BBAM FREIGHTER B FINN 3 LEASING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2024 (DATE OF INCORPORATION) TO 31 DECEMBER 2024

BBAM FREIGHTER B FINN 3 LEASING LIMITED

CONTENTS

BBAM FREIGHTER B FINN 3 LEASING LIMITED

COMPANY INFORMATION

Directors	Declan Cotter (appointed 15 January 2024) Gavin Mercer (appointed 15 January 2024) James Conroy (appointed 15 January 2024) Kieran Kelly (appointed 15 January 2024) Maurice Prendergast (appointed 15 January 2024)
Company secretary	Gavin Mercer (appointed 15 January 2024)
Registered number of incorporation	755746
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

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2024

The Directors present herewith their first annual report and audited financial statements of BBAM Freighter B Finn 3 Leasing Limited (the "Company") for the financial period from the date of incorporation on 15 January 2024 to 31 December 2024.

Principal Activities, Review of the Business and Future Development

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. 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 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. The financial risks are discussed in more detail in Note 22 'Risks and uncertainties' which is included herein by reference.

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

The Statement of Comprehensive Income for the financial period ended 31 December 2024 and the Statement of Financial Position at 31 December 2024 are set out on pages 8 to 10. The Company's profit on ordinary activities for the financial period before taxation amounted to US$1,200. After charging tax of US$300, a net profit of US$900 is transferred to reserves. Shareholders' funds at 31 December 2024 amounted to a surplus of US$901. The Directors do not recommend a dividend to be paid in respect of the current financial period.

Directors' and Secretary's Interests

The Directors who served during the financial period 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 the beginning of the period or at 31 December 2024 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 period ended 31 December 2024 on the going concern basis of preparation.

The Directors have considered the impact on BBAM Freighter B Limited Partnership ("BBAM Freighter B LP"), 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 these financial statements by evaluating all cash inflows and outflows of BBAM Freighter B LP, 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 approval of these financial statements, the unfunded capital commitments of the ultimate parent undertaking's investors amount to US$290.4 million and US$313.8 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 the approval of these financial statements.

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

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 for the financial period.

Charitable Contributions

No charitable contributions were made by the Company for the financial period.

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, 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, these are sent to and kept at a place in the State and such information and returns relating to the business dealt with in the accounting records (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.

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 auditor is unaware; and
- Each Director has 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, 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.

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

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 period. Under that law the Directors 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 at the financial period end date and of the profit or loss of the Company for the financial period 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.

Approved by the Board and authorised for issue on 13 February 2026.

Declan Cotter
Director

Gavin Mercer
Director

Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBAM FREIGHTER B FINN 3 LEASING LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BBAM Freighter B Finn 3 Leasing Limited ('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.

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), 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBAM FREIGHTER B FINN 3 LEASING 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 period 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBAM FREIGHTER B FINN 3 LEASING LIMITED (CONTINUED)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

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

Dublin

Date: 13 February 2026

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	Period from 15 January 2024 to 31 December 2024 US$
Operating income	2	9,691,242
Operating expenses	3	(652,205)
Net operating profit on continuing operations		9,039,037
Interest expense	4	(9,037,837)
Profit on ordinary activities before taxation		1,200
Income tax charge on ordinary activities	5	(300)
Profit on ordinary activities after taxation		900

The Company has adopted a single Statement of Comprehensive Income. There is no other comprehensive income item during the current financial period. All items of comprehensive income are due to continuing operations.

The accompanying notes on pages 13 to 40 form an integral part of these financial statements.

BBAM FREIGHTER B FINN 3 LEASING LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	31 December 2024 US$
Assets		
Flight equipment assets held for operating leases, net	9	14,344,328
Rent receivable	8	111,799
Other assets, net	7	777,778
Total non-current assets		15,233,905
Amounts due from fellow group undertakings	6, 20	20,466,059
Rent receivable	8	24,940
Other assets, net	7	157,451
Total current assets		20,648,450
Total assets		35,882,355

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

	Note	31 December 2024 US$
Liabilities		
Notes payable to affiliates	11	18,825,256
Maintenance payment liabilities	14	2,017,831
Other liabilities	13	1,000,000
Deferred tax liabilities	5	300
Total non-current liabilities		21,843,387
Amounts due to fellow group undertakings	10, 20	3,758,034
Notes payable to affiliates	11	10,238,574
Deferred operating lease rental income	12	30,833
Other liabilities	13	10,626
Total current liabilities		14,038,067
Total liabilities		35,881,454
Net assets		901
Equity		
Called up share capital presented as equity	15	1
Retained earnings		900
Total equity		901

Approved by the Board and authorised for issue on 13 February 2026.

Declan Cotter
Director

Gavin Mercer
Director

The accompanying notes on pages 13 to 40 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share Capital US$	Retained Earnings US$	Total Equity US$
At 15 January 2024 (inception)	-	-	-
Profit for the period	-	900	900
Total comprehensive income for the period	-	900	900
Issue of share capital	1	-	1
Total contributions by and distributions to owners	1	-	1
At 31 December 2024	1	900	901

No dividends were declared and paid during the financial period.

The accompanying notes on pages 13 to 40 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	Period from 15 January 2024 to 31 December 2024 US$
Cash flows from operating activities		
Profit on ordinary activities before taxation		1,200
Depreciation	3	315,401
Interest expense	4	9,037,837
Change in amounts due from fellow group undertakings	6, 20	(19,625,862)
Change in rent receivable	8	(136,739)
Change in other assets	7	(935,229)
Change in amounts due to fellow group undertakings	10, 20	3,758,034
Change in deferred operating lease rental income	12	30,833
Change in other liabilities	13	1,010,626
Change in maintenance payment liabilities	14	2,017,831
Cash outflow from operations		(4,526,068)
Interest paid	11	(201,335)
Net cash outflow from operating activities		(4,727,403)
Cash flows from investing activities		
Acquisition of flight equipment assets held for operating leases	9	(13,138,352)
Improvement of flight equipment assets held for operating leases	9	(1,521,377)
Net cash outflow from investing activities		(14,659,729)
Cash flows from financing activities		
Proceeds from notes payable to affiliates	11	29,313,246
Repayment of notes payable to affiliates	11	(9,926,115)
Issued share capital	15	1
Net cash inflow from financing activities		19,387,132
Net change in cash and cash equivalents		-
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period		-

The accompanying notes on pages 13 to 40 form an integral part of these financial statements.

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

1. Corporate Information and Material Accounting Policy Information

1.1 Corporate Information

The financial statements of BBAM Freighter B Finn 3 Leasing Limited ("the Company") for the financial period ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 13 February 2026. The Company was incorporated on 15 January 2024. The Company is domiciled in the Republic of Ireland. The registered office is located at West Pier, Dun Laoghaire, County Dublin. The registered number of incorporation is 755746.

The principal activities of the Company are described in the Directors' Report on page 2. Information on the Company's immediate and ultimate parent undertakings is provided in Note 19.

1.2 Basis of Preparation and Statement of Compliance

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

The financial statements have been prepared on a historical cost basis. The financial statements are presented in U.S. dollars ("US$").

Going Concern

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

The Directors have considered the impact on BBAM Freighter B Limited Partnership ("BBAM Freighter B LP"), 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 these financial statements by evaluating all cash inflows and outflows of BBAM Freighter B LP, 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 approval of these financial statements, the unfunded capital commitments of the ultimate parent undertaking's investors amount to US$290.4 million and US$313.8 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 the approval of these financial statements.

1. Corporate Information and Material Accounting Policy Information (continued)

1.3 Standards, Amendments and Interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, standards, amendments to existing standards, and interpretations have been published by the IASB. None of these standards, amendments or interpretations have been adopted early by the Company.

- Lack of Exchangeability – *Amendments to IAS 21* (effective 1 January 2025)
- Classification and Measurement of Financial Instruments – *Amendments to IFRS 9 and IFRS 7* (effective 1 January 2026)
- Annual Improvements Volume 11 (effective 1 January 2026)
- *IFRS 18 Presentation and Disclosure in Financial Statements* (effective 1 January 2027)
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures* (1 January 2027)
- Contracts Referencing Nature-Dependent Electricity - *Amendments to IFRS 9 and IFRS 7* (effective 1 January 2026)

Where new requirements are endorsed the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. The Company is currently assessing the effect of the upcoming standards to determine the impact they will have on 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 reporting period. 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 Statement of Comprehensive Income.

1.5 Operating Income

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.

Operating lease 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 Statement of Financial Position. 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. Corporate Information and Material Accounting Policy Information (continued)

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 period is included in operating expenses and is calculated and disclosed in line with *IAS 16, Property, Plant and Equipment* (see note 9).

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 notes payable to affiliates 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 financial period, an accrual amount is presented as part of the notes payable to affiliates balance.

1.9 Lease Incentives

Generally, lessees are required to provide for repairs, scheduled maintenance, and overhauls during the lease term and to be compliant with return conditions of flight equipment at lease termination. Miscellaneous repairs are expensed when incurred. Major improvements to be performed by the Company pursuant to the lease agreement are accounted for as lease incentives and are amortized against operating lease revenue over the term of the lease, assuming no lease renewals.

1.10 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 assets, 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 unless conversion has been undertaken on the equipment. For a converted freighter aircraft, the cost of the feedstock aircraft and all conversion and technical integration costs required to bring the aircraft to its intended use are capitalised into the basis of the freighter aircraft. A freighter aircraft is not depreciated until it completes conversion and is ready for its intended use. Thereafter, the cost of the freighter aircraft is depreciated on a straight-line basis over its remaining useful life. The remaining useful life is estimated to be 15 years from the date of conversion or 35 years from the date of manufacture, whichever is longer.

Residual values are generally estimated to be 15% of the original manufacturer's realised price for the 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.

1. Corporate Information and Material Accounting Policy Information (continued)

1.10 Flight Equipment Assets Held For Operating Leases, Net (continued)

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 of 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 asset 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 Statement of Comprehensive Income. Where a prior impairment loss has decreased or reversed, the carrying amount of the asset is increased and the impairment loss reversed in the Statement of Comprehensive Income to the extent the asset is not carried at a higher value than if no impairment loss had been recognised in prior periods.

Flight Equipment Assets – Held for Sale:
Flight equipment held for sale meet the criteria of such a classification if their carrying amount will be recovered principally through a sale rather than through their continued use. This condition is considered to be met when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to a plan to sell, with the expectation that the sale will be realised within a period of twelve months from the date on which the asset was classified as held for sale.

The Company continues to recognise rent from flight equipment held for sale until the date the flight equipment is sold. Assets held for sale are valued at the lower of their book value or their fair value minus exit costs. Aircraft classified as held for sale are not depreciated. As of 31 December 2024, the Company had no flight equipment asset held for sale.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the Statement of Comprehensive Income. Gains are not recognised in excess of any cumulative impairment loss.

1.11 Financial Instruments

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

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" and "other liabilities" in the Statement of Financial Position.

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. 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.

1. Corporate Information and Material Accounting Policy Information (continued)

1.11 Financial Instruments (continued)

1) Financial Assets (continued)

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 "rent receivable", "amounts due from fellow group undertakings".

Financial assets 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 Statement of Comprehensive Income 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 the Statement of Comprehensive Income 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.

1. Corporate Information and Material Accounting Policy Information (continued)

1.11 Financial Instruments (continued)

1) Financial Assets (continued)

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 through profit or loss. 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 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.

1. Corporate Information and Material Accounting Policy Information (continued)

1.11 Financial Instruments (continued)

1) Financial Assets (continued)

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in Note 22.

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); and
- 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 comprises of "amounts due to fellow group undertakings", "notes payable to affiliates", "maintenance payment liabilities" and "other liabilities" in the Statement of Financial Position.

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

1. Corporate Information and Material Accounting Policy Information (continued)

1.11 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. The Company has no financial liability at fair value through profit and loss.

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 interest expense in the Statement of Comprehensive Income.

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.

3) Non-Derivative Financial Instruments

Non-derivative financial instruments comprise of “rent receivable”, “amounts due from fellow group undertakings”, “other assets”, “amounts due to fellow group undertakings”, “notes payable to affiliates”, “maintenance payment liabilities” and “other liabilities” in the Statement of Financial Position.

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 EIR 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 Statement of Comprehensive Income and included under interest expense.

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.

Notes payable to affiliates are classified as liabilities at amortised cost in accordance with *IFRS 9, Financial Instruments*. Notes payable to affiliates 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 Statement of Comprehensive Income. 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 Statement of Comprehensive Income using the EIR method.

1. Corporate Information and Material Accounting Policy Information (continued)

1.11 Financial Instruments (continued)

3) Non-Derivative Financial Instruments (continued)

Loan costs

Loan costs incurred in connection with the issuance of debt are capitalised 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 Statement of Comprehensive Income. The present value of the modified cash flow of financial liability is subsequently amortised using the EIR method over the remaining life of the loan and recorded as part of interest expense in the Statement of Comprehensive Income. There were no modifications to loans during the financial period.

Maintenance payment liabilities

The Company receives maintenance reserves under its aircraft sublease arrangements which are retained and subsequently drawn down by the sub-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.

1.12 Taxation

Corporation tax payable is provided on the results for the financial period. The Company is subject to Irish Corporation tax on trading operations at the standard rate of 12.5%. The Company has elected 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%. However, a qualifying company is not entitled to surrender any tax relief it is entitled to under the group relief provisions of the Irish Tax Consolidation Act, 1997. Losses accruing to a qualifying company may be carried forward and relieved against future profits of the Company. Provisions have been made for income taxes for subsidiaries domiciled in foreign jurisdictions based on their jurisdictions.

Deferred tax is recognised in respect of all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. 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 period. Temporary differences are differences between the carrying amount of an asset or liability in the Statement of Financial Position 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1. Corporate Information and Material Accounting Policy Information (continued)

1.13 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.

1.14 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 5 – Deferred tax assets – key judgment about the availability of future taxable profits against which carry forward tax losses can be used; and

Note 9 – 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.

1. Corporate Information and Material Accounting Policy Information (continued)

1.15 Determination of Fair Values

Some of the Company's accounting policies and disclosures require the determination of fair value, for financial and non-financial assets and liabilities. Fair value is 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. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a. Rent receivable
The carrying amount approximates to fair value due to the short-term nature of these instruments.

b. Amounts due from and due to fellow group undertakings
The carrying amount approximates to fair value due to the short-term nature of these instruments.

c. Other liabilities
The carrying amount approximates to fair value due to the short-term nature of these instruments.

d. Notes payable to affiliates
The fair value of the notes payable to affiliates was based on the present value of estimated future cash flows. Key inputs include the discount rate, the debt rate using the average weighted credit facility rate for other similar borrowings and the contractual principal repayment amounts extended to the maturity of the instruments.

e. Maintenance payment liabilities
Maintenance payment liabilities are paid to the lessee upon the occurrence of a qualifying event. As such, the timing and cost of qualifying maintenance events cannot be determined with certainty in advance.

2. Operating income

	Period from 15 January 2024 to 31 December 2024 US$
Operating income	1,060,745
Lease incentive amortisation	(65,359)
Other income	8,695,856
	9,691,242

The Company entered into one operating lease during the financial period with a lessee from Europe, with a lease expiration date in December 2030.

During 2024, the Company entered into a lease amendment with its lessee, reducing the lease incentive asset and the lessor contribution obligation to a maximum of $1.0 million. The remaining lessor obligation balance has been written off and is included above in 'Other income'.

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

2. Operating income (continued)

	Period from 15 January 2024 to 31 December 2024 US$
Future contracted rent receivable:	
Due within one year	2,220,000
Due between one and two years	2,220,000
Due between two and three years	2,220,000
Due between three and four years	2,220,000
Due between four and five years	2,220,000
Due after five years	2,035,000
	13,135,000

3. Operating expenses

	Period from 15 January 2024 to 31 December 2024 US$
Depreciation	315,401
Management fees	47,859
Selling, general and administrative	241,250
Maintenance and other	47,695
	652,205

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

4. Interest expense

	Period from 15 January 2024 to 31 December 2024 US$
Interest expense on notes payable to affiliates	9,037,837
	9,037,837

5. Tax on continuing operations

5.1 Analysis of tax in financial year

	Period from 15 January 2024 to 31 December 2024 US$
Deferred tax:	
Deferred Irish corporation tax	300
Income tax for the financial period	300

5.2 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%). The differences are explained below:

5. Tax on continuing operations (continued)

5.2 Reconciliation of expected tax at the standard tax rate to the actual tax at the effective rate (continued)

	Period from 15 January 2024 to 31 December 2024 US$
Profit on ordinary activities before taxation	1,200
Tax on ordinary activities at standard Irish corporation tax rate of 25%	(300)
Income tax for the financial period	(300)

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.

5.3 Circumstances affecting current and future tax

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 is expected to remain at its current rate of 25%.

5.4 Deferred tax

Deferred tax generally relates to deferred tax expense for accelerated depreciation for tax purposes offset by deferred tax credits for 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 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 sufficient taxable profits against which the tax losses can be utilized. Management believe that future taxable profits will be available based on the following:

5. Tax on continuing operations (continued)

5.4 Deferred tax (continued)

- Favorable 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.

	31 December 2024 US$
Deferred tax asset	
Opening balance	-
Deferred tax	104,096
Total deferred tax asset	104,096

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

	31 December 2024 US$
Deferred tax liability	
Opening balance	-
Deferred tax	104,396
Total deferred tax liability	104,396

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

6. Amounts due from fellow group undertakings

	31 December 2024 US$
Amounts due from fellow group undertakings	20,466,059
	20,466,059

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

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

7. Other assets

	31 December 2024 US$
Prepaid expenses	588
Lease incentive, net of amortisation, current	156,863
Lease incentive, net of amortisation, non-current	777,778
	935,229

8. Rent receivable

	31 December 2024 US$
Rent receivable, current	24,940
Rent receivable, non-current	111,799
	136,739

9. Flight equipment assets held for operating leases, net

During the financial period, the Company acquired one aircraft for a net purchase price of US$13.1 million and incurred improvements on aircraft of US$1.5 million.

	31 December 2024 US$
Flight equipment assets held for operating leases, at cost	13,138,352
Flight equipment assets improvement	1,521,377
Accumulated depreciation	(315,401)
Flight equipment assets held for operating leases, net	14,344,328

9. Flight equipment assets held for operating leases, net (continued)

	Period from 15 January 2024 to 31 December 2024 US$
Movements	
Balance at beginning of financial period	-
Acquisition of flight equipment assets held for operating leases	13,138,352
Flight equipment assets improvement	1,521,377
Depreciation	(315,401)
Balance at end of financial period	14,344,328

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% 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 period, the Directors, in applying *IAS 36, Impairment of Assets*, have determined that no impairment expense is required.

10. Amounts due to fellow group undertakings

	31 December 2024 US$
Amounts due to fellow group undertakings	3,758,034
	3,758,034

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

11. Notes payable to affiliates

	31 December 2024 US$
Profit Participating Notes ("PPNs")	20,831,967
Intercompany Loans	8,231,863
	29,063,830

Profit Participating Notes
During 2024, the Company entered into a master subscription agreement with an affiliate, BBAM Freighter B Leane 110 Aircraft Finance Designated Activity Company, relating to PPNs to be issued in exchange for loans to fund the acquisition of aircraft. The notes are structured as limited in recourse and entitle BBAM Freighter B Leane 110 Aircraft Finance Designated Activity Company to a fixed return of 0.5% per annum and a periodic return equal to the profit of the Company, less a cash retention amount of US$1,200. Notes issued in 2024 mature in 2053.

	31 December 2024 US$
Principal, non-current	12,129,579
Accrued and unpaid interest, current	8,702,388
Total loans	20,831,967

	Period from 15 January 2024 to 31 December 2024 US$
Movements	
Balance at beginning of financial period	-
Advanced during the financial period	21,821,579
Repayment of borrowings	(9,692,000)
Interest expense	8,702,388
Balance at end of financial period	20,831,967

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

11. Notes payable to affiliates (continued)

Intercompany Loans

During 2024, BBAM Freighter B Finn Funding Co. Ltd., made loans to the Company to finance the acquisition of its aircraft. Loans from BBAM Freighter B Finn Funding Co. Ltd. bear interest at a rate of one-month SOFR plus 2.88%. In the current financial period, the interest rate applicable to the loan was 7.26%. Loans issued in 2024 mature in 2029.

	31 December 2024 US$
Principal, current	561,875
Principal, non-current	6,695,677
Accrued and unpaid interest, current	974,311
Total loans	8,231,863

	Period from 15 January 2024 to 31 December 2024 US$
Movements	
Balance at beginning of financial period	-
Advanced during the financial period	7,491,667
Repayment of borrowings	(234,115)
Accrued interest acquired	840,197
Interest expense	335,449
Interest paid	(201,335)
Balance at end of financial period	8,231,863

12. Deferred operating lease rental income

	31 December 2024 US$
Deferred operating lease rental income	30,833
	30,833

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

13. Other liabilities

	31 December 2024 US$
Accrued operating expenses, current	10,626
Lessor contribution obligations, non-current	1,000,000
	1,010,626

14. Maintenance payment liabilities

	31 December 2024 US$
Maintenance payment liabilities	2,017,831
	2,017,831

15. Called up share capital presented as equity

Authorised

	31 December 2024 Number	31 December 2024 €
100,000 ordinary shares of €1.00 each	100,000	100,000
	100,000	100,000

Allotted, called up and fully paid

	31 December 2024 Number	31 December 2024 US$
1 ordinary share of €1.00 each	1	1

16. Fair value

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.

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); or
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

a) Fair value of financial assets and financial liabilities

The carrying value of the Company's "rent receivable", "amounts due from fellow group undertakings", "other assets", "amounts due to fellow group undertakings", "maintenance payment liabilities" and "other liabilities" approximate their fair value. Notes payable to affiliates are recorded at amortised cost and are classified as Level 3 on the fair value hierarchy.

During the current financial period, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

At 31 December 2024	Fair Value through Profit and Loss	Amortised Cost	Carrying Amount	Fair Value
	US$	US$	US$	US$
Notes payable to affiliates	-	29,063,830	29,063,830	29,063,830
Financial liabilities	-	29,063,830	29,063,830	29,063,830

17. Statutory and other information

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

	Period from 15 January 2024 to 31 December 2024 US$
Directors' remuneration	-
Auditor's remuneration:	
- Auditor fees	10,626
- Tax advisory services	4,653
	15,279

In 2024, BBAM Freighter B LP and its affiliates incurred Directors' remuneration of US$54,120 related to a non-employee Director.

Auditor's remuneration, shown exclusive of value added tax, arises from the audit of entity financial statements and tax compliance fees. The tax compliance fee incurred consists of tax return preparation and reporting and is payable to the auditor.

18. Employees

The Company has no employees. 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 minority ownership interest in the Company's ultimate parent undertaking.

19. Ultimate and immediate parent undertaking

The immediate parent undertaking is BBAM Freighter B Finn Funding Co., Ltd., an exempted company incorporated in the Cayman Islands with limited liability. The ultimate parent undertaking, and controlling party, is BBAM Freighter B LP, an exempted limited partnership incorporated in the Cayman Islands. The immediate and ultimate parent undertakings both have their registered office at P.O. Box 309 Ugland House Grand Cayman, YY KY1- 1104.

The smallest and largest group in which the financial statements of the Company are consolidated are BBAM Freighter B Finn Funding Co., Ltd. and BBAM Freighter B LP, respectively. The financial statements of BBAM Freighter B Finn Funding Co., Ltd. and BBAM Freighter B LP are not publicly available.

20. Related party transactions

	31 December 2024 US$
Amounts due from fellow group undertakings	
Ultimate parent company:	
BBAM Freighter B Limited Partnership	20,175,953
Immediate parent company:	
BBAM Freighter B Finn Funding Co. Ltd.	272,261
Affiliates:	
Incline II B Shannon 12 Limited	17,845
	20,466,059

	31 December 2024 US$
Amounts due to fellow group undertakings	
Affiliates	
BBAM Freighter Leane Co. Ltd.	8,986
BBAM Freighter B Leane 3 Limited	3,749,048
	3,758,034

Amounts due from or due to fellow group undertakings are outstanding balances receivable from or payable to related entities consolidated under BBAM Freighter B LP. 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; and
- Operational expenses paid on behalf of the Company or related entities.

During the financial period, the Company paid fees to BBAM ASL for management and consulting services (see Note 3) totaling US$0.1 million, including the provision of Directors to the Company for a fee of US$2,000. An amount of US$Nil is payable at year end.

21. Capital management

The primary objective of the Company in terms of capital management is to ensure that appropriate capital ratios are maintained in order to support the business. At 31 December 2024, Company capital comprises of notes payable to affiliates of US$29.1 million, issued share capital of US$1 and retained earnings of US$900, measured at a total surplus of US$901. The Company regards notes payable to affiliates as a form of capital. The Company manages its capital base and makes adjustments to it in light of changes in economic conditions. There have been no changes in the objectives, policies or processes relating to capital management during the financial period ended 31 December 2024.

22. Risks and uncertainties

a) 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 flight equipment 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.

b) 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 flight equipment assets in the fleet and/or reduced market rates, higher incidences of lessee default and flight equipment assets off-lease, all of which may require that the carrying value of flight equipment assets be materially reduced.

These exposures are managed through the requirement of the airlines that lease the Company's assets to maintain insurance, adequate maintenance policies and/or contribute to a maintenance reserve for the major maintenance on each flight equipment asset. The effective monitoring and controlling of these exposures for the period was a competency of BBAM ASL as part of the financial risk policy which the Company has entered into.

A significant deterioration in the financial condition of or bankruptcy by a lessee could impair their 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 perform reviews of its carrying values of flight equipment assets, trade receivables, notes receivable from affiliates and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

c) Interest rate risk

The Company's interest-bearing liabilities consist of notes payable to affiliates. The Intercompany Loans bear interest linked to one-month SOFR. Any increase or decrease in the interest payable on these loans would have a corresponding but opposite effect on the interest payable on the Profit Participating Notes, as this interest depends on the profit of the Company as described in Note 11 above. As such, the net impact on the interest expense would be nil, and there is no material exposure to interest rate risk as a result. Accordingly, no sensitivity analysis has been prepared.

22. Risks and uncertainties (continued)

c) Interest rate risk (continued)

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

As at 31 December 2024	Carrying amount US$	Interest bearing Fixed US$	Interest bearing Variable US$	Non-interest bearing US$
Financial assets:				
Amounts due from fellow group undertakings	20,466,059	-	-	20,466,059
Rent receivable	136,739	-	-	136,739
Total	20,602,798	-	-	20,602,798
Financial liabilities:				
Amount due to fellow group undertakings	3,758,034	-	-	3,758,034
Notes payable to affiliates	29,063,830	-	19,387,131	9,676,699
Maintenance payment liabilities	2,017,831	-	-	2,017,831
Other liabilities	10,626	-	-	10,626
Total	34,850,321	-	19,387,131	15,463,190

d) 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. There is no sensitivity analysis presented as the exposure is deemed to be not significant.

22. Risks and uncertainties (continued)

e) Liquidity risk

The ability of the Company to continue to operate is dependent upon its ability to meet its payment obligations and adhere to covenant requirements under respective arrangements. If the Company cannot meet its obligations under the various debt arrangements or its capital commitments, it may be subject to contract breach damages suits and may even be unable to continue 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 through the ongoing cash inflows from operating activities and access to additional funding from its ultimate parent undertaking, if required.

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$
Amounts due to fellow group undertakings	3,758,034	3,758,034	3,758,034	-	-	-
Notes payable to affiliates	29,063,830	29,063,830	9,817,168	421,406	6,695,677	12,129,579
Other liabilities	10,626	10,626	10,626	-	-	-
Future interest obligation	-	719,565	76,969	145,592	497,004	-
Total	32,832,490	33,552,055	13,662,797	566,998	7,192,681	12,129,579

Maintenance payment liabilities and lessor contribution obligations are paid to the lessee upon the occurrence of a qualifying event. As such, the timing and cost of qualifying maintenance events cannot be determined with certainty in advance.

22. Risks and uncertainties (continued)

f) Credit risk

The Company is subject to credit risk. The maximum exposure to credit risk at the reporting date in relation to the Company's financial assets was:

	31 December 2024 US$
Rent receivable	136,739
Amounts due from fellow group undertakings	20,466,059
	20,602,798

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 its lessees.

Based on past performance of the lessees and judgment exercised about the financial strength and condition of the lessees and the current economic and regulatory conditions of the lessees' operating environments, the Company has determined that credit risk has been sufficiently assessed.

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 and BBAM ASL periodically perform reviews of its rent receivables, if any, and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

Impairment of financial assets
The Company has two types of financial assets that is subject to the ECL model:

- rent receivable; and
- amounts due from fellow group undertakings.

Rent receivable
The Company's rent receivable is from one airline which was considered to have low credit risk. The Company has assessed the potential impairment of its rent receivable through a credit assessment of the probability of default of the counterparty. The identified impairment loss related to this lessee was not material and therefore the Company has not recognised a loss allowance in respect of its rent receivable during the financial period ended 31 December 2024.

Amounts due from fellow group undertakings
The Company has amounts due from fellow group undertakings in the amount of US$20.5 million. The fellow group undertakings have sufficient resources to fulfil their obligations. Therefore, the Company has not recognised a loss allowance in respect of amounts due from fellow group undertakings during the financial period ended 31 December 2024.

23. 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.

24. Approval of financial statements

The Board of Directors approved and authorised these financial statements on 13 February 2026.