

BLUE ISSUER DESIGNATED ACTIVITY COMPANY
Company Number 693660
DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

<i>Contents</i>	<i>Page(s)</i>
Directors' Report	2 - 6
Statement of Directors' Responsibilities	7
Independent Auditors' Report	8 - 10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 31
Directory	32

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Directors' Report

The Directors submit their report and the audited financial statements for Blue Issuer Designated Activity Company (the “Company”) for the financial year ended 31 December 2025.

Company Background

The principal activities of the Company are to acquire, manage, hold, sell, dispose of, finance and trade in all forms of financial assets. The Company’s registered number is 693660.

The Company is a special purpose entity with limited liability, which was incorporated on 26 April 2021 under the laws of Ireland, with the purpose of acquiring shares in Icelandair Group HF (“Icelandair”), a public limited company registered in Iceland and listed on The Nasdaq Iceland.

On 21 July 2021, the Company issued one ordinary share to Bain Capital Credit OO Fund (the “Shareholder”) as a Sub-Fund of Bain Capital Credit Global ICAV (respectively the “Sub-Fund” and the “ICAV”) for an aggregate subscription of €13,550,872. On 29 July 2022, the Company issued one additional ordinary share to the Shareholder for an aggregate subscription of €4,158,295. On 4 January 2024, the Company issued one additional ordinary share to the Shareholder for an aggregate subscription of €175,456. On 19 November 2025, the Company issued one additional ordinary share to the Shareholder for an aggregate subscription of €103,922.

On 21 July 2021, the Company entered into an interest free loan agreement with the Sub-Fund for the amount of €40,652,615. Final repayment of the loan was due on 21 July 2024 or such other date as the Sub-Fund and the Company may agree. On 29 July 2022, the interest free loan agreement was amended to increase the principal amount available to €53,127,500. The total loan amounts have been drawn down in 2022. On 21 November 2024, the loan agreement was amended to extend the repayment date to 21 July 2026.

The Company used the proceeds from the share issuance and interest free loan to acquire equity in Icelandair.

As at 31 December 2025, the Company held 7,073,868,087 (2024: 7,073,868,087) equity shares with the fair value of €42,526,612 (2024: €71,772,826).

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Directors' Report (continued)

Review of Business and Future Developments

The results for the financial year are set out in the Statement of Comprehensive Income on page 11. The directors do not anticipate any change in the structure or investment objectives of the Company.

During the year ended 31 December 2025, the Company's total equity decreased from €18,517,148 to a negative equity of €10,765,388. The Company posted a net loss after tax of €29,386,459 (2024: net profit after tax of €8,769,269). The Company did not make any new investments during the financial year.

The Company does not expect to materially change its investment strategy in 2026.

The financial assets of the Company are comprised of equity investments in Icelandair worth €42,526,612 (2024: €71,772,826). The Company's financial liabilities are comprised of Loans worth €53,127,500 (2024: €53,127,500).

Results and dividend

The Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the financial year ended 31 December 2025 and the Statement of Financial Position as at 31 December 2025 are set out on pages 11 - 14. The Directors do not propose the payment of a dividend (2024: €Nil). The Company made a loss before tax of €29,386,459 for the financial year ended 31 December 2025 (2024: profit before tax of €8,769,269).

Principal risks and uncertainties

The Company, in the course of its business activities, is exposed to various risks including credit risk, market risk, liquidity risk, concentration risk and capital risk. Risk and uncertainties arising from the Company's investments and financial instruments can be seen in Note 3 of these Financial Statements.

In addition to the financial risks affecting the Company's assets, the performance of the Company could be impacted by ongoing geopolitical and economic uncertainty. These factors have the ability to impact the value of the Company's assets directly and indirectly. The Directors of the Company actively monitor market conditions with the support of Bain Capital Credit, L.P. (the "Investment Manager") to foresee any potential impacts on the Company.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Directors' Report (continued)

Changes in Directors and Company Secretary

The Directors and Company Secretary who held office at 31 December 2025 are listed below.

Directors

Jonathan Reynolds
Philip McEnroe
Andrew Pain

Company Secretary

MFD Secretaries Limited

There were no changes to the Directors and Company Secretary during the financial year.

Directors' and Other Interests

None of the Directors or Secretary who held office on 31 December 2025 held any shares in the Company at that date, or during the year. Director fees for the year are €Nil (2024: €Nil). Andrew Pain, Jonathan Reynolds and Philip McEnroe are not entitled to Directors' remuneration for the financial years ended 31 December 2025 and 2024. Jonathan Reynolds is an employee of the Corporate Administrator which has an interest in the administration fee (Note 12) in his capacity as Director. Philip McEnroe is an Independent Director. Andrew Pain is a current employee of a subsidiary company of the Investment Manager.

Political Donations

There were no political donations made during the year ended 31 December 2025 (2024: €Nil).

Issue of shares

The authorised share capital of the Company is €10,000,000 and is divided into 10,000,000 shares of €1.00 each, of which 4 shares have been issued (2024: 3 shares). The issued shares are held on trust by SMT Trustees (Ireland) Limited (the “Depositary”) for and on behalf of the ICAV acting for and on behalf of the Sub-Fund. The share capital is disclosed in Note 9.

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 the appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at 32 Molesworth Street, Dublin 2, Ireland.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Directors' Report (continued)

Going concern

The Company's financial statements have been prepared on a going concern basis. The Directors, with the support of the Investment Manager, consider a number of factors and potential indicators in relation to the Company's ability to continue as a going concern and continuously monitor the performance of the Company and its investments against internal budgets, forecasts and expected rates of return. The Directors note the financial performance of the Company and the projected performance of the investments. The financial statements have been prepared on a going concern basis on account of continuing support of its ultimate controlling parents to provide adequate financial support to enable the Company to cover any deficiency in liquidity requirements that may arise to cover its liabilities, as and when they fall due, to enable the Company to continue trading for a minimum of twelve months from the date on which these financial statements have been approved.

Functional and presentation currency

Although the Company's financial assets at fair value through profit or loss are denominated in Icelandic Krona ("ISK"), the Company and the Shareholder have agreed that the share issued, share premium and loans can be made in EUR as the investors at the ICAV level subscribe for shares in EUR.

As a result, these financial statements are presented in Euro ("€" or "EUR"), the functional currency of the Company. For the reasons outlined above, the Directors of the Company believe that EUR most faithfully represents the economic effects of the underlying transactions, events and conditions.

Independent Statutory Auditor

PricewaterhouseCoopers, the incumbent auditors, were re-appointed during the year in accordance with section 383 (2) of the Companies Act 2014 and have indicated their willingness to continue in office.

Audit committee

The Company has decided not to establish an Audit Committee as it does not meet the definition of a large company in accordance with Section 167(1) of the Companies Act 2014.

Directors' Compliance Statement

The Company does not meet the qualifying conditions in accordance with Section 225(7) of the Companies Act 2014 for the requirement to provide a "Compliance Policy Statement".

Subsequent events

On 13 February 2026, the loan agreement with the Sub-Fund was further amended to extend the final repayment date to 31 December 2028.

There have been no other significant events subsequent to year end that would require adjustment or disclosure in these financial statements.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Directors' Report (continued)

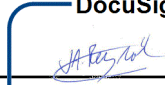
Statement on relevant audit information

We, as Directors of Blue Issuer Designated Activity Company, state that,


- 1) so far as we are aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- 2) we have taken all the steps as directors in order to make us aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

This report was approved by the Board on 04 March 2026 and signed on its behalf.

On behalf of the Board

DocuSigned by:


Jonathan Reynolds
Director 279A5A0ADEBD498...

DocuSigned by:


Philip McEnroe
Director 93810EB6672E40B...

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Statement of Directors' Responsibilities

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

Irish law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year. Under that law the Directors have prepared the financial statements in accordance with IFRS as adopted by the European Union (EU) and in accordance with the Companies Act 2014.

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

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 the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to 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.

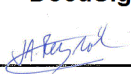
The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain 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; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

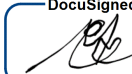
The Directors confirm they have complied with the requirements in preparing the financial statements. The Directors, together with management are responsible for the maintenance and integrity of the financial information when electronically published.

The Directors 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.

On behalf of the Board of Directors:

DocuSigned by:


Jonathan Reynolds
Director 279A5A0ADEBD498...

DocuSigned by:


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Philip McEnroe
Director

Date: 04 March 2026

Independent auditors' report to the members of Blue Issuer Designated Activity Company

Report on the audit of the financial statements

Opinion

In our opinion, Blue Issuer Designated Activity Company's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2025 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Audited Financial Statements (the "Annual Report"), which comprise:

- the Statement of Financial Position as at 31 December 2025;
 - the Statement of Comprehensive Income for the year then ended;
 - the Statement of Cash Flows for the year then ended;
 - the Statement of Changes in Equity for the year then ended; and
 - the notes to the financial statements, which include a description of the accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider 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.
- The financial statements are in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.



David Morris
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
6 March 2026

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	Year ended 31-Dec-2025 €	Year ended 31-Dec-2024 €
(Loss)/income			
Net changes in fair value on financial assets at fair value through profit or loss	4	(29,246,214)	8,851,577
Other (expense)/income	2	(72,507)	26,234
Total (loss)/income		<u>(29,318,721)</u>	<u>8,877,811</u>
Operating expenses			
Professional, legal and advisory expenses	5	(50,414)	(57,999)
Other operating expenses	5	(17,324)	(50,543)
Total operating expenses		<u>(67,738)</u>	<u>(108,542)</u>
(Loss)/profit on ordinary activities before taxation		<u>(29,386,459)</u>	<u>8,769,269</u>
Tax on (loss)/profit on ordinary activities	6	–	–
(Loss)/profit after tax		<u>(29,386,459)</u>	<u>8,769,269</u>

All items dealt with in arriving at the results related to continuing activities.

The accompanying notes on pages 15 - 31 form an integral part of the financial statements.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

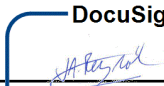
Statement of Financial Position

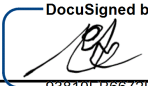
As at 31 December 2025

	Note	31-Dec-2025 €	31-Dec-2024 €
Current Assets			
Financial assets at fair value through profit or loss	4	42,526,612	71,772,826
Cash and cash equivalents	7	36,921	50,907
Total Assets		42,563,533	71,823,733
Non-Current Liabilities			
Financial liabilities – Loans	4	(53,127,500)	(53,127,500)
		<u>(53,127,500)</u>	<u>(53,127,500)</u>
Current Liabilities			
Accounts payable and accrued liabilities	8	(201,421)	(179,085)
		<u>(201,421)</u>	<u>(179,085)</u>
Total Liabilities		(53,328,921)	(53,306,585)
Net (Liabilities)/Assets		(10,765,388)	18,517,148
Capital and Reserves			
Ordinary share capital	9	4	3
Share premium	10	17,988,542	17,884,620
Retained earnings		(28,753,934)	632,525
Total Equity		(10,765,388)	18,517,148

The accompanying notes on pages 15 - 31 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 04 March 2026 and are signed on its behalf by:

DocuSigned by:

Jonathan Reynolds
Director
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DocuSigned by:

Philip McEnroe
Director
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BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital	Share premium	Retained earnings	Total equity
	€	€	€	€
Balance at 1 January 2025	3	17,884,620	632,525	18,517,148
Issue of ordinary shares	1	–	–	1
Share premium	–	103,922	–	103,922
Loss for the year	–	–	(29,386,459)	(29,386,459)
Balance at 31 December 2025	4	17,988,542	(28,753,934)	(10,765,388)

	Share capital	Share premium	Retained earnings	Total equity
	€	€	€	€
Balance at 1 January 2024	2	17,709,165	(8,136,744)	9,572,423
Issue of ordinary shares	1	–	–	1
Share premium	–	175,455	–	175,455
Profit for the year	–	–	8,769,269	8,769,269
Balance at 31 December 2024	3	17,884,620	632,525	18,517,148

The accompanying notes on pages 15 - 31 form an integral part of these financial statements.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Statement of Cash Flows

For the year ended 31 December 2025

	Note	Year ended 31-Dec-2025 €	Year ended 31-Dec-2024 €
(Loss)/profit after tax		(29,386,459)	8,769,269
Adjustments to reconcile operating profit to net cash flow used in operating activities			
Net changes in fair value on financial assets at fair value through profit or loss	4	29,246,214	(8,851,577)
Increase/(decrease) in accounts payable and accrued liabilities	2	22,336	(96,497)
Net cash flow used in operating activities		<u>(117,909)</u>	<u>(178,805)</u>
Cash flow from financing activities			
Issue of ordinary shares	9	1	1
Issue of ordinary shares - share premium	9	103,922	175,455
Net cash flow provided by financing activities		<u>103,923</u>	<u>175,456</u>
Net decrease in cash and cash equivalents		<u>(13,986)</u>	<u>(3,349)</u>
Cash at the beginning of the year		50,907	54,256
Cash at the end of the year	7	<u>36,921</u>	<u>50,907</u>

The accompanying notes on pages 15 - 31 form an integral part of these financial statements.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

1. General Information

Company Background

The Company is a special purpose entity with limited liability, which was incorporated on 26 April 2021 under the laws of Ireland, with the purpose of acquiring shares in Icelandair Group HF ("Icelandair"), a public limited company registered in Iceland and listed on The Nasdaq Iceland. The Company's registered number is 693660.

On 21 July 2021, the Company issued one ordinary share to Bain Capital Credit OO Fund (the "Shareholder") as a Sub-Fund of Bain Capital Credit Global ICAV (respectively the "Sub-Fund" and the "ICAV") for an aggregate subscription of €13,550,872. On 29 July 2022, the Company issued one additional ordinary share to the Shareholder for an aggregate subscription of €4,158,295. On 4 January 2024, the Company issued one additional ordinary share to the Shareholder for an aggregate subscription of €175,456. On 19 November 2025, the Company issued one additional ordinary share to the Shareholder for an aggregate subscription of €103,922.

On 21 July 2021, the Company entered into an interest free loan agreement with the Sub-Fund for the amount of €40,652,615. Final repayment of the loan was due on 21 July 2024 or such other date as the Sub-Fund and the Company may agree. On 29 July 2022, the interest free loan agreement was amended to increase the principal amount available to €53,127,500. The total loan amounts have been drawn down in 2022. On 21 November 2024, the loan agreement was amended to extend the repayment date to 21 July 2026.

The Company used the proceeds from the share issuance and interest free loan to acquire equity in Icelandair.

As at 31 December 2025, the Company held 7,073,868,087 (2024: 7,073,868,087) equity shares with the fair value of €42,526,612 (2024: €71,772,826).

2. Accounting Policies

(a) Material accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU"). The financial statements are also prepared in accordance with Irish Statute comprising the Companies Act 2014.

The principal accounting policies applied in the preparation of these financial statements are set out overleaf. These policies have been consistently applied to all the years presented, unless otherwise stated.

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis modified to include the revaluation of certain financial assets and financial liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(d) and Note 2(i).

The Company has reviewed IAS 28 and concluded that the Company's stake in the equity of Icelandair is not sufficient to constitute significant influence. On this basis, the Company is not required to prepare consolidated financial statements.

2. Accounting Policies (continued)

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

(b) Basis of preparation (continued)

The Company's financial statements have been prepared on a going concern basis. The Directors, with the support of the Investment Manager, consider a number of factors and potential indicators in relation to the Company's ability to continue as a going concern and continuously monitor the performance of the Company and its investments against internal budgets, forecasts and expected rates of return. The Directors note the financial performance of the Company and the projected performance of the investments. The financial statements have been prepared on a going concern basis on account of continuing support of its ultimate controlling parents to provide adequate financial support to enable the Company to cover any deficiency in liquidity requirements that may arise to cover its liabilities, as and when they fall due, to enable the Company to continue trading for a minimum of twelve months from the date on which these financial statements have been approved.

New standards, amendments and interpretations effective from 1 January 2025

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2025 that had a material effect on the financial statements of the Company.

New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025, and have not been applied in preparing these financial statements.

For IFRS 18 - *Presentation and Disclosure in Financial Statements*, effective for annual periods beginning on or after 1 January 2027, the IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The Company is currently still assessing the effect of the forthcoming standard and amendments.

No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Company.

(c) Functional and presentation currency

Although the Company's financial assets at fair value through profit or loss are denominated in Icelandic Krona ("ISK"), the Company and the Shareholder have agreed that the share issued, share premium and loans can be made in EUR as the investors at the ICAV level subscribe for shares in EUR.

As a result, these financial statements are presented in Euro ("€" or "EUR"), the functional currency of the Company. For the reasons outlined above, the Directors of the Company believe that EUR most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Use of estimates and judgements

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

2. Accounting Policies (continued)

(d) Use of estimates and judgements (continued)

Key sources of estimation uncertainty (continued)

‘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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in the pricing a transaction. Please see Note 2(i).

Equity investments are shown at the market price of Icelandair as quoted on The Nasdaq Iceland at 31 December 2025 and 2024.

The financial assets in the Statement of Financial Position are Level 1 assets (Note 4). Level 1 financial instruments are valued using quoted prices (unadjusted) in active markets for identical assets or liabilities.

(e) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Statement of Comprehensive Income.

(f) Taxation

Income tax expense comprises current and deferred tax. Income 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 equity.

Current tax is the expected tax payable on the taxable income for the year, 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 using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

2. Accounting Policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents, includes cash held with banks which are subject to insignificant risk of changes in their fair value and are used by the Company in the management of its short term commitments. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations. Cash and cash equivalents are measured and carried at amortised cost.

(h) Net changes in fair value on financial assets at fair value through profit or loss

Net changes in fair value on financial assets at fair value through profit or loss relates to unrealised and realised fair value changes, and is primarily determined with reference to the fair value movements on the equity investments.

(i) Financial instruments

Financial assets and financial liabilities

Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit or loss (“FVTPL”) are initially recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value, with transactional costs recognised in the Statement of Comprehensive Income. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue.

Classification

Assets

The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

The Company’s policy requires the Investment Manager and the Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

2. Accounting Policies (continued)

(i) Financial instruments (continued)

Fair value measurement

The Investment Manager fair values the investments owned by the Company. Equity investments are shown at the market price of Icelandair as quoted on The Nasdaq Iceland at 31 December 2025 and 31 December 2024.

Fair value estimation

The investment in Icelandair consists of equity instrument. The Company initially records the equity investments in Icelandair at transaction price, which is the amount funded for the equity instruments. At the period-end an adjustment is made for any gains or losses at Icelandair that have occurred during the period. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the Statement of Comprehensive Income in the period which they arise.

Financial assets at fair value through profit or loss comprise investments in the equity of Icelandair. The input used by the Investment Manager in valuing the Level 1 investments at period end is the market price of Icelandair as quoted on The Nasdaq Iceland.

The fair value movement is booked to the Statement of Comprehensive Income reducing or increasing the carrying value of the investments as appropriate.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Realised gains and losses on derecognition are determined using the specific identification method and are presented in the Statement of Comprehensive Income.

Transfers between levels

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred. There were no transfers between levels during the year (2024: none).

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

2. Accounting Policies (continued)

(i) Financial instruments (continued)

Offsetting

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

Financial liabilities – Loans

Loans payable are initially recognised at fair value less any transaction costs incurred. After initial recognition, Loans are subsequently measured at amortised cost.

(j) Other income and expenses

Other income and expenses are accounted for on an accruals basis.

3. Financial risk management

Risk management framework

The Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. All substantial risks and rewards associated with the financial assets are ultimately borne by the Shareholder.

The Company has exposure to the following risks from its use of financial instruments:

- a) Market risk;
- b) Credit risk;
- c) Liquidity risk;
- d) Concentration risk;
- e) Capital risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and securities prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

To manage the other price risk, the Investment Manager, reviews the performance of Icelandair on a quarterly basis and is in regular contact with the management of Icelandair for business and operational matters. Results of these reviews are reported to the Valuation Committee on an ongoing basis.

The underlying investment in Icelandair is listed on The Nasdaq Iceland. Icelandair is therefore subject to the onerous corporate governance and risk management monitoring required as part of being a listed company.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

3. Financial risk management (continued)

Risk management framework (continued)

a) Market risk (continued)

The Company, through its investment in Icelandair, is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect the Company through a reduction in market valuation of the Icelandair shares.

The Company's investment in Icelandair is exposed to (i) many and varying economic, social, legal and geopolitical risks, and (ii) instability in key markets.

Market risk embodies the potential for both losses and gains and includes interest rate risk, currency risk and other price risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Longer term obligations are usually more sensitive to interest rate changes. Please see Note 4 for details.

31-Dec-2025	Floating Rate	Fixed Rate	Non-interest Bearing	Total
	EUR	EUR	EUR	EUR
<i>Assets</i>				
Financial assets at fair value through profit or loss	–	–	42,526,612	42,526,612
Cash and cash equivalent	–	–	36,921	36,921
	–	–	42,563,533	42,563,533
<i>Liabilities</i>				
Financial liabilities - Loans	–	–	(53,127,500)	(53,127,500)
Accounts payable and accrued liabilities	–	–	(201,421)	(201,421)
	–	–	(53,328,921)	(53,328,921)
Net amount	–	–	(10,765,388)	(10,765,388)
31-Dec-2024				
	Floating Rate	Fixed Rate	Non-interest Bearing	Total
	EUR	EUR	EUR	EUR
<i>Assets</i>				
Financial assets at fair value through profit or loss	–	–	71,772,826	71,772,826
Cash and cash equivalent	–	–	50,907	50,907
	–	–	71,823,733	71,823,733
<i>Liabilities</i>				
Financial liabilities - Loans	–	–	(53,127,500)	(53,127,500)
Accounts payable and accrued liabilities	–	–	(179,085)	(179,085)
	–	–	(53,306,585)	(53,306,585)
Net amount	–	–	18,517,148	18,517,148

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

3. Financial risk management (continued)

Risk management framework (continued)

a) Market risk (continued)

i) Interest rate risk (continued)

Sensitivity analysis

Interest is not earned on cash and cash equivalents. The financial assets at fair value through profit or loss are non-interest bearing, as such the Company is not subject to significant interest rate risk and no sensitivity analysis has been performed.

ii) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The financial assets to which the Company is a party are denominated in Icelandic Krona ("ISK"). As such there is exposure to currency risk to the Company and hence exchange rate changes will have a net impact on the equity or result of the Company. The Company's exposure to foreign currency risk is presented below:

Financial assets at fair value through profit or loss	31-Dec-2025	31-Dec-2024
	EUR	EUR
Currency		
ISK	42,526,612	71,772,826
	<u>42,526,612</u>	<u>71,772,826</u>

At 31 December 2025, had the EUR strengthened by 10% (2024: 10%) in relation to all currencies, with all other variables held constant, the decrease in financial assets at fair value through profit or loss figure above would have amounted to EUR 4,252,661 (2024: EUR 7,177,283). A weakening of the EUR by 10% would have had an equal and opposite effect. The Directors consider a 10% change in market prices to be reasonable.

Foreign exchange rate (EUR)	31-Dec-2025	31-Dec-2024
ISK	147.34	138.99

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

3. Financial risk management (continued)

Risk management framework (continued)

a) Market risk (continued)

iii) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk and currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Company's financial assets are subject to other price risk due to the fluctuation of prices in the aviation market in Iceland.

The Investment Manager reviews the performance of Icelandair on a quarterly basis and is in regular contact with the management of Icelandair for business and operational matters. Results of these reviews are reported to the Valuation Committee on an ongoing basis.

Sensitivity analysis

An increase in market prices of 10% (2024: 10%) would result in an increase in the financial assets at fair value through profit or loss by €4,252,661 (2024: €7,177,283). The Directors consider a 10% change in market prices to be reasonable. The Company mitigates price risk through its Investment Manager which is continually reviewing and analysing the Company's existing position to attempt to identify issues early on and to take action where necessary.

b) Credit risk

Credit risk is the risk that an issuer or a counterparty will be unable or unwilling to meet a commitment that it has entered in to with the Company.

The table below shows the total carrying value of assets at year end.

	31-Dec-2025	31-Dec-2024
	EUR	EUR
Financial assets at fair value through profit or loss	42,526,612	71,772,826
Cash and cash equivalents	36,921	50,907
	<u>42,563,533</u>	<u>71,823,733</u>

The Company's cash balances are held with Bank of New York Mellon, which is rated as A-1+ (2024: A-1+) by the Standard & Poor's credit rating agency.

The carrying amounts of financial assets represent the maximum credit exposure, which will ultimately be borne by the Sub-Fund of the ICAV.

The Company mitigates credit risk of the equity investment in Icelandair through its Investment Manager which is continually reviewing and analysing the Company's existing position and economic environment of the aviation industry in order to identify issues early on and to take action to liquidate the equity.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

3. Financial risk management (continued)

Risk management framework (continued)

b) Credit risk (continued)

Furthermore, the underlying investment in Icelandair is listed on The Nasdaq Iceland. Icelandair is therefore subject to the onerous corporate governance and risk management monitoring required as part of being a listed company.

The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Investment Manager considers both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2025 and 31 December 2024, cash and cash equivalents are held with a counterparty with a credit rating of A-1+ or higher and are due to be settled within 1 week. Management considers the probability of default to be close to zero as the counterparty has a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Company.

c) 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 liabilities are generally secured directly through its assets.

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 under both normal and stressed conditions, without incurring unacceptable losses or risk in damaging the Company's reputation.

At year end, there are no trading restrictions in respect of the Company's financial assets at fair value through profit or loss. The Company is not exposed to a significant level of liquidity risk.

Final repayment of the interest free loan is due on 21 July 2026 which can be extended to such other date as the Sub-Fund and the Company may agree. There is no covenant set out in the interest free loan agreement.

Any liquidity mismatch between the maturities of the assets and liabilities of the Company is mitigated by the fact that the Company, its Shareholder and the Sub-Fund are under common control and could be funded by further capital contributions and mitigated by the fact the Company is closed ended.

The liquidity profile of the Company's financial assets and liabilities is set out overleaf.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

3. Financial risk management (continued)

Risk management framework (continued)

c) Liquidity risk (continued)

31-Dec-2025	Contractual cash flows	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
	EUR	EUR	EUR	EUR	EUR	EUR
Assets						
Financial assets at fair value through profit or loss	42,526,612	42,526,612	–	–	–	–
Cash and cash equivalents	36,921	36,921	–	–	–	–
	42,563,533	42,563,533	–	–	–	–
Liabilities						
Financial liabilities - Loans	(53,127,500)	–	–	–	(53,127,500)	–
Accounts payable and accrued liabilities	(201,421)	–	(201,421)	–	–	–
	(53,328,921)	–	(201,421)	–	(53,127,500)	–
31-Dec-2024						
	Contractual cash flows	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
	EUR	EUR	EUR	EUR	EUR	EUR
Assets						
Financial assets at fair value through profit or loss	71,772,826	71,772,826	–	–	–	–
Cash and cash equivalents	50,907	50,907	–	–	–	–
	71,823,733	71,823,733	–	–	–	–
Liabilities						
Financial liabilities - Loans	(53,127,500)	–	–	(53,127,500)	–	–
Accounts payable and accrued liabilities	(179,085)	–	(179,085)	–	–	–
	(53,306,585)	–	(179,085)	(53,127,500)	–	–

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

3. Financial risk management (continued)

Risk management framework (continued)

d) Concentration risk

Concentration risk is the risk of loss arising from a heavily weighted exposure to a particular group of counterparties or assets.

The Company's financial investments are domiciled in Iceland. In line with its investment objectives, the Company is exposed to a level of intentional concentration on the basis that the underlying portfolio of the asset acquired is wholly concentrated in aircraft assets in Iceland.

The Company's industry and geographical concentration risk in 2025 is wholly concentrated in the Iceland aviation industry. This is consistent with 2024.

e) Capital management

The Company is funded by shareholders' equity and an interest free loan. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company can repay the interest free loan or agree an extension with the Sub-Fund. The Investment Manager monitors capital on an ongoing basis.

4. Fair value of financial assets and liabilities

The investments of the Company are held at fair value through profit or loss. The investments of the Company are as follows:

- Financial assets at fair value through profit or loss - Equity Investments

Financial assets at fair value through profit or loss are initially recognised at fair value, with transactional costs recognised in the Statement of Comprehensive Income. The Company includes in this category equity investments.

Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

4. Fair value of financial assets and liabilities (continued)

The Company used the proceeds from the share issuance and interest free loan to acquire equity in Icelandair.

On 21 July 2021, the Company entered into an interest free loan agreement with the Sub-Fund for the amount of €40,652,615. Final repayment of the loan was due on 21 July 2024 or such other date as the Sub-Fund and the Company may agree. On 29 July 2022, the interest free loan agreement was amended to increase the principal amount available to €53,127,500. The total loan amounts have been drawn down in 2022. On 21 November 2024, the loan agreement was amended to extend the repayment date to 21 July 2026. Loans may be repaid and re-borrowed by the Company subject to terms and conditions contained in the agreement.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- 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). This includes prices provided by vendors or third-party sources where there is limited observability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below analyses within the fair value hierarchy the Company’s assets and liabilities measured at fair value at year end. For assets and liabilities carried at amortised cost, their carrying values represent a reasonable approximation of fair value.

31-Dec-2025	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Assets				
Financial assets at fair value through profit or loss	42,526,612	–	–	42,526,612
Cash and cash equivalents	36,921	–	–	36,921
Total	42,563,533	–	–	42,563,533
Liabilities				
Financial liabilities - Loans	–	(53,127,500)	–	(53,127,500)
Accounts payable and accrued liabilities	–	(201,421)	–	(201,421)
Total	–	(53,328,921)	–	(53,328,921)

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

4. Fair value of financial assets and liabilities (continued)

31-Dec-2024	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets				
Financial assets at fair value through profit or loss	71,772,826	–	–	71,772,826
Cash and cash equivalents	50,907	–	–	50,907
Total	<u>71,823,733</u>	<u>–</u>	<u>–</u>	<u>71,823,733</u>
Liabilities				
Financial liabilities - Loans	–	(53,127,500)	–	(53,127,500)
Accounts payable and accrued liabilities	–	(179,085)	–	(179,085)
Total	<u>–</u>	<u>(53,306,585)</u>	<u>–</u>	<u>(53,306,585)</u>

As at 31 December 2025, the Company held 7,073,868,087 (2024: 7,073,868,087) ordinary shares representing 17.20% (2024: 17.20%) of the total shares issued by Icelandair.

Reconciliation of financial assets

Financial assets at fair value through profit or loss – Equity

Investments	31-Dec-2025 EUR	31-Dec-2024 EUR
Opening balance	71,772,826	62,921,249
Net changes in fair value	(29,246,214)	8,851,577
Closing balance	<u>42,526,612</u>	<u>71,772,826</u>

Reconciliation of financial liabilities

Financial liabilities - Loans

	31-Dec-2025 EUR	31-Dec-2024 EUR
Opening balance	(53,127,500)	(53,127,500)
Additions during the year	–	–
Closing balance	<u>(53,127,500)</u>	<u>(53,127,500)</u>

5. Operating expenses

Operating expenses of the Company consist of professional fees and other operating expenses.

The Company is administered by the Corporate Administrator and has no employees. Andrew Pain, Jonathan Reynolds and Philip McEnroe are not entitled to Directors' remuneration for the financial years ended 31 December 2025 and 2024. Jonathan Reynolds is an employee of the Corporate Administrator which has an interest in the administration fee (Note 12) in his capacity as Director. Philip McEnroe is an Independent Director. Andrew Pain is a current employee of a subsidiary company of the Investment Manager.

The following table outlines the Auditors' remuneration charge for the years ended 31 December 2025 and 31 December 2024. There were no other assurance or non-assurance services provided by the statutory auditors.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

5. Operating expenses (continued)

Auditors' remuneration

	31-Dec-2025	31-Dec-2024
	EUR	EUR
Audit of financial statements	15,191	17,319
Tax compliance services	5,539	5,936
	<u>20,730</u>	<u>23,255</u>

6. Tax on profit on ordinary activities

	31-Dec-2025	31-Dec-2024
	EUR	EUR
Corporation tax	–	–
Factors affecting tax charge for the year: Corporation taxation has been calculated based on the results for the year and the resulting taxation charge is as follows:		
(Loss)/profit on ordinary activities before taxation	(29,386,459)	8,769,269
Loss not subject to tax	29,386,459	(8,769,269)
Non-deductible expenditure	–	–
	<u>–</u>	<u>–</u>
Current tax at 25%	–	–
Tax for the year	–	–
Difference	–	–

The Company will continue to be actively taxed at 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules. The amendment permits an exception to the requirements in IAS 12 that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the Organisation for Economic Co-operation and Development ("OECD") pillar two income taxes. Pillar Two legislation was enacted in Ireland on 18 December 2023 and has come into effect for accounting periods commencing from 1 January 2024. The Directors have assessed that these rules do not apply on the basis that the Company is not consolidated at any level for financial statements purposes and the Company does not have revenue exceeding €750m for at least two of the previous four accounting periods. As such there is no potential impact on the Company as a result of adoption from 1 January 2024.

7. Cash and cash equivalents

	31-Dec-2025	31-Dec-2024
	EUR	EUR
Cash held at Bank of New York Mellon	36,921	50,907
	<u>36,921</u>	<u>50,907</u>

Please see credit ratings disclosed in Credit Risk in Note 3 of the financial statements.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

8. Accounts payable and accrued liabilities

	31-Dec-2025	31-Dec-2024
	EUR	EUR
Professional and legal fees payable	(49,263)	(71,001)
Other expenses payable	(152,158)	(108,084)
	<u>(201,421)</u>	<u>(179,085)</u>

9. Share capital

	31-Dec-2025	31-Dec-2024
	EUR	EUR
Authorised		
10,000,000 ordinary shares of EUR 1 each	<u>10,000,000</u>	<u>10,000,000</u>
Issued		
Ordinary share of EUR 1	<u>4</u>	<u>3</u>

On 21 July 2021, the Company issued one ordinary share to Bain Capital Credit OO Fund (the “Shareholder”) as a Sub-Fund of Bain Capital Credit Global ICAV (respectively the “Sub-Fund” and the “ICAV”) for an aggregate subscription of €13,550,872. On 29 July 2022, the Company issued one additional ordinary share to the Shareholder for an aggregate subscription of €4,158,295. On 4 January 2024, the Company issued one additional ordinary share to the Shareholder for an aggregate subscription of €175,456. On 19 November 2025, the Company issued one additional ordinary share to the Shareholder for an aggregate subscription of €103,922.

The issued share capital is held by the “Depositary” for and on behalf of the ICAV acting for and on behalf of the Sub-Fund.

Each issued and fully paid participating share is entitled to dividends when declared and carries one voting right. The participating shareholder is entitled to the retained profit of the Company.

10. Share premium

	31-Dec-2025	31-Dec-2024
	EUR	EUR
Share premium	(17,988,542)	(17,884,620)
	<u>(17,988,542)</u>	<u>(17,884,620)</u>

Please refer to Note 9 for details.

11. Parent and ultimate controlling party

The Company is wholly owned by the ICAV which acts for and on behalf of and for the account of the Sub-Fund. The Sub-Fund holds 100% of the shares of the Company. The Shareholder of the Sub-Fund is BCC OO Fund Aggregator, L.P. This is consistent with 2024.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Notes to the Financial Statements for the year ended 31 December 2025

12. Transactions with related parties

The Board of Directors are responsible for the day-to-day management and administration of the Company. The Board is comprised of three Directors. Jonathan Reynolds is an employee of the Corporate Administrator. Philip McEnroe is an Independent Director. Andrew Pain is a current employee of a subsidiary company of the Investment Manager.

The Company received €Nil (2024: €25,278) from Icelandair in respect of a management services fee. This amount is included under Other income in the Statement of Comprehensive Income.

The Company considers the ICAV, the Sub-Fund, the Shareholder listed in Note 11, the Directors and their close family members, the Directors and their close family members, the Investment Manager and the Corporate Administrator as related parties.

The Company entered into an investment management agreement with the Investment Manager and the ICAV, to perform investment management services. The shareholders incur investment management fees in relation to this portfolio directly.

Refer to Note 4 for further disclosure relating to the equity investments with Icelandair and Loans with the Sub-Fund. Refer to Notes 9 and 10 for further disclosure on the shares issued and share premium paid by the Sub-Fund.

During the year, Bain Capital Master 110 DAC, a related party, recharged expenses to the Company amounting to €16,266 (2024: €32,492).

Of the accounts payable and accrued liabilities at 31 December 2025 €64,713 (2024: €64,255) is payable to the Investment Manager for expenses settled on behalf of the Company.

During the year, the Company incurred fees of €10,499 (2024: €11,152) related to the provision of corporate administration and company secretarial services provided by the Corporate Administrator and Company Secretary. Maples Fiduciary Services (Ireland) Limited provides directors to the Company as part of its service under the corporate service agreement. Pursuant to Section 305(1)(a) of the Companies Act 2014 (as amended), the Corporate Administrator received €1,050 (2024: €1,115) as consideration for making available of individuals to act as directors of the Company. Director fees are €Nil for the year ended 31 December 2025 (2024: €Nil). Andrew Pain, Jonathan Reynolds and Philip McEnroe are not entitled to Directors' remuneration for the financial years ended 31 December 2025 and 2024.

13. Contingent liabilities

There were no contingent liabilities as at 31 December 2025 (2024: €Nil). There were no guarantees as at 31 December 2025 (2024: €Nil).

14. Subsequent events

On 13 February 2026, the loan agreement with the Sub-Fund was further amended to extend the final repayment date to 31 December 2028.

There have been no significant events subsequent to year end that would require adjustment or disclosure in these financial statements.

15. Approval of the financial statements

The financial statements were approved by the Board on 04 March 2026.

BLUE ISSUER DESIGNATED ACTIVITY COMPANY

Directory

Directors

Jonathan Reynolds
Philip McEnroe
Andrew Pain

Fund Administrator

Maples Fund Services (Ireland) Limited
32 Molesworth Street
Dublin 2
Ireland

Corporate Administrator and Registrar

Maples Fiduciary Services (Ireland) Limited
32 Molesworth Street
Dublin 2
Ireland

Banker

BNY Mellon
One Dockland Central
Guild Street
Dublin 1
Ireland

Company Secretary

MFD Secretaries Limited
32 Molesworth Street
Dublin 2
Ireland

Registered Office

32 Molesworth Street
Dublin 2
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Investment Manager

Bain Capital Credit, LP
200 Clarendon Street
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United States

Irish Legal Advisors

Maples and Calder (Ireland) LLP
75 St. Stephen's Green
Dublin 2
Ireland

Independent Statutory Auditor

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
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