discounted cash flows and is amortised on a straight-line basis over the remaining term of the related lease and is recorded as a component of operating lease revenue in the profit and loss account.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.14 Financial instruments

The Company's financial asset categories are financial assets at amortised cost. Financial assets at amortised cost comprise of "cash and cash equivalents", "amounts due from fellow group undertakings" and "rent receivable" in the balance sheet.

The Company's financial liabilities categories are financial liabilities measured at amortised cost. Financial liabilities measured at amortised cost comprise of "amounts due to fellow group undertakings", "notes payable to affiliates", "maintenance payment liabilities", "security deposits", and "other liabilities" in the balance sheet.

1) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at, amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost;
- financial assets at fair value through OCI with recycling of cumulative gains and losses;
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition; and
- financial assets at fair value through profit or loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost are "cash and cash equivalents", "amounts due from fellow group undertakings" and "rent receivable".

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.14 Financial instruments (continued)

1) Financial assets (continued)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the profit and loss account when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not hold any equity instruments at fair value through OCI.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss in the profit and loss account and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company does not hold any debt instruments at fair value through OCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

The Company does not hold any financial assets at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the balance sheet) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.14 Financial instruments (continued)

1) Financial assets (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages as follows:

- For credit loss exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).
- Those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off for these reasons when there is no reasonable expectation of recovering the contractual cash flows.

2) Financial liabilities

Initial recognition and measurement

The Company’s financial liabilities are categorised as financial liabilities measured at amortised cost. Financial liabilities measured at amortised cost comprise of “amounts due to fellow group undertakings”, “notes payable to affiliates”, “maintenance payment liabilities”, “security deposits” and “other liabilities” in the balance sheet.

All financial liabilities are recognised initially at fair value and, in the case of notes payable, net of directly attributable transaction costs.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.14 Financial instruments (continued)

2) Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

After initial recognition, the Company's financial liabilities that are classified as liabilities measured at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit and loss account.

This category generally applies to interest bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit and loss account.

3) Non-derivative financial instruments

Non-derivative financial instruments comprise of "cash and cash equivalents", "amounts due from fellow group undertakings", "rent receivable", "amounts due to fellow group undertakings", "notes payable to affiliates", "maintenance payment liabilities", "security deposits" and "other liabilities".

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses. Where the terms of a loan facility are amended, the Company determines whether the amendment constitutes a substantial modification under both a quantitative and qualitative basis. If the amendment is deemed a substantial modification, the loan facility is deemed to be a new facility and the loan principal is deemed to have been repaid and all unamortised fees relating to the original loan facility are amortised to the profit and loss account and included under "amortisation of loan costs".

Cash and cash equivalents

The Company considers cash and cash equivalents to be cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments and where required under operating lease contracts.

Rent receivable

Rent receivable represents amounts due from lessees under operating lease contracts. Where amounts are outstanding from lessees, the Company will provide an allowance for doubtful accounts against these when necessary, based upon expected ability to collect the amounts, taking into consideration the credit quality of the lessee and the level of security held.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.14 Financial instruments (continued)

3) Non-derivative financial instruments (continued)

Notes payable to affiliates

Notes payable to affiliates are initially recognised at fair value, being their issue proceeds net of any transaction costs incurred. After initial recognition, interest bearing notes payable are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Notes payable are classified as financial liabilities in accordance with IFRS 9, *Financial Instruments*. Notes payable are debt instruments and all amounts, paid or payable by the Company (other than payments of principal on the notes) will be treated as interest expense in the Company's profit and loss account. After initial recognition, interest bearing notes payable are subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the profit and loss account using the effective interest rate method.

Loan costs

Loan costs incurred in connection with the issuance of debt are capitalized and amortised over the life of the specific loan. Subsequent debt-related fees are expensed in the period incurred.

Modification of loans

The Company assesses whether the new terms of modified third party loans where the modification results in a modification of contractual cash flows are substantially different to the original terms. In making this assessment, the Company considers, among others, significant changes in the interest rate. If the terms are substantially different, the Company derecognises the original financial liability and recognises a new financial liability at fair value and recalculates a new effective interest rate for the liability. If the terms are not substantially different, the modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the liability recalculated by discounting the modified cash flows at the original effective interest rate and recognises a modification gain or loss in the profit and loss account. The present value of the modified cash flow of the financial liability is subsequently amortised using the effective interest rate method over the remaining life of the loan and recorded as part of interest expense in the profit and loss account. There were no modifications to loans during the year (2023: None).

Maintenance payment liabilities

The Company receives maintenance reserves under three (2023: three) of its aircraft equipment lease arrangements which are retained and subsequently drawn down by the lessee as maintenance costs are borne. Maintenance reserves are accounted for on a cash basis. Any surplus arising on the maintenance reserve account is retained by the Company. The lessee retains responsibility for maintenance costs that exceed the balance on deposit with the Company.

Security deposits

Security deposits represent cash received from the lessee that are held on deposit until lease expiry. The Company's lease agreements also obligate the lessee to maintain the aircraft and comply with all governmental requirements during the lease term.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information and material accounting policy information (continued)

1.15 Taxation

Corporation tax payable is provided on the results for the financial year. The Company has met the criteria to be treated as a qualifying company within the meaning of Section 110 of the Irish Tax Consolidation Act, 1997, which provides for a special tax regime applicable to taxable profits. A qualifying company will be subject to Irish corporation tax on trading operations at a rate of 25%.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the end of the financial year where transactions or events have occurred at that date that will result in an obligation to pay more or right to pay less tax. Provision is made at the rates expected to apply when the temporary differences reverse based on legislation enacted or substantively enacted at the end of the financial year. Temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

The Company offsets deferred tax assets and deferred liabilities only when it has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

1.17 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires the Directors to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by the Directors on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information regarding balances which include significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are detailed in the following notes:

Note 3 – Expected credit loss – key assumptions about the lessee's credit risk and probability of default;

Note 7 – Deferred tax assets – key judgment about the availability of future taxable profits against which carry forward tax losses can be used; and

Note 11 – Flight equipment assets held for operating leases – key assumptions around the underlying recoverable amount, residual values and useful economic lives.

The Company based its judgments, estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Operating income

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Lease income, net	30,052,030	32,553,908
Other income	301,925	-
	<u>30,353,955</u>	<u>32,553,908</u>

The analysis of lease income by country of domicile of the lessee is as follows:

	2024 US\$	2023 US\$
Malaysia	25,513,802	25,776,284
Thailand	4,538,228	4,275,746
India	-	2,501,878
	<u>30,052,030</u>	<u>32,553,908</u>

Lease income is derived from 14 operating leases (2023: 16), of which 14 (2023: 14) remain in place as of 31 December 2024. The leases range from one to ten years (2023: two to eleven years) with 2 lessees operating in the South Asia and Southeast Asia Pacific region (2023: 3 lessees). No operating lease is due to expire within twelve months from the reporting date (2023: no operating leases).

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Commitments for future lease receipts:		
Due within one year	35,599,403	35,599,403
Due between one and two years	33,967,051	35,599,403
Due between two and three years	32,231,580	33,854,215
Due between three and four years	24,694,609	32,218,924
Due between four and five years	15,492,199	24,688,354
Due after five years	40,848,168	55,878,971
	<u>182,833,010</u>	<u>217,839,270</u>

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. Expected credit loss

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Reversal of expected credit loss	1,365,030	3,696,721

During the financial year, the Company did not recognise any additional expected credit loss on any of its lessees (2023: US\$Nil). Instead, the Company recognised in its profit and loss account income of US\$1.3 million, representing a partial reversal of previously recognised credit losses attributable to two lessees (2023: US\$3.7 million attributable to three lessees). An expected loss provision has been applied based on the expected loss given default (in percentage terms) and the probability of default determined. This percentage (100%, 2023: 100%) is multiplied by the outstanding receivable balance at year-end, net of any security deposits, to calculate an expected credit loss over the life of the lease.

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Movements		
Balance at beginning of financial year	2,241,305	5,938,026
Reversal of expected credit loss	(1,365,030)	(3,696,721)
Balance at end of financial year	876,275	2,241,305

4. Operating expenses

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Depreciation	10,412,573	10,977,949
Management fees	6,377,735	6,943,049
Selling, general and administrative	217,086	138,087
Maintenance and other	272,853	356,689
	17,280,247	18,415,774

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

5. Interest income

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Aircraft lease interest income	3,860,172	814,369
Bank deposit interest income	136,417	94,962
Interest income from amounts due from fellow group undertakings	20,823,003	-
	24,819,592	909,331

The amount included above in “interest income from amounts due from fellow group undertakings” represents the interest earned by the Company on the intercompany receivable balance that resulted from the acquisition of the orderbook asset by Aladdin Holdings, the Company’s intermediate parent undertaking. The Company earned interest on this receivable balance at a rate of 4.22%.

6. Interest expense

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Interest expense on notes payable to affiliates	37,684,390	31,037,628
	37,684,390	31,037,628

7. Tax on continuing operations

7.1 Analysis of tax in financial year

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Deferred tax		
Deferred Irish corporation tax	224,653	3,093,272
Income tax for the financial year	224,653	3,093,272

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

7. Tax on continuing operations (continued)

7.2 Reconciliation of expected tax at the standard tax rate to the actual tax at the effective rate

The tax for the financial period is consistent with the tax on ordinary activities at the rate of corporation tax in the Republic of Ireland (25%).

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Loss on ordinary activities before taxation	(898,612)	(12,373,088)
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Tax on ordinary activities at standard Irish corporation tax rate of 25% (2023: 25%)	224,653	3,093,272
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Income tax for the financial year	224,653	3,093,272
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Company operates. However, this legislation does not apply to the Company as the consolidated revenue of its ultimate parent, of which the Company is a member, is lower than €750 million.

7.3 Circumstances affecting current and future tax charges

Tax is chargeable in future periods unless group relief is available. To the extent losses are incurred in the future, these can be carried forward. From 1 January 2025, the corporation tax rate for qualifying companies within the meaning of Section 110 of the Irish Tax Consolidation Act, 1997, is expected to remain at its current rate of 25%.

7.4 Deferred tax

Deferred tax generally relates to the timing of depreciation for tax purposes offset by losses available for offsetting against future taxable income.

In assessing the ability to realise the deferred tax assets, the Directors consider whether it is possible that some portion or all of the deferred tax assets will not be realised. All available evidence is considered and weighed to determine whether the de-recognition of a deferred tax asset is needed or should be removed. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The tax losses carried forward where deferred tax assets were not recognised at 31 December 2024 amounted to US\$Nil (2023: US\$Nil).

The amount of the deferred tax assets is considered realisable, however, it could be significantly reduced in the near term if estimates of future taxable income during the carry-forward period are reduced due to prolonged dislocation in the capital markets and negative changes in economic conditions and their consequences for air travel generally and specifically demand for aircraft. The key judgments associated with the accounting for deferred taxes relate primarily to whether there will be enough taxable profits against which the tax losses can be utilised.

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. Tax on continuing operations (continued)

7.4 Deferred tax (continued)

Management believe that future taxable profits will be available based on the following:

- Favourable profit projections which are consistent with forecasts used for internal management and planning purposes, and also consistent with forecasts used to support other areas of financial reporting such as impairment analysis;
- Contractually committed lease agreements which support a future income stream in excess of the cost required to service the lease; and
- Appreciation of the value of flight equipment in excess of their carrying value.

Below is the analysis of deferred tax by source of temporary differences.

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Opening balance	57,276,679	50,944,016
Deferred tax	9,118,133	6,332,663
Total deferred tax asset	66,394,812	57,276,679

Deferred tax assets are accumulated losses recognised to the extent that it is probable future taxable profits will be available for offset.

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Opening balance	48,974,439	45,735,048
Deferred tax	8,893,480	3,239,391
Total deferred tax liability	57,867,919	48,974,439

Deferred tax liabilities are recognised temporary differences with respect to the timing of depreciation of assets.

8. Cash and cash equivalents

	31 December 2024 US\$	31 December 2023 US\$
Cash at bank	10,530,027	84,520

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

9. Amounts due from fellow group undertakings

	31 December 2024 US\$	31 December 2023 US\$
Amounts due from fellow group undertakings	-	67,154,416
	-	67,154,416

10. Rent receivable, net

	31 December 2024 US\$	31 December 2023 US\$
Rent receivable, current	21,212,768	36,583,850
Rent receivable, non-current	20,443,919	25,963,067
Accumulated expected credit loss (Note 3)	(876,275)	(2,241,305)
Rent receivable, net	40,780,412	60,305,612
Rent receivable, net (current)	20,766,544	35,272,905
Rent receivable, net (non-current)	20,013,868	25,032,707
	40,780,412	60,305,612

Included within the rent receivable balance is deferred rent amounting to US\$25.0 million (2023: US\$30.3 million) that resulted from the 2021 execution of 11 lease agreements with two lessees to restructure and extend leases for 11 aircraft by 72 months.

On August 23, 2024, the Company received revenue bonds from AirAsia Group Berhad with a principal balance of \$37.4 million as partial settlement of \$24.9 million of outstanding rent receivable, \$6.7 million of end of lease compensation receivable, recorded at Incline Aladdin Engine Funding DAC, a fellow group undertaking, and \$3.8 million for default interest, included in interest income. The revenue bonds accrue 7% interest per annum, pay quarterly and mature in 2026. In October 2024, the Company sold the revenue bonds for \$35.1 million, of which \$25.2 million was used to repay a credit facility held by a fellow group undertaking, Incline Aladdin Funding DAC, and recorded a loss of \$2.3 million included in other expenses.

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

11. Flight equipment assets held for operating leases, net

During 2024 there were no transfer of aircraft (2023: 2). At 31 December 2024, the Company had 14 aircraft (2023: 14 aircraft).

	31 December 2024 US\$	31 December 2023 US\$
Flight equipment held for operating leases, at cost	374,235,656	374,235,656
Accumulated depreciation	(72,461,334)	(62,048,761)
Flight equipment assets held for operating leases, net	301,774,322	312,186,895
	31 December 2024 US\$	31 December 2023 US\$
Movements		
Balance at beginning of year	312,186,895	367,625,356
Depreciation	(10,412,573)	(10,977,949)
Flight equipment transferred, net of depreciation	-	(28,088,370)
Maintenance rights derecognised from flight equipment transferred	-	(16,372,142)
Balance at end of year	301,774,322	312,186,895

As discussed in Note 1, the Directors of the Company undertake a review to determine whether an impairment expense is required in respect of the Company's flight equipment assets. To aid in this assessment, the Company sought valuations from third party appraisers. These appraisers make assumptions and estimates with respect to the future valuations of aircraft.

For the purpose of recognition and measurement of an impairment expense, if it is determined that a test for impairment is required, each aircraft is tested individually by comparing its carrying amount to the higher of its value in use and fair value less costs to sell. Value in use is determined as the total discounted cash flows expected to be generated by an aircraft in the future. The estimated cash flows are discounted to their present value by using a discount rate of 7.00% (2023: 7.00%) that reflects current market assumptions of the time value of money and the risks specific to the asset in question. Fair value less costs to sell are determined by the Company based on the most relevant of observable market information, forecast cash flows or appraised values.

In cases where the carrying value of the aircraft exceeded the higher of value in use and fair value less costs to sell, an impairment expense is recognised. During the year, the Directors, in applying *IAS 36, Impairment of Assets*, have determined that no impairment expense (2023: US\$Nil) is required.

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. Other assets

	31 December 2024 US\$	31 December 2023 US\$
Lease premiums, current	262,482	262,482
Lease premiums, non-current	680,344	942,828
	942,826	1,205,310

13. Amounts due to fellow group undertakings

	31 December 2024 US\$	31 December 2023 US\$
Amounts due to fellow group undertakings	68,116,710	31,612,408
	68,116,710	31,612,408

The above amounts are interest-free, unsecured and are repayable on demand.

14. Notes payable to affiliates

Intercompany Loan

In June 2023, Incline Aladdin Funding DAC entered into a US\$161.0 million senior secured credit facility to refinance 14 aircraft with a maturity in June 2031. The Company issued notes to Incline Aladdin Funding DAC for \$161.0 million. The notes bear interest based on the daily Secured Overnight Financing Rate (“SOFR”) plus a margin of 3.09%.

	2024 US\$	2023 US\$
Intercompany Loan		
Principal, non-current	83,170,503	126,404,471
Principal, current	18,000,000	23,606,263
Accrued and unpaid interest, current	1,395,674	916,707
Loan costs, net of amortisation, non-current	(174,169)	(451,286)
Loan costs, net of amortisation, current	(131,039)	-
	102,260,969	150,476,155

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. Notes payable to affiliates (continued)

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Movements		
Balance at beginning of financial period	150,476,155	-
Advanced during the financial period	-	161,000,000
Repayments during the financial period	(48,840,229)	(10,989,267)
Interest expense	10,923,956	6,897,700
Interest paid	(10,298,913)	(6,432,278)
Balance at end of the financial year	102,260,969	150,476,155
	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Movements on loan costs		
Balance at beginning of financial period	451,286	-
Debt issuance costs	-	530,932
Amortisation of loan costs	(146,078)	(79,646)
Balance at the end of the financial year	305,208	451,286

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. Notes payable to affiliates (continued)

PPN

In February 2019, the Company entered into a profit participating note (“PPN”) with Incline Aladdin Funding DAC for approximately US\$291.8 million. The PPN matures in February 2039 and entitles the lender to a periodic return equal to the profit of the Company, after taking into consideration a fixed return rate of 8.50%, less a cash retention amount of US\$1,200 per quarter. During the financial year, the Company made no additions to the PPN (2023: US\$Nil).

	2024	2023
	US\$	US\$
PPN		
Principal, non-current	99,504,836	193,947,460
Accrued and unpaid interest, current	87,462,101	81,378,592
	186,966,937	275,326,052
	Year ended	Year ended
	31 December	31 December
	2024	2023
	US\$	US\$
Movements		
Balance at beginning of financial year	275,326,052	294,126,399
Advanced during the financial year	-	-
Repayment of borrowings	(94,442,624)	(31,150,391)
Interest expense	26,906,512	18,660,524
Interest paid	(20,823,003)	(6,310,480)
Balance at end of financial year	186,966,937	275,326,052

15. Maintenance payment liabilities

	2024	2023
	US\$	US\$
Maintenance payment liabilities	22,953,437	8,874,695
	22,953,437	8,874,695

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

16. Security deposits

	31 December 2024 US\$	31 December 2023 US\$
Security deposits	4,923,641	4,923,641
	4,923,641	4,923,641
	4,923,641	4,923,641

17. Deferred operating lease rental income

	31 December 2024 US\$	31 December 2023 US\$
Unearned rental income, current	2,084,848	2,084,848
	2,084,848	2,084,848
	2,084,848	2,084,848

18. Other liabilities

	31 December 2024 US\$	31 December 2023 US\$
Accrued operating expenses	842,886	862,183
	842,886	862,183
	842,886	862,183

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

19. Share capital

Authorised

	2024 Number	2024 €	2023 Number	2023 €
Ordinary shares of €1.00 each	100,000	100,000	100,000	100,000
	100,000	100,000	100,000	100,000
	100,000	100,000	100,000	100,000

Issued and fully paid

	2024 Number	2024 €	2023 Number	2023 €
Ordinary shares of €1.00 each				
At 1 January and 31 December	1	1	1	1
	1	1	1	1
	1	1	1	1

20. Capital contributions

The Company did not receive any capital contributions from its intermediate parent undertaking, Incline Aladdin Holdings Limited during the financial year (2023: US\$Nil).

21. Statutory and other information

The loss on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Directors' remuneration	-	-
Auditor's remuneration:		
- Audit fees	73,798	89,144
- Tax advisory services	26,543	7,874
	100,341	97,018
	100,341	97,018

The Company incurred no directors' costs (2023: US\$Nil). Auditor's remuneration, shown exclusively of value added tax (VAT), arises solely on fees incurred for the statutory audit and the tax compliance fee. The tax compliance fee incurred consists of tax return preparation and reporting and is payable to the auditor.

MERAH AIRCRAFT 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

22. Employees

The Company has no employees (2023: None). The Company employs BBAM ASL to provide management and consulting services with respect to the aircraft on lease. BBAM ASL is an indirect wholly-owned subsidiary of BBAM Limited Partnership (“BBAM”). BBAM is owned 35% by Onex Corporation and its affiliates, including its managed investment funds, 35% by an investment vehicle beneficially owned by certain Directors, officers and employees of BBAM and its subsidiaries, and 30% by affiliates of GIC Private Limited (“GIC”). Onex Corporation and certain of its officers and employees, certain officers and employees of BBAM and its subsidiaries, and an affiliate of GIC have a minority ownership interest in the Company’s ultimate parent undertaking.

23. Ultimate and immediate parent undertaking

The immediate parent undertaking is Red Aircraft Holdings 2 Co., Ltd. (“RAH2”), a company incorporated in Bermuda. RAH2 is a wholly-owned subsidiary of Incline Aladdin Holdings Limited (“Aladdin Holdings”), a company incorporated in the Republic of Ireland. Aladdin Holdings, in turn, is a wholly-owned subsidiary of Incline B Aviation Aladdin (Cayman) Holdings Limited Partnership (“Aladdin Cayman Holdings”). The ultimate parent undertaking and controlling party is Incline B Aviation Limited Partnership (“Incline B”), which is incorporated in the Cayman Islands and has its registered office at P.O. Box 309 Ugland House Grand Cayman, YY KY1-1104.

Incline B is the majority owner of Aladdin Cayman Holdings and non-controlling interests in Aladdin Cayman Holdings are owned by Incline B Aviation Aladdin Co-Investment Limited Partnership and Incline B Aviation Limited Partnership.

The smallest and largest group in which the financial statements of the Company are consolidated are Aladdin Holdings and Incline B, respectively. Aladdin Holdings has its registered office at West Pier, Dun Laoghaire, Co Dublin, Ireland. The financial statements of Aladdin Holdings are publicly available. The financial statements of Incline B are not publicly available.

24. Related party transactions

The Company has a note payable to an affiliate as described in Note 14. Details on transactions with fellow group undertakings are disclosed below:

	31 December 2024	31 December 2023
	US\$	US\$
Amounts due from fellow group undertakings		
Intermediate parent:		
Incline Aladdin Holdings Limited	-	67,154,416
	<hr/>	<hr/>
	-	67,154,416
	<hr/> <hr/>	<hr/> <hr/>

MERAH AIRCRAFT 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

24. Related party transactions (continued)

	31 December 2024 US\$	31 December 2023 US\$
Amounts due to fellow group undertakings		
Ultimate parent:		
Incline B Aviation Limited Partnership	16,738	10,903
Intermediate parent:		
Incline B Aviation Aladdin (Cayman) Holding Limited Partnership	121,081	120,801
Incline Aladdin Holdings Limited	-	12,753,372
Affiliates:		
Incline Aladdin Engine Funding DAC	8,796,497	194,747
Incline B Aviation Aladdin Cayman Co. Ltd.	16,923,253	16,923,253
Incline Aladdin Funding DAC	42,110,955	1,441,093
Other related parties:		
Incline Aviation Holdings DAC	20,691	20,691
Incline Aviation Funding Limited	3,346	3,346
Incline B IrishCo One Limited	38,715	1,552
Incline B IrishCo Three Limited	15,635	13,111
Incline II B Aviation Limited Partnership	69,799	129,539
	68,116,710	31,612,408
	68,116,710	31,612,408

Amounts due from or due to fellow group undertakings are outstanding balances receivable from or payable to related entities consolidated under Incline B Aviation Limited Partnership. The balances consist of transactions associated with the operations of the Company and primarily consist of the following:

- Transactions associated with the acquisition or disposal of flight equipment.
- Lease related transactions.
- Operational expenses paid on behalf of the Company or related entities.

During the financial year, the Company paid fees to BBAM ASL for management and consulting services (see Note 4) totaling US\$6.4 million (2023: US\$6.9 million), including the provision of Directors to the Company for a fee of US\$2,000 (2023: US\$2,000). An amount of US\$Nil (2023: US\$Nil) is payable at year end.

25. Events after the reporting period

There are no significant events subsequent to 31 December 2024 that require adjustment to or disclosure in these financial statements.

26. Approval of financial statements

The Board of Directors approved these financial statements for issue on 18 September 2025.