

**Limerick Loop Aviation One Designated
Activity Company**

Directors' report and financial statements
for the period from incorporation on 4 June 2024 to
31 December 2024

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the period ended 31 December 2024

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LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY

COMPANY INFORMATION

DIRECTORS Mitchel Simpson (appointed 4 June 2024)
Jean O'Driscoll (appointed 4 June 2024)

REGISTERED OFFICE Fourth Floor Mespil Court
Mespil Road
Dublin 4

SECRETARY Mitchel Simpson

BANKERS BNP Paribas
3 Arkle Road
Sandyford
Dublin 18

SOLICITORS McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Dublin 2

AUDITOR Ernst & Young Chartered Accountants
Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2

DIRECTORS' REPORT

for the period from date of incorporation of 4 June 2024 to 31 December 2024

The directors present their annual report together with the audited financial statements for the financial period from the date of incorporation on 4 June 2024 to 31 December 2024 for Limerick Loop Aviation One Designated Activity Company ("the Company").

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company commenced trading on 25 October 2024 with the purchase of a Boeing aircraft which is on lease to a Spanish airline.

The Directors expect these activities to continue for the foreseeable future. The Directors continue to review and seek business opportunities for the Company. The Company's Directors regularly review financial information related to the performance of the Company as well as relevant arrangements when making operating decisions. The principal key performance indicators used by management to monitor the performance are results from operating activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company, in the course of its business activities, is exposed to asset, market, interest rate, foreign currency, credit and liquidity risk as the principal risks facing the Company, as it bears the risk of non-performance under the leases by the airlines operating the aircraft. The Company in turn has a financial risk policy that is managed by its Service Provider, FPG Amentum Limited. The Board of Directors ensures that risks are identified and managed in accordance with the objectives of the Company. The financial risks are discussed in more detail in Note 18 'Financial Risk Management' which is included herein by reference.

RESULTS AND DIVIDENDS

The Statement of Comprehensive Income for the period ended 31 December 2024 and the Statement of Financial Position at that date are set out on pages 9 and 10. The profit on ordinary activities for the period before taxes amounted to US\$5,000. After tax of US\$Nil a profit of US\$5,000 is transferred to retained earnings. The Directors are satisfied with the progress to date.

DIVIDENDS

The Directors of the Company do not recommend payment of a dividend for the period.

GOING CONCERN

The Company's financial statements for the period ended 31 December 2024 have been prepared on a going concern basis. The Directors anticipate that the assets will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due.

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Based on all of the information available at present, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due for the foreseeable future (for a period no less than 12 months from the reporting date and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation.

DIRECTORS AND SECRETARY AND THEIR INTERESTS

The names of the persons who were directors during the period are set out on page 2 of these financial statements.

DIRECTORS' REPORT

for the period from date of incorporation of 4 June 2024 to 31 December 2024 - continued

DIRECTORS AND SECRETARY AND THEIR INTERESTS (continued)

Neither the Directors nor the Company Secretary, who held office at the beginning of the period or at 31 December 2024, had interests in shares in, or debentures of, the Company, or other group undertakings, at the beginning of the period or 31 December 2024 or date of appointment if later, requiring disclosure in the Directors' Report pursuant to section 329 of the Companies Act 2014.

EMPLOYEES

The Company had no employees during the financial period.

POLITICAL AND CHARITABLE DONATIONS

The company did not make any political or charitable donations during the period.

ACCOUNTING RECORDS

The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the company are maintained at Fourth Floor Mespil Court, Mespil Road, Dublin 4.

IMPORTANT EVENTS SINCE THE PERIOD END

There have been no other significant events since the period end that would require adjustment or further disclosure in the financial statements

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 each Director is aware, there is no relevant audit information of which the Company's statutory auditors are 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 auditors are aware of that information.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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 and of its profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT

for the period from date of incorporation of 4 June 2024 to 31 December 2024 - continued

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

AUDITORS

Ernst & Young, were appointed as first auditor during the financial period and have expressed their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.

The financial statements were approved and authorised for issue by the Board on 16-12-2025


Jean O'Driscoll
Director


Mitchel Simpson
Director

Date: 16-12-2025



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Limerick Loop Aviation One Designated Activity Company ('the Company') for the period ended 31 December 2024, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows 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 International Financial Reporting Standards (IFRS) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

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 profit for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; 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) as applied to listed entities, 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. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Company's financial close process, we confirmed our understanding of management's Going Concern assessment process and also engaged with management early to ensure all key factors were considered in their assessment.
- We assessed the cashflow forecast of the Company for a period of 12 months from the date of signing of the financial statements.
- We reviewed the sources of cash inflows available to the Company and the various scenario analysis performed by management.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY (CONTINUED)

- We have considered the assumptions included in the cashflow analysis prepared by management and the appropriateness of the methods used in the analysis. We determined through inspection and testing of the methodology and calculations that the methods utilised were appropriate.
- We reviewed the Company's going concern disclosures included in the financial statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Conclusion

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 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 LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Directors
<p>Determination of Residual Value of Aircraft</p> <p>The Company determines the residual values of its aircraft assets based on expected value of the aircraft at the end of the lease term, supported by estimates obtained from independent appraisers. This assessment requires management judgment, as residual values are influenced by long-term market expectations, anticipated demand for the aircraft type and technological developments.</p> <p>As set out in Notes 1 (h) ‘Material accounting policy information’ (page 15) Residual values are estimated based on the expected value of the aircraft at the end of the lease term, taking into consideration current market conditions and other relevant factors. These estimates are supported by independent third-party appraisals and are reviewed periodically for possible changes.</p> <p>Given the inherent estimation uncertainty, the sensitivity of the residual value to changes in assumptions, and the significant audit effort required in this area, this was identified as a key audit matter</p>	<p>In obtaining sufficient audit evidence we:</p> <ul style="list-style-type: none"> • We obtained an understanding of management’s process for determining residual values and performed walkthroughs over the identification, review, and approval of key assumptions and external appraisals. We did not place reliance on controls and performed a fully substantive audit. • We obtained management’s assessment of the residual value of the aircraft and the supporting documentation, including reports from independent appraisers and assumptions applied. • We evaluated the competency and independence of the external appraisers as management experts for the external market appraisals provided. • We assessed whether the residual value estimate was consistent with the Company’s depreciation policy. • We reviewed the financial statement presentation and related disclosures to ensure compliance with the relevant accounting standards. 	<p>Our planned audit procedures were completed without material exception.</p>



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY (CONTINUED)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be US\$ 321,482 which is 1% of total assets. We believe that total assets provides us with the most appropriate basis for materiality having considered the expectation of the users of the financial statements and the overall business environment.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely US\$ 160,741. We have set performance materiality at this percentage based on our knowledge of the entity and industry, effectiveness of the control environment and our assessment of the risks associated with the engagement. This percentage is consistent with our standard approach for initial audits.

Reporting threshold

Reporting threshold is an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Directors that we would report to them all uncorrected audit differences in excess of US\$ 16,074 which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY (CONTINUED)

An overview of the scope of our audit report

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

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 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.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY (CONTINUED)

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.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 4 and 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud, that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedure will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY (CONTINUED)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are Companies Act 2014 and the tax legislation governed by Irish Revenue.
- We understood how the Company is complying with those frameworks by understanding the Company's entity level controls relevant to compliance with laws and regulations. Furthermore, we performed inquiries with management, those charged with governance, and external legal counsel. We inquired as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by testing of journal entries and other adjustments in the preparation of the financial statements and reviewing significant accounting estimates for evidence of management bias.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiring with management, those charged with governance and internal legal counsel.

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 black ink, appearing to read 'John McCormack'.

John McCormack
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Office: Dublin

Date: 16 December 2025

STATEMENT OF COMPREHENSIVE INCOME

for the period from date of incorporation of 4 June 2024 to 31 December 2024

		Period ended 31 December 2024
	Note	US\$
Revenue		
Lease income	3	<u>704,915</u>
Expenses		
Depreciation	7	(66,262)
General and administrative expenses	4	<u>(66,492)</u>
Results from operating activities		572,161
Finance costs		
Finance expense	5	(458,235)
Fair value loss on derivatives	14	<u>(108,926)</u>
Profit before tax		5,000
Income tax charge	6	<u>-</u>
Profit for the financial period		5,000
Other comprehensive income		-
Total comprehensive profit for the financial period		<u><u>5,000</u></u>

All items dealt with in arriving at the profit for the financial period ended 31 December 2024 related to continuing operations. The Company had no recognised gains or losses in the financial period other than those dealt with in the statement of comprehensive income. The notes to the financial statements on pages 13 to 34 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
at 31 December 2024

	Note	31 December 2024
		US\$
ASSETS		
Non-current assets		
Aircraft and related assets	7	30,501,617
Total non-current assets		<u>30,501,617</u>
Current assets		
Cash and cash equivalents	8	856,626
Trade and other receivables	9	789,996
Total current assets		<u>1,646,622</u>
Total assets		<u>32,148,239</u>
EQUITY		
Share capital	10	1
Retained earnings		5,000
Total equity		<u>5,001</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	11	19,059,862
Subordinated note issued at amortised cost	13	9,225,275
Trade and other payables	12	1,146,917
Derivative liability	14	108,926
Total non-current liabilities		<u>29,540,980</u>
Current liabilities		
Loans and borrowings	11	2,092,638
Trade and other payables	12	509,620
Total current liabilities		<u>2,602,258</u>
Total liabilities		<u>32,143,238</u>
Total equity and liabilities		<u>32,148,239</u>

Approved by the board and authorised for issue on:

Jean O'Driscoll
Director



Mitchel Simpson
Director



Date:

16-12-2025

STATEMENT OF CHANGES IN EQUITY

for the period from date of incorporation of 4 June 2024 to 31 December 2024

	Issued capital US\$	Retained earnings US\$	Total US\$
Balance at 04 June 2024	-	-	-
Profit for the financial period	-	5,000	5,000
Issue of share capital	1	-	1
Balance at 31 December 2024	<u>1</u>	<u>5,000</u>	<u>5,001</u>

STATEMENT OF CASH FLOWS

for the period from date of incorporation of 4 June 2024 to 31 December 2024

	Note	Period ended 31 December 2024 US\$
Cash flows from operating activities		
Profit for the financial period before tax		5,000
<i>Adjustments for:</i>		
Depreciation	7	66,262
Finance expense	5	458,235
Fair value loss on derivatives	14	108,926
Increase in trade and other receivables	9	(789,996)
Increase in trade and other payables	12	1,198,303
Net cash flows from operating activities		<u>1,046,730</u>
Cash flows from investing activities		
Acquisition of aircraft and related assets		<u>(30,567,879)</u>
Cash used in investing activities		<u>(30,567,879)</u>
Cash flows from financing activities		
Proceeds from borrowings	11	21,500,000
Proceeds from subordinated note	13	30,075,275
Repayment to subordinated note	13	(20,850,000)
Payment of debt issue costs	11	(347,500)
Net cash flows from financing activities		<u>30,377,775</u>
Net increase in Cash and cash equivalents		856,626
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at the end of the period		<u>856,626</u>

Notes to the Financial Statements
31 December 2024

1. Material Accounting Policies

Limerick Loop Aviation One Designated Activity Company (the "Company") is a company domiciled in Ireland with company registration number 765294. The registered address is Fourth floor, Mespil Court, Mespil road, Dublin 4, Ireland. The Company was incorporated on 4 June 2024.

a. Statement of Compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

b. Basis of Preparation

The financial statements have been prepared on the historical cost basis except for the fair valuing of the derivative financial instruments. The principal accounting policies are set out below.

The Company's functional currency is US Dollar, being the currency of the primary economic environment in which the Company operates. The presentation currency for the Company is US Dollar. All financial information presented in US\$ has been rounded to the nearest US\$ unless otherwise stated.

Going Concern

The Company's financial statements for the period ended 31 December 2024 have been prepared on a going concern basis. The Directors anticipate that the assets will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due.

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Based on all of the information available at present, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due for the foreseeable future (for a period no less than 12 months from the reporting date) and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation.

c. Significant estimates and judgements

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at the reporting date and the reported amount of income and expenses during the reported period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Although these estimates are based on management's best knowledge of the amount, event or action, actual results may differ from those estimates.

Notes to the Financial Statements
31 December 2024

In particular, information regarding balances which include significant areas of estimation uncertainty and critical judgements 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 7: Aircraft and related assets – key assumptions around underlying recoverable amount, residual values and useful economic lives.

d. New and amended accounting standards and pronouncements adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Description	Effective date (period beginning)
Lack of exchangeability - Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 2, Indefinitely Deferred	To be determined

The Company is currently assessing the impact the amendments will have on current practice. Except for IFRS 18, the Company does not expect the adoption of the above standards to have a material impact on the financial statements in the period of initial application. These preliminary assessments may be subject to changes arising from ongoing analyses when the Company adopts the standards. The Company plans to adopt the above standards on the effective date.

e. Revenue recognition

Lease income from aircraft on operating leases is recognised as income on a straight-line basis over the term of the underlying lease. Lease rentals received in advance are recorded as deferred revenue on the statement of financial position in trade and other payables and are recognised over the financial period to which they relate.

f. General and administrative expenses

General and administrative expenses primarily relate to management, accounting, auditing, tax, legal and advisory fees. General and administrative expenses are recognised in the financial statements on an accrual basis.

Notes to the Financial Statements
31 December 2024

g. Taxation

Tax expense comprises current and deferred tax. Current and deferred tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the statement of changes in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the end of the reporting period where transactions or events have occurred at that date that will result in an obligation to pay more or right to pay less tax. A provision is made at the rates expected to apply when the temporary differences reverse based on legislation substantively enacted at the end of the reporting period. Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net 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.

h. Aircraft and related assets

Aircraft and related assets are stated at cost, less accumulated depreciation and any impairment, if applicable. The cost of the asset is made up of the purchase price of the asset plus any costs directly attributable, including accrued rentals and cost of carry interest, to bring the asset into working condition for its intended use. The useful economic life of the aircraft is 25 years from the date of manufacture. Depreciation is calculated on a straight-line basis over the existing lease term of the aircraft.

Depreciation methods, residual values and useful lives are reviewed at each reporting date.

Residual values are estimated based on the expected value of the aircraft at the end of the lease term, taking into consideration current market conditions and other relevant factors. These estimates are supported by independent third-party appraisals and are reviewed periodically for possible changes.

Aircraft are assessed for recoverability in accordance with IAS 36 - Impairment of Assets ("IAS 36") at each reporting date or whenever events or changes in circumstances indicates that their carrying value may not be recoverable. An impairment review involves consideration as to whether the carrying value of an aircraft is not recoverable and in these circumstances a loss is recognised as a write down of the carrying value to the higher value of its value in use and asset's fair value less costs of disposal. Value in use is calculated as the present value of the future cash flows to be derived from the operation of the asset. Future cash flows are discounted using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset. If recoverable amounts are lower than carrying values, assets are reduced to their recoverable amounts with the resultant impairment charges being recorded in the profit or loss in the statement of comprehensive income.

Notes to the Financial Statements

31 December 2024

Where a prior impairment loss has decreased or is reversed, the carrying amount of the asset is increased and the impairment loss is reversed in the profit or loss in the statement of comprehensive income to the extent that the asset is not carried at a higher value than if no impairment loss had been recognised in prior years.

i. Financial Instruments

The Company's financial assets are all categorised as financial instruments at amortised costs. Financial instruments at amortised cost include "cash and cash equivalents" and "trade and other receivables" (excluding VAT and PRSI receivable) in the Statement of Financial Position.

The Company's financial liabilities are all categorised as financial liabilities measured at amortised cost. Financial liabilities measured at amortised cost comprises "trade and other payables", "derivative liabilities", "subordinated note issued" and "loans and borrowings" in the Statement of Financial Position.

a. 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. 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.

Notes to the Financial Statements

31 December 2024

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.

Financial assets at amortised cost comprise of "cash and cash equivalents", and "trade and other receivables" (excluding VAT and PRSI receivable).

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 Statement of Financial Position) 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.

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 cashflows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages.

- 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).

For lease receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Notes to the Financial Statements

31 December 2024

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.

b. Financial Liabilities

Initial recognition and measurement

The Company's financial liabilities are all categorised as financial liabilities measured at amortised cost. Financial liabilities measured at amortised cost comprises "trade and other payables", "subordinated notes issued" and "loans and borrowings" in the Statement of Financial Position. The Company's derivative liability is measured at fair value through profit or loss.

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, interest-bearing loans and borrowings 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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income.

Cash and cash equivalents

All highly liquid investments with maturities of three months or less from the date of acquisition are considered cash and cash equivalents

Notes to the Financial Statements

31 December 2024

Trade and other receivables

Trade and other receivables are measured on initial recognition at fair value and subsequently measured at amortised cost. Trade and other receivables do not carry any interest and are stated at their nominal value. An expected credit losses assessment was carried out by the Directors to ensure all amounts recognised are not overstated in value.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost. Trade and other payables are not interest-bearing and are stated at their nominal value.

Derivative financial instruments

The Company holds derivative financial instruments to economically hedge its interest rate risk exposures. Derivatives are recognised initially at fair value; attributable transaction costs are recognised through profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value through profit or loss.

Loans and Borrowings

Loans and Borrowings are recognised when the Company becomes a party to contractual provisions of the loan agreement.

Loans and Borrowings are initially measured at fair value and subsequently recorded at amortised cost. The fair value of loans and borrowings is estimated using a discounted cash flow analysis, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

Interest expense on the debt is expensed using the effective interest rate method.

Debt issuance costs are costs associated with acquiring the bank loan, which is amortised over the life of the loan.

2. Directors and Employees

The Company had no employees during the financial period. The Company employs a third party, FPG Amentum, to provide lease management, consulting and corporate services including directorship.

3. Revenue

Revenue represents lease rental income received in respect of aircraft leased to a Spanish Airline. The lease is due to expire in November 2032. .

	Period ended 31 December 2024 US\$
Lease income	<u>704,915</u>

LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements
31 December 2024

At 31 December 2024 the Company had contracted to receive the following minimum cash lease rentals under non-cancellable operating leases:

	31 December 2024 US\$
Less than 1 year	4,080,000
2 years	4,080,000
3 years	4,080,000
4 years	4,080,000
5 years +	13,620,000
	<u>29,940,000</u>

4. General and administrative expenses

	Period ended 31 December 2024 US\$
Servicer fees	30,600
Others	11,165
Professional fees	24,727
	<u>66,492</u>

5. Finance expense

	Period ended 31 December 2024 US\$
Finance expense	
Subordinated loan interest	406,836
Interest expense on loans	51,399
	<u>458,235</u>

6. Income tax

Tax on profit	Period ended 31 December 2024 US\$
<i>(a) Analysis of tax charge for financial period</i>	
Current tax:	
Income tax on profit	-
Deferred tax:	
Deferred tax charge/credit	<u>-</u>

LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements

31 December 2024

(b) Factors affecting total tax charge for the financial period

Reconciliation of effective tax rate

Profit before tax 5,000

Effects of:

Tax based on rate of 25% 1,250

Excess of capital allowance over depreciation (165,382)

Losses carried forward 165,382

Others (1,250)

Total tax Charge -

(c) Deferred tax

Deferred tax represents the amount of tax recoverable in respect of tax losses available in the current financial year which are available for carry forward against future taxable profits, temporary timing differences including an excess of capital allowances over accounting depreciation.

The Company recognises Deferred Tax Assets to the extent that future profits will be available to utilise the asset.

	Period ended 31 December 2024
Deferred tax asset – losses carried forward	
At beginning of period	-
Movement	165,382
At end of period	<u>165,382</u>
Deferred tax liability– excess of capital allowance over depreciation	
At beginning of period	-
Movement	165,382
At end of period	<u>(165,382)</u>

7. Aircraft and related assets

	31 December 2024 US\$
Cost	
Balance at 04 June	-
Additions	30,567,879
Balance at 31 December	<u>30,567,879</u>
Depreciation	
Balance at 4 June 2024	-
Charge for the period	66,262
Balance at 31 December 2024	<u>66,262</u>
Net Book Value	<u>30,501,617</u>

As of 31 December 2024, the Company owns one aircraft. The aircraft are pledged as security for the Company's debt obligations in favour of Investec Bank PLC.

Notes to the Financial Statements
31 December 2024
8. Cash and cash equivalents

**31 December
2024**

US\$

Cash in bank	856,626
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9. Trade and other receivables

**31 December
2024**

US\$

Straight line receivable	194,916
VAT and PRSI receivable	75,080
Amount due from affiliate	520,000

789,996

Amounts due from affiliate are unsecured, interest-free and repayable on demand.

10. Share Capital

**31 December
2024**

US\$

Share capital authorised

1 ordinary shares of €1 each	1
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Allotted, called up and unpaid

1 ordinary shares of €1 each	1
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11. Loans and borrowings

In December 2024, the Company entered into a loan facility with Investec Bank PLC in the amount of US\$21,500,000, the proceeds of which used to back leverage the acquisition of aircraft. The facility bears interest at a floating rate based on USD SOFR plus a margin of 3.70% per month. This loan is payable over 72 months and matures in December 2030. The Aircraft is pledged as security for the debt financing, and the Company's repayment obligations under the loan agreements are limited in recourse to monies received under the terms of the aircraft lease agreements.

Notes to the Financial Statements
31 December 2024

	31 December 2024
	US\$
Balance at the beginning of period	–
Advanced during the period	21,500,000
Less: Debt issue costs	(347,500)
Balance at the end of period	<u>21,152,500</u>

	31 December 2024
	US\$
Within 1 year	2,092,638
Between 1 and 2 years	2,283,575
More than 2 years but less than 5 years	8,054,566
Later than 5 years	8,721,721
	<u>21,152,500</u>
Analysed as:	
Amounts due within 1 year	2,092,638
Amounts due after 1 year	19,059,862
	<u>21,152,500</u>

12. Trade and other payables

	31 December 2024
	US\$
Current Liabilities:	
Accruals	21,000
Trade payables	30,385
Loan interest payable	51,399
Subordinated note interest payable	406,836
	<u>509,620</u>
Non-current Liabilities:	
Security deposit	1,020,000
Maintenance reserves payable	126,917
	<u>1,146,917</u>
	<u>1,656,537</u>

Notes to the Financial Statements
31 December 2024
13. Subordinated note issued at amortised cost

	31 December 2024 US\$
Subordinated note opening balance	-
Subordinated note advanced during the period	30,075,275
Subordinated note repaid during the period	<u>(20,850,000)</u>
Balance at 31 December 2024	<u>9,225,275</u>

The Company entered into a note subscription agreement on 22 October 2024 between the Company, as subscriber, and BCP Special Opportunities Fund II Holdings L.P., as noteholders. The subordinated note calculates the return as the Company's profit less a margin of \$5,000 per annum. The note is listed on the Vienna Stock Exchange.

The return is recorded in Statement of Comprehensive Income under finance interest. Profit in the period increase the amount owing to the noteholder and losses in the period decreases the amount owing to the noteholder. Payments of interest and principal are only payable by the Company on the subordinated note to the extent the Company has cash available. The note is maturing in 96 months following the date issuance of the notes.

14. Fair value of financial assets and liabilities**Determination of fair values**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

a) Fair value of financial assets and liabilities

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The carrying amount of the Company's cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value due to the short-term nature of these instruments. Non-current balances within trade and other payables, including security deposits and maintenance reserves, are measured at amortized cost, which management believes approximates fair value.

LIMERICK LOOP AVIATION ONE DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements 31 December 2024

The loans and borrowings and subordinated loan notes were entered into during the current period and hence deemed that current value approximates fair value. These are recorded at amortised cost and are classified as Level 3 on the fair value hierarchy.

Derivative liability - interest rate swap

Interest rate swaps are valued using models with inputs that include market observable data such as interest rate curves. These are valued at fair value through profit or loss and classified as Level 2 in the fair value hierarchy.

	Amortised Cost 2024 US\$	Carrying Amount 2024 US\$	Fair Value 2024 US\$
Derivative liability	-	108,926	108,926
Loans and borrowings	21,152,500	21,152,500	21,152,500
Subordinated note at amortised cost	9,225,275	9,225,275	9,225,275
Financial Liabilities 2024	<u>30,377,775</u>	<u>30,486,701</u>	<u>30,486,701</u>

(b) Derivative financial instruments

Derivatives are used by the Company to manage its exposure to interest rate fluctuations. The Company uses interest rate swap contracts to economically hedge variable interest payments due on loans. Interest rate swap contracts allow the Company to pay fixed interest rates and receive variable interest rates with the swap counterparty based on USD SOFR applied to the notional amounts over the life of the contracts.

These derivative contracts are expected to reduce the volatility attributable to interest rate fluctuations.

The following table presents the notional and fair value amounts of the Company's derivatives financial instrument as at 31 December 2024. The Company does not apply hedge accounting to such cash flows hedging relations.

Type	Maturity Date	Notional Amount US\$	Derivative Fair Value US\$	Loss Recognised in Statement of Comprehen sive Income US\$
Interest rate swaps	20 December 2030	21,500,000	108,926	108,926

Notes to the Financial Statements
31 December 2024

15. Statutory and other information

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

	31 December 2024
	US\$
Directors' remuneration	-
Audit fee	21,000
Tax compliance fee	5,000
	<u>26,000</u>

The Company incurred no directors' costs. Audit fee shown exclusively of value added tax (VAT), arises solely on fees incurred for the statutory audit. The tax compliance fee incurred for the current period consist of tax return preparation and reporting and is payable to the auditor.

The directors are employees of FPG Amentum Limited as disclosed in Note 17.

16. Group membership

The members of the Company is QSV Trustees Limited, holding all ordinary shares which is held on trust for the benefit of a Qualified Beneficiary, as defined in the terms of the Declaration of Trust dated 20 June 2024.

The Company was set up as an orphan entity and therefore there is no controlling party.

17. Related party transactions

The Company considers related parties to include the Board of Directors, Senior Management, their close family members and affiliate.

The Company's subordinated note holder, BCP Special Opportunities Fund II Holdings L.P is considered by the Company as an affiliate. During the period, the Company recorded subordinated loan interest of \$406,836, as disclosed in Note 5. The nature of the transactions with this affiliate, along with the related outstanding balances, are further detailed in Notes 9 and 13.

The directors, Mitchel Simpson and Jean O'Driscoll, are regarded as key management personnel. Directors' fees are disclosed in Note 15. Both directors are employees of FPG Amentum Limited, which also acts as the Company's service provider and lease manager. FPG Amentum Limited received a servicer fee of \$30,600 for the financial period ended 31 December 2024. The servicer fee includes provision of director services to the Company amounting to \$5,000.

Notes to the Financial Statements
31 December 2024

18. Financial risk management

The main risks attaching to the Company's financial instruments are asset risk, liquidity risk, market risk and credit risk.

(a) Asset value risk

Asset value risk is the risk that internal and external factors may adversely affect the inherent value of any asset held. Material judgements also apply in respect of property, plant and equipment and include the identification and subsequent measurement of impairment, which relies on a measurement of estimated of cash flows and residual values. A decrease in estimated future cash flows or residual values may result in additional impairment of related assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Any maturity mismatch within the overall long-term structure of the Company's assets and liabilities is managed to ensure that term asset commitments may be funded on an economic basis over their life.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

At 31 December 2024	Carrying amount US\$	Total US\$	Up to 3 months US\$	3 months to 1 year US\$	1 year to 5 years US\$	Over 5 years US\$
Trade and other payables	1,656,537	1,656,537	509,620	–	1,146,917	–
Derivative liability	108,926	108,926	–	–	–	108,926
Loans and borrowings	21,152,500	21,152,500	515,002	1,577,636	10,338,141	8,721,721
Subordinated notes issued	9,225,275	9,225,275	–	–	–	9,225,275
Future interest payments	8,374,153	8,374,153	367,471	1,254,879	5,638,001	1,113,802
Total	40,517,391	40,517,391	1,392,093	2,832,515	17,123,059	19,169,724

(c) Market risk

Market risk is the risk that changes in market prices, such as currency rates, interest rates and assets values will affect the Company's income or the value of its holdings of financial instruments. The objectives of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk. Market risk embodies the potential for both loss and gains.

The Company and FPG periodically perform reviews of its carrying values of aircraft, rent receivables, and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

Notes to the Financial Statements
31 December 2024

(d) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Its ability to succeed is partially dependant on the financial strength of its customers and their ability to operate effectively in the marketplace and manage the competitive environment in which they operate. As at 31 December 2024, the Company's exposure to credit risk is not significant.

At 31 December 2024 the Company held \$856,626 in cash and cash equivalents. All cash and cash equivalents was held in BNP Paribas Bank, which has a Moody's rating of Baa1.

The Company leases aircraft to airlines. The airline industry is cyclical, economically sensitive and competitive. A key determinant of the Company's success is its ability to react and cope with the competitive environment in which it operates.

There is a risk that should the lessees experience financial difficulties, this could result in default or the early termination of leases. The Directors mitigate this risk by collecting security deposits and end of lease compensation from its lessees.

The carrying amount of assets represents the Company's maximum credit exposure as follows:

	31 December 2024
	US\$
Cash and cash equivalents	856,626
Trade and other receivables (excluding VAT receivable)	714,916
Total	<u>1,571,542</u>

The maximum exposure to credit risk for trade and other receivables at the reporting date was the carrying amount of the assets.

(e) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on its interest-bearing liabilities. Secured borrowings bear interest at a rate of 4.124% plus a variable margin linked to USD SOFR and therefore are subject to variability arising from movements in benchmark interest rates. The Company entered into interest rate swaps to fix the interest from floating to fix to manage the interest rate risk. The subordinated notes payable to affiliates have interest terms that are linked to the Company's available profits. Therefore, the Company's exposure to interest risk at 31 December 2024 is not considered significant and therefore, no sensitivity analysis has been presented. The interest rates and repayment terms of these financial liabilities are disclosed in the respective notes to the financial statements.

Notes to the Financial Statements
31 December 2024

The following table demonstrates the interest rate risk profile for the Company:

	Carrying Amount	Interest bearing		Non-interest bearing
		Fixed	Variable	
		US\$	US\$	
Financial assets:				
Cash and cash equivalents	856,626	-	-	856,626
Trade and other receivables (excluding VAT and PRSI receivables)	714,916	-	-	714,916
Total	1,571,542	-	-	1,571,542
Financial Liabilities:				
Loans and borrowings	21,152,500	-	21,152,500	-
Subordinated note issued at amortised cost	9,225,275	-	9,225,275	-
Derivative liability	108,926	-	-	108,926
Trade and other payables	1,656,538	-	-	1,656,538
Total	32,143,238	-	30,377,775	1,765,464

(f) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company seeks to minimise cash flow currency risk by ensuring its leases and associated financing are in the same currency.

The Company's exposure to currency risk at 31 December 2024 is not considered significant and therefore, no sensitivity analysis has been presented.

Notes to the Financial Statements
31 December 2024

20. Capital management

The Company monitors its cash. The Company's policy is to manage its debt through external financing and issuance of shares.

The Company regards secured borrowings and subordinated notes as a form of capital.

At 31 December 2024, the Company's capital comprises of secured borrowings measured at \$21.50 million, subordinated notes at \$9.225 million, issued share capital, and retained earnings, measured at a total capital of \$30.73 million

The Board of Directors reviews the capital structure periodically to determine the appropriate level of capital required to meet the Company's objectives.

There have been no changes in the objectives, policies or processes relating to capital management during the financial period ended 31 December 2024. The company is not subject to externally imposed capital requirements.

21. Events after the reporting period

There have been no other significant events after the reporting date that would require adjustment or further disclosure in the financial statements.

22. Approval of financial statements

These financial statements were approved by the directors on 16-12-2025.