

**MAM AIRCRAFT LEASING 1 (IRELAND)
DESIGNATED ACTIVITY COMPANY
Directors' report and financial statements
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022**

Registered number 650639

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

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MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

Directors and Other Information

Directors	Kate Macken (Irish) Joseph Thorstenson (American) John Paul Maguire (Irish) (appointed 24 October 2023) Jarlath Canning (Irish) (resigned 24 October 2023)
Company secretary	MFD Secretaries Limited 32 Molesworth Street Dublin 2 Ireland
Registered number	650639
Registered office	32 Molesworth Street Dublin 2 Ireland
Independent auditor	Crowe Ireland Chartered Accountants and Statutory Audit Firm 40 Mespil Road Dublin 4 Ireland
Bankers	UMB Bank N.A. 1008 Oak Street Kansas City Missouri United States Deutsche Bank AG 1 Columbus Circle New York, NY 10019-8735 United States Citibank N.A. 111 Wall Street New York, NY 10005 United States United States
Solicitors	Maples and Calder 75 St. Stephen's Green Dublin 2 Ireland
Corporate administrator	Maples Fiduciary Services (Ireland) Limited 32 Molesworth Street Dublin 2 Ireland
Servicer	Arena Aviation Partners B.V. Haaksbergweg 75, 1101 BR Amsterdam Netherlands

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022

The Directors present their first report and audited financial statements of MAM Aircraft Leasing 1 (Ireland) Designated Activity Company (the "Company") for the financial year ended 30 December 2022.

These financial statements are presented in United States Dollars ("USD"), the functional currency of the Company.

Principal Activities, Business Review and Future Developments

The Company was incorporated in Republic of Ireland on 23 May 2019 as a special purpose company. The Company is a special purpose company whose principal activity is the purchasing, leasing and disposal of aircraft.

During the period ended 31 December 2019, the Company acquired four aircraft with MSNs 29347, 1757, 2347 and 775. Subsequent to the acquisition, the Company took over the rights of the seller under the aircraft lease agreement.

To finance the acquisition of the aircraft, a Loan Agreement (the "Loan Agreement") was entered into between the Company (the "Borrower") and Deutsche Bank AG, New York Branch (the "Lender") pursuant to the terms and conditions as set out therein. UMB Bank N.A. was appointed as the Security Trustee and Facility Agent.

In addition to the above, the Company entered into a subscription agreement with MAM Aviation Acquisitions Offshore Designated Activity Company and Marathon Secured Private Strategies Fund II, LP (the "Initial Noteholders") where the Company can issue up to USD 34,000,000 profit participating notes due in 2049.

On 06 February 2020, the Company acquired an aircraft with manufacturer's serial number 30643. To finance the acquisition of the aircraft, the Company obtained a loan from Deutsche Bank AG, New York with stated maturity on 31 October 2024.

On 13 October 2020, the Board approved the beneficial interest sale of its aircraft with manufacturer's serial number 1757. As a result, on 21 December 2020, the Company entered into an Assignment and Beneficial interest agreement with MAM Aircraft Leasing 2 (Ireland) DAC for the sale of MSN 1757.

In April 2021, the Company sold the airframe of MSN 775. In July 2021, the Company also sold one engine of MSN 775. The remaining engine with engine serial number 575527 was leased out on 07 April 2022 up to a maximum lease end term of 30 June 2027, pursuant to engine lease extension agreements executed subsequently.

In October 2021, the Company transferred its Boeing 737-800 aircraft bearing manufacturer's serial number 30643 to MAM Aircraft Leasing 30643 (Ireland) DAC. The loan balance from Deutsche Bank was paid in April 2021.

On 21 November 2024, the Board of Directors approved the sale of its aircraft with manufacturer's serial number 29347. Subsequently on 26 November 2024, the Company entered into a sale and purchase agreement with CFM Materials, LP ("CFM"). The airframe was delivered to CFM on 6 December 2024. Subsequently, the two engines were delivered in January 2025 and February 2025, respectively.

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 and operational risk.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument held by the Company fails to meet its contractual obligations. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Operational risk is the risk of indirect or direct loss arising from a wide variety of causes associated with the Company's operations. The Company's objective is to manage operational risk and does so primarily by outsourcing all administration functions to a professional service provider. The Company was incorporated with the purpose of engaging in those activities outlined in the Directors' Report. All administration functions are outsourced to Maples Fiduciary Services (Ireland) Limited.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT (continued) FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022

Principal Risks and Uncertainties (continued)

The Board of Directors ensures that risks are identified and managed in accordance with the objectives of the organisation. The aforementioned risks are discussed in more detail in Note 19 to the Financial Statements.

Going Concern

The Company's financial statements have been prepared under break-up basis as the Directors intend to liquidate the Company immediately after the completion of the sale of the aircraft.

Key Performance Indicators

During the year:

- The Company made a profit after tax of USD 276,460 (2021: USD 10,157,079).
- The Company's lease rental revenue for the financial year was USD 3,480,000 (2021: USD 4,751,770).

Results for the Period and Dividends

The profit of the Company for the financial year ended 30 December 2022 is set out in the Statement of Comprehensive Income on page 10 and in the Statement of Financial Position on page 11. The profit on ordinary activities for the financial year before taxation amounted to USD 276,460 (2021: USD 10,157,079). Shareholders' deficit as at 30 December 2022 amounted to USD 685,626 (2021: USD 962,086). The Directors did not declare any dividends during the year (2021: USD Nil).

Directors and Secretary and their Interests

The names of the persons who were Directors at any time during the year ended 30 December 2022 are set out below. In accordance with the Constitution, the Directors are not required to retire by rotation.

Directors

Kate Macken

Joseph Thorstenson

John Paul Maguire (Irish) (appointed 24 October 2023)

Jarlath Canning (resigned 24 October 2023)

Secretary

MFD Secretaries Limited

Interests

The Directors and the Company Secretary's interest in shares are required to be disclosed in accordance with section 261 to 263 of the Companies Act, 2014. The Directors and the Company secretary who held office at 30 December 2022 do not have any direct or beneficial interest in the shares and debentures of the Company, or any group company at that date or during the year.

Transactions Involving Directors

There were no loans advanced to the Directors at any time during the year. There were no contracts or arrangements in relation to the business of the Company in which the Directors had any interest, as defined by the Companies Act 2014, at any time during the year.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT (continued) FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022

Issue of Shares

Authorised share capital consists of 100,000 ordinary shares of EUR 1 each. One share was issued on 23 May 2019 to MaplesFS Trustees Ireland Limited. On 23 May 2019, MaplesFS Trustees Ireland Limited transferred its share to MAM Aviation Acquisitions Offshore DAC, a company incorporated in the Republic of Ireland.

On 20 December 2022, the Board of Directors approved the transfer of the Company's ordinary share of EURO 1 to MaplesFS Trustees Ireland Limited which would hold the share on charitable trust. The transfer became effective on 22 December 2022. As at 30 December 2022, MaplesFS Trustees Ireland Limited is the sole shareholder of the Company.

Political Contributions

The Company made no political donations during the year (2021: USD Nil).

Accounting Records

The Directors are responsible for ensuring that the Company keeps proper books and accounting records, as outlined in Section 281 of the Companies Act 2014. To achieve this, the Directors have appointed Maples Fiduciary Services (Ireland) Limited ("Maples") to provide accounting services, who report to the board and ensure that the requirements of Section 281 of the Companies Act 2014, are complied with. The books of account of the Company are maintained at 32 Molesworth Street, Dublin 2, Ireland.

Statement on Relevant Audit Information

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Events after the end of the Reporting Date

On 17 April 2023, the Board of Directors approved the amendment of lease agreement to extend the lease term for MSN 29347 until 05 February 2025.

On 19 May 2023, the Board of Directors approved the extension of the engine lease agreement for ESN 575527 for 24 months.

On 5 November 2024, the Board of Directors approved the extension of the lease term of its aircraft with manufacturer's serial number 2347 up to a maximum of 38 months from the initial lease term ending 31 October 2025.

On 21 November 2024, the Board of Directors approved the sale of its aircraft with manufacturer's serial number 29347. Subsequently on 26 November 2024, the Company entered into a sale and purchase agreement with CFM Materials, LP ("CFM"). The airframe was delivered to CFM on 6 December 2024. Subsequently, the two engines were delivered in January 2025 and February 2025, respectively.

On 17 April 2025, the Company entered into the second amendment and extension agreement for the lease of its engine with ESN 575527 up to a maximum lease end term of 30 June 2027.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT (continued) FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022

Events after the end of the Reporting Date (continued)

On 25 July 2025, the charges related to the security agreement supplements dated 22 December 2021 and 20 May 2022 with UMB Bank, N.A. were satisfied.

On 19 December 2025, the Company entered into an aircraft engine purchase agreement to sell its engine with ESN 575527. The sale was closed on 8 January 2026.


On 4 February 2026, the Board approved the proposal to sell its aircraft with MSN 2347.

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

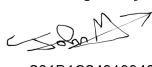
Auditors

The auditor, Crowe Ireland, are eligible and have expressed a willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board on 05 March 2026 and signed on its behalf.

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Kate Macken
Director

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John Paul Maguire
Director

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022

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

Irish company law requires the Directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union and as applied in accordance with the Companies Act 2014.

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 as at the financial year end date, of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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; 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 confirm that they have complied with the above requirements in preparing the financial statements.

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.

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Kate Macken
Director

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John Paul Maguire
Director

Date: 05 March 2026



Crowe Ireland
40 Mespil Road
Dublin 4
D04 C2N4
Ireland
Tel +353 1 448 2200
www.crowe.ie

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MAM Aircraft Leasing 1 (Ireland) Designated Activity Company ('the Company') for the year ended 30 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards 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 30 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards 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 Auditors' 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 for Auditors (Ireland) 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.

Emphasis of matter: Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the presentation of financial statements on the break-up basis, the adjustments arising from this presentation, and the adequacy of the disclosures made in Note 2 - Basis of preparation and measurement. The break-up basis has been adopted because the directors intend to liquidate the Company within 12 months of approving these financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Director's Report other than the financial statements and our Auditors' report thereon. Our



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAM AIRCRAFT LEASING 1 (IRELAND)
DESIGNATED ACTIVITY COMPANY (continued)**

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.

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 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

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014

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, and 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 any material misstatements in the directors' report.

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

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they 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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAM AIRCRAFT LEASING 1 (IRELAND)
DESIGNATED ACTIVITY COMPANY (continued)**

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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/ISA-700-(Ireland)). This description forms part of our auditors' report.

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

This 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 Auditors' 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.

Signed by: 
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Roseanna O'Hanlon

For and on behalf of

Crowe Ireland
Chartered Accountants and Statutory Audit Firm
40 Mespil Road
Dublin 4
D04 C2N4

Date: 5/3/2026

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022**

	Note	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Income			
Lease income	4	5,236,152	17,540,700
Net gain on sale of aircraft	5	–	1,056,497
Other income	6	–	615,000
		5,236,152	19,212,197
Expense			
Depreciation expense	11	(3,937,681)	(6,689,050)
General and administration expenses	7	(341,901)	(1,976,126)
Impairment loss	11	–	(229,854)
Net gain on derivatives		–	221,183
		(4,279,582)	(8,673,847)
Net operating profit on continuing activities		956,570	10,538,350
Finance expense	8	(680,110)	(381,271)
Net profit before taxation		276,460	10,157,079
Taxation	10	–	–
Net profit for the year/period		276,460	10,157,079
Other comprehensive income		–	–
Total comprehensive income for the year/period		276,460	10,157,079

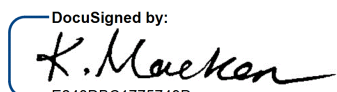
The accompanying notes on pages 14 to 33 form an integral part of these financial statements. All results for the financial year/period are attributable to the owners of the Company. The above results were derived from continuing operations.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**STATEMENT OF FINANCIAL POSITION
AS AT 30 DECEMBER 2022**

	Note	30-Dec-2022 USD	30-Dec-2021 USD
Non-current assets			
Aircraft	11	23,749,990	27,687,671
Total non-current assets		<u>23,749,990</u>	<u>27,687,671</u>
Current assets			
Other receivables	12	2,142,339	1,686,646
Restricted cash	13	401,634	401,634
Cash and cash equivalents	13	358,238	1,067,422
Total current assets		<u>2,902,211</u>	<u>3,155,702</u>
Total assets		<u>26,652,201</u>	<u>30,843,373</u>
Equity			
Share capital	17	1	1
Retained deficit		(685,627)	(962,087)
Total equity		<u>(685,626)</u>	<u>(962,086)</u>
Liabilities			
Non-current liabilities			
Loans payable	14	4,606,649	10,827,327
Debt securities issued – amortized costs	15	14,079,816	14,079,816
Other liabilities	16	2,237,094	2,525,719
Total non-current liabilities		<u>20,923,559</u>	<u>27,432,862</u>
Current liabilities			
Loans payable	14	6,220,678	3,737,779
Other liabilities	16	193,590	634,818
Total current liabilities		<u>6,414,268</u>	<u>4,372,597</u>
Total liabilities		<u>27,337,827</u>	<u>31,805,459</u>
Total liabilities and equity		<u>26,652,201</u>	<u>30,843,373</u>

The accompanying notes on pages 14 to 33 form an integral part of these financial statements.

On behalf of the board:

DocuSigned by:

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 Kate Macken
 Director

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 John Paul Maguire
 Director

Date: 05 March 2026

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022**

	Called up share capital USD	Retained deficit USD	Total equity USD
2022			
Balance as at 31 December 2021	1	(962,087)	(962,086)
Comprehensive income for the year			
Net income for the year	–	276,460	276,460
As at 30 December 2022	1	(685,627)	(685,626)
2021			
Balance as at 01 January 2021	1	(11,119,166)	(11,119,165)
Comprehensive income for the period			
Net income for the period	–	10,157,079	10,157,079
As at 30 December 2021	1	(962,087)	(962,086)

All equity is attributable to the shareholders of the Company.

The accompanying notes on pages 14 to 33 form an integral part of these financial statements.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022**

	Note	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Cash flows from operating activities			
Profit before tax for the financial year/period		276,460	10,157,079
Adjustments for:			
Depreciation	11	3,937,681	6,689,050
Interest expense on loans payable	8	644,143	289,582
Amortization of deferred financing costs		35,967	91,689
Impairment loss	11	–	229,854
Net gain on sale of aircraft	5	–	(1,056,497)
Expected credit loss provisions	7	–	389,697
Net gain on derivatives		–	(221,183)
(Increase)/decrease in other receivables		(491,660)	220,674
Decrease in other liabilities		(729,853)	(13,503,425)
Interest paid		(644,143)	(289,582)
Net cash flows generated from operating activities		3,028,595	2,996,938
Cash flows from investing activities			
Capitalizable costs	11	–	(2,487,256)
Disposal of aircraft	11	–	25,135,403
Net cash flows generated from/(used in) investing activities		–	22,648,147
Cash flows from financing activities			
Repayment of debt securities– amortized costs	15	–	(36,840,510)
Proceeds from the issuance of loans	14	–	14,565,106
Repayment of loans	14	(3,737,779)	(12,425,185)
Proceeds from the issuance of debt securities– amortized costs	15	–	9,829,982
Payment for deferred financing costs		–	(145,651)
Net cash flows used in financing activities		(3,737,779)	(25,016,258)
Net (decrease)/increase in cash and cash equivalents and restricted cash		(709,184)	628,827
Cash and cash equivalents and restricted cash at the beginning of the year/period		1,469,056	840,229
Cash and cash equivalents and restricted cash at the end of the year/period	13	759,872	1,469,056
		For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Cash and cash equivalents	13	358,238	1,067,422
Restricted cash	13	401,634	401,634
Cash and cash equivalents and restricted cash at the end of the year/period		759,872	1,469,056

The accompanying notes on pages 14 to 33 form an integral part of these financial statements.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022

1. General

MAM Aircraft Leasing 1 (Ireland) Designated Activity Company (the Company) was incorporated on 23 May 2019 with a Company registration number 650639. The company is a special purpose company with limited liability and qualifies for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997 (TCA). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D in respect of taxable profits.

The principal activity of the Company is the purchasing, leasing and disposal of aircraft.

2. Basis of preparation and measurement

The Company's financial statements have been prepared under break-up basis as the Directors intend to liquidate the Company immediately after the completion of the sale of the aircraft. The aircraft sale is expected to be finalized in 2026.

3. Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and also in accordance with the relevant requirements of the Companies Act 2014.

The financial statements cover the financial year from 31 December 2021 to 30 December 2022. The comparative amounts presented covers the period from 01 January 2021 to 30 December 2021.

The Directors confirm the Company has fully complied with all aspects of the Companies Act 2014.

Functional currency presentation

These financial statements are presented in USD, the functional currency of the Company.

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022

3. Statement of accounting policies (continued)

Key sources of estimation uncertainty (continued)

Fair value of derivatives and other financial instruments

The fair value of derivative financial instruments is obtained from the swap counterparties which uses its proprietary valuation model that takes into account the notional amount, maturity date and any early redemption clause. The valuation includes assumptions that are mainly based on market conditions existing at the end of each reporting year.

Aircraft

Aircraft are evaluated for impairment each reporting period or when there are indicators of impairment. In accordance with IAS 36 – Impairment of Assets, the aircraft is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the aircraft may not be recoverable. If any such evidence exists, the Company estimates the recoverable amount of the asset. The Company also make estimates about the expected useful lives and the estimated residual value of aircraft.

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

New standards, amendments or interpretations

The following new standards continue to be effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments were applied for the first time in 2022, they did not have a material impact on the financial statements of the Company. The nature and the impact of each new standard or amendment are described below:

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company has reviewed the impact of the amendments to the standard and determined that there is no impact on the financial statements.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The Company has reviewed the impact of the amendments to the standard and determined that there is no impact on the financial statements as a result of the amendments.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****3. Statement of accounting policies (continued)****New standards, amendments or interpretations (continued)*****IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities***

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The Company has reviewed the impact of the amendment to the standard and determined that there is no impact on the financial statements as a result of the amendment.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The Company has reviewed the impact of the amendment to the standard and determined that there is no impact on the financial statements as a result of the amendment.

There are no other standards, amendments to standards or interpretations that are effective for annual years beginning on 1 January 2022 that have a material effect on the financial statements of the Company.

New and amended standards not yet adopted

The Directors have reviewed those standards and interpretation that are issued but not yet effective up to the date of issuance of the Company's financial statements and assessed that none of those new standards and interpretations will have an impact to the Company's financial statements.

Description	Effective date (financial period beginning)*
Amendments to IAS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to IAS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to IAS 12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
IFRS 17 <i>Insurance Contracts (including Amendments to IFRS 17 issued in June 2020)</i>	1 January 2023
Amendments to IAS 1: <i>Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to IFRS 16 Leases: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to IAS 7 and IFRS 7: <i>Disclosures: Supplier Finance Arrangements</i>	1 January 2024

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****3. Statement of accounting policies (continued)****New and amended standards not yet adopted (continued)**

*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.

The Directors have considered the new standards, amendments and interpretations as detailed in the above table and do not plan to adopt these standards early. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company. The Directors have concluded that the above standards will have no material impact to the financial statements of the Company.

Foreign currency

The financial statements are prepared in USD and accordingly foreign currency transactions are translated at the spot rate of exchange on the day the transaction occurs.

Monetary assets and liabilities denominated in currencies other than USD are translated into USD at exchange rates prevailing at the end of the reporting year. Non-monetary assets are stated at cost based on the exchange rate prevailing at the date of acquisition of the asset. All exchange differences are included in operating income.

Lease revenue

The Company leases the aircraft under an operating lease and lease rental revenue is recognized on a straight line basis over the lease term of the aircraft.

Operating expenses

The operating expenses of the Company are recognized in the financial statements on an accruals basis.

Interest expense

Interest on the external loans payable is recognized on an effective interest rate ("EIR") basis. For interest that has been incurred but unpaid at the end of the period, an accrual is recorded.

Leases

Leases are accounted for and classified in accordance with IAS 17 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.

On the basis that the Company retains substantially all of the risks and rewards of ownership of the aircraft, the leases have been classified as operating leases.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the Statement of Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized as other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates applicable to the Company's activities enacted or substantially enacted at the Statement of Financial Position date, and any adjustments to tax payable in respect of previous years.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****3. Statement of accounting policies (continued)****Taxation (continued)**

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

Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in years different from those in which they are recognized in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognized 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.

Financial instruments*Classification*

IFRS 9 establishes specific categories into which all financial assets and liabilities must be classified. The classification of financial instruments dictates how these assets and liabilities are subsequently measured in the financial statements. There are three categories of financial assets: at amortized cost, at fair value through profit or loss, at fair value through other comprehensive incomes. There are two categories of financial liabilities: at fair value through profit or loss and other liabilities.

The financial Instruments held or issued by the Company are the following:

- Cash and cash equivalents
- Restricted cash
- Derivatives
- Loans payable
- Debt securities held at amortized cost
- Non-derivative financial instruments
- Share capital.

Cash and cash equivalents

Cash and cash equivalents represent cash held at credit institutions with the original maturity of these amounts being less than three months and which are subject to insignificant risk in changes to fair value.

Restricted cash

Restricted cash comprises cash held by the Group but which is ring-fenced or used as security for specific financing arrangements. Restricted cash is measured at amortised cost.

Derivatives

Derivatives include interest rate swaps. These are initially recorded at fair value and are subsequently re-measured at fair value. Gains and losses arising from changes in the fair value of derivatives are included in the Statement of Comprehensive Income in the financial period in which they arise. Fair value is determined by the swap counterparties.

Loans payable

Loans payable are non-derivative financial liabilities classified as loans and borrowings in accordance with IFRS 9 Financial Instruments Classification and Measurement. Loans payable were initially recognized at fair value, being their issue proceeds net of any transaction costs incurred.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022

3. Statement of accounting policies (continued)

Financial instruments (continued)

Loans payable (continued)

After initial recognition, loans payable are measured at amortized cost. Any difference between the proceeds net of transaction costs and the redemption value is recognized in the Statement of Comprehensive Income using the effective interest rate method.

Debt securities issued - amortized cost

Debt securities issued are non-derivative financial liabilities and are classified as other liabilities and measured at amortized cost under the effective interest rate method.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables and trade and other liabilities. Such instrument recognized at amortized cost plus any directly attributable transaction costs. Trade and other receivables are short term in nature and do not contain a significant financing component

Other non-derivative financial instruments are held at amortized cost.

Recognition

The Company initially recognizes all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Impairment

IFRS 9 allows an entity to use a simplified “provision matrix” for calculating expected losses for trade receivables. The provision matrix is based on an entity’s historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

The Company only holds trade receivables with no financing component and which have maturities of less than 12 months.

Derecognition

The Company recognizes 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 on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company as a separate asset or liability. The Company recognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Share capital

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

Aircraft

All aircraft owned by the Company are accounted for at cost less accumulated depreciation. The costs of the assets are made up of the purchase price of the assets plus any costs directly attributable to bringing the assets into working condition for its intended use.

The aircraft asset is depreciated on a straight line basis over the expected life of the asset to the expected residual value of the asset at the end of its useful economic life. The depreciation methodology was determined taking into consideration the pattern in which the asset’s economic benefits are consumed by the Company.

The aircraft is being depreciated over the life of the lease. The Company estimates the residual value of the aircraft at the end of such lease, which is based upon the expected condition of the aircraft at redelivery.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****3. Statement of accounting policies (continued)****Aircraft (continued)**

Impairment of the asset is recognized 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. An assessment of impairment is undertaken by the Company at each reporting date. Generally, impairment exists if the recoverable amount of an asset is less than its carrying amount as reflected in the Company's Statement of Financial Position. In considering whether an impairment exists the Company uses inputs for current market values from third party appraisers for assessing current market value.

Maintenance reserve

In accordance with the terms of the lease agreement, the Lessee has an obligation to make monthly payments to the Company which are calculated with reference to the utilisation of airframes, engines and other major life limited components during the lease. Upon the presentation of invoices evidencing the completion of qualifying work on the aircraft to the lessee, the Lessee reimburses the Company for the work.

Maintenance reserve income is allocated to the Statement of Comprehensive Income as maintenance income.

Security deposits

In accordance with the terms of the lease agreements, the Lessee was required to provide a security deposit. Security deposits are restricted accounts held in the name of the Company. Security deposits are only accessible under certain conditions in accordance with relevant security agreements.

Provision

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle obligations. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

4. Operating lease income

All lease income is derived from leasing aircraft to commercial airlines.

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Lease rental revenue	3,480,000	4,751,770
Maintenance reserve income	1,756,152	11,038,930
End of lease compensation	–	1,750,000
	<u>5,236,152</u>	<u>17,540,700</u>

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****4. Operating lease income (continued)**

Lease rental revenue is derived from leasing commercial jet aircraft to three operators (2021: four) around the world. The distribution of lease rental income by geographic region is as follows:

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Europe	1,200,000	2,471,770
Asia	2,280,000	2,280,000
	3,480,000	4,751,770

The future minimum contracted lease under non-cancellable operating leases are as follows:

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Not later than one year	3,834,975	4,144,161
One to two years	3,915,000	3,929,975
Two to three years	2,220,000	3,820,000
Three to four years	–	2,220,000
Four to five years	–	–
Later than five years	–	–
	9,969,975	14,114,136

5. Net gain on sale of aircraft

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Gain on sale of aircraft	–	1,056,497
	–	1,056,497

6. Other income

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Other income	–	615,000
	–	615,000

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****7. General and administration expenses**

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Management fees	123,190	504,031
Legal and professional fees	100,171	766,878
Corporate administration fees	30,126	44,161
Insurance	20,630	21,879
Audit fees	15,232	6,217
Expected credit loss provisions	–	389,697
Parking fees	–	172,511
Other expenses	52,552	70,752
	341,901	1,976,126

8. Finance expense

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Interest expense on loans payable	644,143	289,582
Amortization of deferred financing costs	35,967	91,689
	680,110	381,271

9. Statutory and other information

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Depreciation	3,937,681	6,689,050
	3,937,681	6,689,050
Audit fees (inclusive of VAT)	15,232	6,217
Other services	–	–
Total	15,232	6,217

The Company had no employees during the year (2021: Nil). Maples Fiduciary Services (Ireland) Limited (the "Corporate Administrator") acts as a corporate administrator to the Company.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****10. Taxation**

(a) Analysis of tax charge for the financial year/period

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Current tax	–	–
Deferred tax	–	–
	<u>–</u>	<u>–</u>

(b) Reconciliation of the expected tax charge at the relevant tax rate to actual tax charge at the effective rate.

	For the financial year ended 30-Dec-2022 USD	For the financial period ended 30-Dec-2021 USD
Profit on ordinary activities before taxation	<u>276,460</u>	<u>10,157,079</u>
Tax on profit on ordinary activities at standard Irish corporation tax rate of 25%	69,115	2,539,270
Effect of:		
Depreciation in excess of capital allowances	(391,818)	(318,097)
Net (gain)/loss on derivatives	–	(55,296)
Movement in unrecognized deferred tax	322,703	(2,223,341)
Others	–	57,464
	<u>–</u>	<u>–</u>

(c) Circumstances affecting current and future tax charges

To the extent losses are incurred, these can be carried forward. From 1 January 2022, the corporation tax rate is expected to remain at its current rate of 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

(d) Deferred tax

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

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****11. Aircraft**

The carrying values of the aircraft are set out below.

	30-Dec-2022	30-Dec-2021
	USD	USD
Cost:		
At beginning of the year/period	44,476,415	76,056,066
Additions during the year/period	–	2,487,256
Disposal during the year/period	–	(34,066,907)
Balance at the end of the year/period	<u>44,476,415</u>	<u>44,476,415</u>
Accumulated Depreciation and Impairment:		
At beginning of the year/period	(16,788,744)	(19,857,841)
Depreciation charged for the year/period	(3,937,681)	(6,689,050)
Impairment for the year/period	–	(229,854)
Disposal during the year/period	–	9,988,001
Balance at the end of the year/period	<u>(20,726,425)</u>	<u>(16,788,744)</u>
Net book value at end of the year/period	<u>23,749,990</u>	<u>27,687,671</u>

The Company's aircraft are leased to third parties under operating leases.

In April 2021, the Company sold the airframe of MSN 775 for USD 1,160,000. In July 2021, the Company also sold one engine of MSN 775 for USD 1,700,000. The remaining engine with engine serial number 575527 is still owned by the Company.

In October 2021, the Company transferred its Boeing 737-800 aircraft bearing manufacturer's serial number 30643 to MAM Aircraft Leasing 30643 (Ireland) DAC for a total consideration of USD 22,275,403.

Aircraft are assessed for recoverability in accordance with IAS 36 - Impairment of Assets at each reporting date or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. The Management undertook a review to determine whether an impairment provision is required in respect of the Company's aircraft and related assets. In assessing whether there is any indication that the aircraft may be impaired, the Company considered both the (a) external sources of information available such as observable indications that the aircraft's value has declined significantly during the year, significant adverse changes in the economy, market, technology or legal environment which the Company or lessee operates or increased market interest rates and (b) internal sources of information such evidence of obsolescence or physical damage, any future plans to discontinue or restructure the operations or any other indication of the aircraft's declining economic performance.

In accordance with the stated accounting policy, an impairment review was performed. As a result of this review, an impairment provision of USD nil (2021: USD 229,854) was recognised during the financial year. The impairment provision was determined by comparing the carrying value of the aircraft to the net realizable value, being the recoverable amount.

12. Other receivables

	30-Dec-2022	30-Dec-2021
	USD	USD
Rent and maintenance receivables, net of allowance for expected credit loss	457,903	262,304
Deferred debt costs	109,684	145,651
Receivable from related party	–	249,939
Prepaid interest	1,574,751	1,028,751
Other receivables	1	1
	<u>2,142,339</u>	<u>1,686,646</u>

As at 30 December 2022, the Company recognized an allowance for expected credit losses amounted to USD nil (2021: USD nil).

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****12. Other receivables (continued)**

Receivable from related party in the prior period represented expenses incurred on behalf of a MAM Aircraft Leasing 30643 (Ireland) Designated Activity Company, a related party, as it did not have any open bank accounts during the year the expenses were incurred.

13. Cash and cash equivalents and restricted cash

	30-Dec-2022 USD	30-Dec-2021 USD
Cash in bank	358,238	1,067,422
Restricted cash	401,634	401,634
	<u>759,872</u>	<u>1,469,056</u>

All cash and cash equivalents and restricted cash are with Citibank and UMB with S&P credit ratings of A+ and BBB+, respectively (2021: A+ and BBB+, respectively).

Restricted cash comprises cash held by the Company which is ring-fenced or used as reserves for a specific financing arrangement.

14. Loans payable

In 2019, the Company obtained a loan from Deutsche Bank AG, New York Branch to partly finance the acquisition of the four aircraft. The total amount of the loan was USD 30,829,733. The loan bears floating interest based on LIBOR plus margin and is payable on a monthly basis.

Costs and fees incurred to secure the loans payable are capitalized and amortized over the term of the loans.

Aircraft lease rentals are fixed and structured to ensure that lease payments cover the debt funding over the term of the lease. The loans were repaid partially in 2020. During 2021, all of the remaining loan balances related to the acquisition of MSNs 29347, 2347 and 775 were fully repaid to Deutsche Bank AG.

On 20 December 2021, the Company entered into a loan agreement with UMB Bank, as the administrative agent, Cardinal Air 2021-2 Limited as the Lender, to refinance the loan for the acquisition of MSN 29347, MSN 2347 and ESN 575527. The loan bears a fixed rate of interest equal to the sum of (i) the swap rate and (ii) the relevant loan margin, ranging from 4.528% to 5.341%.

The loan balances are representative of the fair market value at end of the year. Please refer to Note 20.

	Maturity date	30-Dec-2022 USD	30-Dec-2021 USD
Loans payable – MSN 29347	05 Dec 2023	4,898,740	5,865,106
Loans payable – MSN 2347	31 Oct 2025	5,928,587	7,200,000
Loans payable – ESN 575527	22 Dec 2022	–	1,500,000
		<u>10,827,327</u>	<u>14,565,106</u>

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****14. Loans payable (continued)**

The table below shows the movement of loans payable:

	30-Dec-2022 USD	30-Dec-2021 USD
At the beginning of the year/period	14,565,106	12,425,185
Additions during the year/period	–	14,565,106
Repayments during the year/period	(3,737,779)	(12,425,185)
At the end of the year/period	10,827,327	14,565,106

Principal repayments of the loan are as follows:

	30-Dec-2022 USD	30-Dec-2021 USD
Within 1 year	6,220,678	3,737,779
More than 1 year but less than 5 years	4,606,649	10,827,327
Total	10,827,327	14,565,106

In April 2022, the Company acted as administrative agent on behalf of the borrower MAM Aircraft Leasing 29650 (Ireland) DAC, an affiliated entity, in a loan agreement entered into with UMB Bank, N.A. as lender.

The movement of the total financing fees during the period/year is set out in the following table:

	30-Dec-2022 USD	30-Dec-2021 USD
At the beginning of the year/period	145,651	91,689
Additions during the year/period	–	145,651
Amortization during the year/period	(35,967)	(91,689)
At the end of the year/period	109,684	145,651

15. Debt securities issued – amortized costs

Debt securities issued comprise of profit participating notes issued to MAM Aviation Acquisitions Offshore Designated Activity Company and Marathon Secured Private Strategies Fund II, LP. These notes are maturing in 2049.

	30-Dec-2022 USD	30-Dec-2021 USD
Debt securities issued – amortized cost	14,079,816	14,079,816
	14,079,816	14,079,816

The table below shows the movement of debt securities:

	30-Dec-2022 USD	30-Dec-2021 USD
At the beginning of the year/period	14,079,816	41,090,344
Additions during the year/period	–	9,829,982
Repayments during the year/period	–	(36,840,510)
At the end of the year/period	14,079,816	14,079,816

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****15. Debt securities issued – amortized costs (continued)**

Principal repayments of the loan are as follows:

	30-Dec-2022 USD	30-Dec-2021 USD
Within 1 year	–	–
More than 1 year but less than 5 years	–	–
More than 5 years	14,079,816	14,079,816
Total	<u>14,079,816</u>	<u>14,079,816</u>

16. Other liabilities

	30-Dec-2022 USD	30-Dec-2021 USD
Current		
Payable to related parties	132,980	317,980
Accruals	59,651	315,879
Other payables	959	959
	<u>193,590</u>	<u>634,818</u>
Non-current		
Maintenance reserves	1,044,084	1,373,719
Security deposits	1,193,010	1,152,000
	<u>2,237,094</u>	<u>2,525,719</u>
Grand total	<u>2,430,684</u>	<u>3,160,537</u>

17. Share capital

	30-Dec-2022 USD	30-Dec-2021 USD
Allotted, called up and fully paid 1 ordinary share of EUR1.00 each	1	1
	<u>1</u>	<u>1</u>

18. Related parties

Related parties include Maples Fiduciary Services (Ireland) Limited and MFD Secretaries Limited on the basis of a Corporate Administration Agreement with the former and the provision of company secretary services by the latter.

During the year, the Company incurred a fee of USD 30,126 (2021: USD 44,161) relating to administration services provided by the Administrator, Maples Fiduciary Services (Ireland) Limited.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control or common significant influence such as subsidiaries and associates of subsidiaries or other related parties. The following entities are considered related parties due to commonality of directors. Transactions with related parties during the year are as follows:

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****18. Related parties (continued)****30 December 2022**

Related party	Relationship	Amount (USD)	Transaction
MAM Aircraft Leasing 2 DAC	Common group and control, affiliate	132,980	Intercompany payable balance
MAM Aircraft Leasing 30643 DAC	Common group and control, affiliate	–	Intercompany payable balance
MAM Aircraft Leasing 30643 DAC	Common group and control, affiliate	–	Intercompany receivables balance

30 December 2021

Related party	Relationship	Amount (USD)	Transaction
MAM Aircraft Leasing 2 DAC	Common group and control, affiliate	132,980	Intercompany payable balance
MAM Aircraft Leasing 30643 DAC	Common group and control, affiliate	185,000	Intercompany payable balance
MAM Aircraft Leasing 30643 DAC	Common group and control, affiliate	249,939	Intercompany receivables balance

The intercompany receivables and payables are unsecured, non-interest bearing and repayable on demand.

There were no other related party transactions during the year.

19. Financial risk management

The Company has exposure to the following risks:

- Credit risk
- Market risk
- Liquidity risk

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company operates as a supplier to airlines. The airline industry is cyclical, economically sensitive and highly competitive. The Company's ability to succeed is dependent on the financial strength of the airlines and their ability to react to and cope with the volatile competitive environment in which they operate. If the airlines experience financial difficulties this may result in defaults or the early termination of the lease. The Directors mitigate this risk by putting in place appropriate settlement conditions in the event of default or early termination of the lease by the Lessee, as detailed in the lease agreement. The Company monitors the performance of the Lessee on an ongoing basis and the lease receivable balances were nil at the end of the accounting year.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****19. Financial risk management (continued)****a) Credit risk (continued)**

The maximum exposure of the Company's financial assets to credit risk is USD 1,217,776 (2021: USD 1,981,300).

	30-Dec-2022	30-Dec-2021
	USD	USD
Cash in bank	358,238	1,067,422
Restricted cash	401,634	401,634
Rent and maintenance receivables, net of allowance	457,903	262,304
Receivable from related party	–	249,939
Other receivables	1	1
Total	1,217,776	1,981,300

b) Market risk

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

The Company 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 reduced demand for aircraft in the fleet and/or reduced market rates, higher incidences of lessee default and aircraft on ground all of which may require that the carrying value of aircraft be materially reduced.

Currency risk

The functional currency of the aviation industry is predominantly USD. The Company manages its exposure to currency risk by effectively matching its lease revenue and its loan expenses to the functional currency.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company manages its exposure to currency risk by effectively matching its foreign currency assets and liabilities. The Company's exposure to currency risk as at 30 December 2022 is not significant.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates.

Interest rate sensitivity

An increase of 50 basis points in interest rates as at the reporting date would have increased the interest payable on the external debt by USD 54,137 (2021: USD 72,826) and a decrease of 50 basis points would have had an equal but opposite effect.

The Company entered into IRS agreements to mitigate the risk arising from its interest rate exposure from external debt.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****19. Financial risk management (continued)****a) Market risk (continued)***Interest risk (continued)*

The interest rate profile and fair values of the Company's financial assets and liabilities at 30 December 2022 and 2021 are as follows:

2022

Financial assets	Fixed rate USD	Floating rate USD	Assets on which no interest is paid USD	Total book value USD	Fair value USD
Cash in bank	–	358,238	–	358,238	358,238
Restricted cash	–	401,634	–	401,634	401,634
Rent and maintenance receivables, net	–	–	457,903	457,903	457,903
Receivable from related party	–	–	–	–	–
Other receivables	–	–	1	1	1
	–	759,872	457,904	1,217,776	1,217,776

Financial liabilities	Fixed rate USD	Floating rate USD	Liabilities on which no interest is paid USD	Total book value USD	Fair value USD
Loans payable	10,827,327	–	–	10,827,327	10,827,327
Debt securities issued – amortized costs	–	14,079,816	–	14,079,816	14,079,816
Other liabilities	–	–	2,430,684	2,430,684	2,430,684
	10,827,327	14,079,816	2,430,684	27,337,827	27,337,827

2021

Financial assets	Fixed rate USD	Floating rate USD	Assets on which no interest is paid USD	Total book value USD	Fair value USD
Cash in bank	–	1,067,422	–	1,067,422	1,067,422
Restricted cash	–	401,634	–	401,634	401,634
Rent and maintenance receivables, net	–	–	262,304	262,304	262,304
Receivable from related party	–	–	249,939	249,939	249,939
Other receivables	–	–	1	1	1
	–	1,469,056	512,244	1,981,300	1,981,300

Financial liabilities	Fixed rate USD	Floating rate USD	Liabilities on which no interest is paid USD	Total book value USD	Fair value USD
Loans payable	14,565,106	–	–	14,565,106	14,565,106
Debt securities issued – amortized costs	–	14,079,816	–	14,079,816	14,079,816
Other liabilities	–	–	3,160,537	3,160,537	3,160,537
	14,565,106	14,079,816	3,160,537	31,805,459	31,805,459

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****19. Financial risk management (continued)****b) Market risk (continued)**

The Directors believe that the carrying value of the loans is the same as the fair value of the loans as at the Statement of Financial Position date due to monthly interest repricing of the loans.

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 approach in managing liquidity is to seek to match the cash inflows on lease receivables with the cash outflows on loan payables.

The Company bears the risk of re-leasing or selling the aircraft at the end of its lease term. If demand for aircraft decreases or the average fleet age increases or market lease rates decrease, this could affect market value. Should this condition continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge in accordance with IAS 36, *Impairment of Assets*.

The Company is funding a significant part of its operations with debt financing. The ability of the Company to continue in operation will be dependent upon its continued adherence to its payment obligations and other covenant requirements under the respective loan and debt security agreements, which are dependent upon the factors outlined above. Set out below is a table outlining the expected maturities of all financial liabilities of the Company as at 30 December 2022 and 2021.

The Company's repayment obligations under the loan agreements are limited in recourse to monies received under the terms of the aircraft lease agreements.

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

The table below shows the undiscounted cash flows of the Company's financial liabilities as at 30 December 2022 and 2021.

2022

	Within 1 year USD	1 to 5 years USD	More than 5 years USD	Total contractual cash flows USD	Total carrying value USD
Financial liabilities					
Loans payable	6,220,678	4,606,649	–	10,827,327	10,827,327
Debt securities issued – amortized costs	–	–	14,079,816	14,079,816	14,079,816
Other liabilities	193,590	2,237,094	–	2,430,684	2,430,684
	6,414,268	6,843,743	14,079,816	27,337,827	27,337,827

2021

	Within 1 year USD	1 to 5 years USD	More than 5 years USD	Total contractual cash flows USD	Total carrying value USD
Financial liabilities					
Loans payable	3,737,779	10,827,327	–	14,565,106	14,565,106
Debt securities issued – amortized costs	–	–	14,079,816	14,079,816	14,079,816
Other liabilities	634,818	2,525,719	–	3,160,537	3,160,537
	4,372,597	13,353,046	14,079,816	31,805,459	31,805,459

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022****20. Fair value estimation**

Under IFRS 13 Fair Value Measurement, the fair value of a financial asset and liability is the amount at which it could be exchanged in an arm's length transaction between informed and willing parties, other than in a forced sale or liquidation.

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

- Inputs that are quoted market prices (unadjusted) in active markets for identical instruments (Level 1).
- Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). The category includes instruments valued using: quoted market prices in active market for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data (Level 2); and
- Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the observable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. (Level 3).

2022

	Level 1 USD	Level 2 USD	Level 3 USD	Fair value USD
Financial liabilities				
Loans payable	–	10,827,327	–	10,827,327
Debt securities issued – amortized costs	–	–	14,079,816	14,079,816
Other liabilities	–	2,430,684	–	2,430,684
	–	13,258,011	14,079,816	27,337,827

2021

	Level 1 USD	Level 2 USD	Level 3 USD	Fair value USD
Financial liabilities				
Loans payable	–	14,565,106	–	14,565,106
Debt securities issued – amortized costs	–	–	14,079,816	14,079,816
Other liabilities	–	3,160,537	–	3,160,537
	–	17,725,643	14,079,816	31,805,459

The amortised cost of the debt securities issued approximates its fair value.

The fair value of cash and cash equivalents is considered to be approximately equal to their carrying amount as the components are highly liquid, but with no quoted prices.

For other receivables and other liabilities, the carrying value has been determined to be a good approximation of fair value, however there is no highly active market for these assets and liabilities.

The Directors believe that the carrying value of the loans is the same as the fair value of the loans as at the Statement of Financial Position date as the credit ratings of the Lender and the prevailing ratings available are on an equivalent basis to those available at draw down.

MAM AIRCRAFT LEASING 1 (IRELAND) DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2022

21. Parent and ultimate controlling party

The Board of Directors are responsible for the day-to-day management and administration of the Company. The Board is composed of three Directors, two of whom are employees of the Corporate Administrator.

On 20 December 2022, the Board of Directors approved the transfer of the Company's ordinary share of EURO 1 from MAM Aviation Acquisitions Offshore DAC to MaplesFS Trustees Ireland Limited which would hold the share on charitable trust. The transfer became effective on 22 December 2022. As at 30 December 2022, MaplesFS Trustees Ireland Limited is the sole shareholder of the Company.

22. Charges over assets

The Company has entered into an aircraft security agreement with UMB Bank, N.A. as mortgagee (the "Security Trustee") whereby the Company has charged and assigned all of its rights, title and interest in, to and under (amongst others) the lease agreements (in particular the right to receive the rent in respect of the aircraft), the warranties in respect of the aircraft and any right it may have to receive or be entitled to receive monies representing insurance proceeds, requisition proceeds and final disposition proceeds.

The charges were registered on 10 January 2022 and 07 June 2022 and were satisfied on 25 July 2025.

23. Subsequent events

On 17 April 2023, the Board of Directors approved the amendment of lease agreement to extend the lease term for MSN 29347 until 05 February 2025.

On 19 May 2023, the Board of Directors approved the extension of the engine lease agreement for ESN 575527 for 24 months.

On 5 November 2024, the Board of Directors approved the extension of the lease term of its aircraft with manufacturer's serial number 2347 up to a maximum of 38 months from the initial lease term ending 31 October 2025.

On 21 November 2024, the Board of Directors approved the sale of its aircraft with manufacturer's serial number 29347. Subsequently on 26 November 2024, the Company entered into a sale and purchase agreement with CFM Materials, LP ("CFM"). The airframe was delivered to CFM on 6 December 2024. Subsequently, the two engines were delivered in January 2025 and February 2025, respectively.

On 17 April 2025, the Company entered into the second amendment and extension agreement for the lease of its engine with ESN 575527 up to a maximum lease end term of 30 June 2027.

On 25 July 2025, the charges related to the security agreement supplements dated 22 December 2021 and 20 May 2022 with UMB Bank, N.A. were satisfied.

On 19 December 2025, the Company entered into an aircraft engine purchase agreement to sell its engine with ESN 575527. The sale was closed on 08 January 2026.

On 4 February 2026, the Board approved the proposal to sell its aircraft with MSN 2347.

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

24. Approval of the financial statements

The board of Directors approved these financial statements for issue on 05 March 2026.