INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY ("DAC")

CONTENTS

INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY ("DAC")

COMPANY INFORMATION

Directors	Declan Cotter Gavin Mercer Maurice Prendergast James Conroy Darragh Smyth (alternate to Declan Cotter)
Company secretary	Gavin Mercer
Registered number of incorporation	621584
Registered office	West Pier Dun Laoghaire County Dublin Ireland
Independent auditor	Ernst & Young Chartered Accountants Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2 Ireland
Solicitors	McCann Fitzgerald Riverside 1 Sir John Rogerson's Quay Dublin 2 Ireland

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present herewith their report and audited financial statements of Incline Aladdin Funding Designated Activity Company (the "Company") for the financial year ended 31 December 2024. The comparative period was for the financial year ended 31 December 2023.

Principal Activities and Review of the Development of the Business

The principal activity of the Company is to finance, through the Company's fellow group undertakings, the acquisition and leasing of aircraft. The Directors expect these activities to continue for the foreseeable future. The Directors continue to review and seek business opportunities for the Company. The Company's Directors regularly review financial information related to the performance of the Company as well as relevant arrangements when making operating decisions. The principal key performance indicators used by management to monitor the performance are results from net interest income. The Company's fixed-rate note is listed with the Cayman Islands Stock Exchange.

Principal Risks and Uncertainties

The Company, in the course of its business activities, is exposed to market, credit, liquidity, foreign currency and interest rate risk as the principal risks facing the Company, as it bears the risk of non-performance under the leases by the airlines operating the aircraft included in the Company's fellow group undertakings. The Company in turn has a financial risk policy that is managed by a related party, BBAM Aviation Services Limited ("BBAM ASL"). The Board of Directors ensures that risks are identified and managed in accordance with the objectives of the Company. The financial risks are discussed in more detail in Note 25 'Risks and uncertainties' which is included herein by reference.

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

The Statement of Comprehensive Income for the financial year ended 31 December 2024 and the Statement of Financial Position at 31 December 2024 are set out on pages 13, 14 and 15, respectively. The Company's profit on ordinary activities for the financial year before taxation amounted to US$15,481,712 (2023: loss of US$29,569,262). After charging tax of US$213,596 (2023: credit of US$671,622), a profit of US$15,268,116 (2023: loss of US$28,897,640) is transferred to reserves. Other comprehensive loss for the financial year amounted to US$167,242 (2023: loss of US$4,380,593). Shareholders' funds of the Company at 31 December 2024 amounted to a surplus of US$105,271,413 (2023: US$90,170,539). The Directors do not recommend a dividend to be paid in respect of the current financial year (2023: US$Nil).

Directors' and Secretary's Interests

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

The Directors and the Company Secretary do not have any direct or beneficial interest in the shares, deferred shares, share options and debentures of the Company at 1 January 2024 or 31 December 2024 requiring disclosure in the Directors' Report pursuant to section 329 of the Companies Act 2014.

Going Concern

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

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

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

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

Going Concern (continued)

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

Events after the Reporting Period

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

Political Donations

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

Charitable Contributions

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

Accounting Records

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

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

Statement on Relevant Audit Information

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

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

Independent Auditor

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

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

Directors' Responsibilities Statement

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

Irish company law requires the Directors to prepare the financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with IFRS as adopted by the European Union. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

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

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

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

Directors' Compliance Statement

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

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

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

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

Declan Cotter	**Gavin Mercer**
Director	Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Incline Aladdin Funding Designated Activity Company ('the Company') for the year ended 31 December 2024, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including the material accounting policy information set out in Note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY (CONTINUED)

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Company's financial close process, we confirmed our understanding of management's Going Concern assessment process and also engaged with management early to ensure all key factors were considered in their assessment;
- We obtained management's going concern assessment, including the cash flow analysis and forecast for a period of 12 months from the expected date of signing of the financial statements.
- We reviewed the sources of cash inflows available to the Company and the various scenario analyses performed by management. We noted that in management's most stressed scenario, management's forecasted minimum cash requirement would still be generated by the Company.
- We have considered the assumptions included in the cash flow analysis prepared. We considered the appropriateness of the methods used within the cash flow analysis and determined through inspection and testing of the methodology and calculations that the methods utilised were appropriate.
- We have further stressed managements' sensitivities downwards in order to test the resilience of the Company's business under more pessimistic scenarios.
- We have reviewed the appropriateness of the disclosures made by management as detailed under Note 1 of the financial statements.

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

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

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

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY (CONTINUED)

Risk	Our response to the risk
Recoverability of notes receivable from affiliates at amortised cost (Fraud and Significant Risk) The carrying value of notes receivable from affiliates represents the most significant asset in the Company financial statements. Within this balance is the intercompany credit facility. As at 31 December 2024, the carrying value of the intercompany credit facility reported is $102.60 million (2023: $151.01 million) as detailed in Note 12 of the financial statements. As set out within the 'Financial assets' section of Note 1 'Corporate information and material accounting policy information' and Note 25 'Credit risk', the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off for these reasons when there is no reasonable expectation of recovering the contractual cash flows. We have determined that recoverability of notes receivable from affiliates at amortised cost represents a risk because management could override controls relating to estimating the recoverable amount of the notes receivable from affiliates balance. The nature and size of the balance, together with the inherent uncertainty and significant amount of judgment and estimation required by management, are such that we have identified this as a key audit matter.	In obtaining sufficient, appropriate audit evidence, we: • Obtained an understanding of the expected credit loss process, performed a walkthrough of the process, and evaluated the design effectiveness of controls related to the risk identified. We did not rely on controls. • Obtained the expected credit loss assessment prepared by management and reviewed the accuracy of the calculations through reperformance. • Considered the overall financial strength of the underlying lessee such as payment history, creditworthiness, financial resources, and other qualitative factors. • Assessed the appropriateness and presentation of disclosures in the financial statements for compliance with relevant accounting standards. Our planned audit procedures were completed without material exception.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY (CONTINUED)

Risk	***Our response to the risk***
Valuation of notes receivable from affiliates at fair value through profit or loss (Fraud and Significant Risk) The carrying value of notes receivable from affiliates represents the most significant asset in the Company financial statements. Within this balance is the profit participating notes. As at 31 December 2024, the carrying value of the profit participating notes receivable from affiliates reported is $191.24 million (2023: $265.35 million) as detailed in Note 12 of the financial statements. As set out within Note 1 'Corporate **i**nformation and **m**aterial **a**ccounting **p**olicy **i**nformation', financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss. There is potential for management override pertaining to the valuation of notes receivable from affiliates at fair value through profit or loss. There is a risk that management may manipulate their valuation through top-side journal entries. The nature and size of the balance, together with the inherent uncertainty and significant amount of judgment and estimation required by management, are such that we have identified this as a key audit matter.	In obtaining sufficient, appropriate audit evidence, we: • Understood and evaluated the design effectiveness and implementation of key controls around the preparation and review of the fair value assessment of notes receivable from affiliates at fair value through profit or loss. We did not rely on controls. • Assessed the valuation of the notes receivables from affiliates at fair value through profit or loss and the fair value assessment against the value of the underlying aircraft in the investee company. • Obtained the final executed notes receivable from affiliates at fair value through profit or loss agreements and agreed the key terms of the notes, the principal amount, maturity date, variable interest conditions and calculation of interest from the cash flows of the underlying entities during the period. • Reviewed the discount rate applied in the fair value calculation and reviewed the calculation for mathematical accuracy and reasonableness. • Assessed the appropriateness and presentation of disclosures in the financial statements for compliance with relevant accounting standards. Our planned audit procedures were completed without exception.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY (CONTINUED)

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

Materiality
Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures. We determined materiality for the Company to be $3.91m (2023: $5.10m), which is 1% (2023: 1%) of total assets. We believe that total assets provides us with the most appropriate basis for materiality having considered the expectation of the users of the financial statements and the overall business environment.

During the course of our audit, we reassessed initial materiality and determined that our original assessment of materiality remained appropriate.

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely $2.93m (2023: $3.83m). We have set performance materiality at this percentage due to our assessment of the likelihood of occurrence of misstatements.

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

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of $.19m (2023: $.26m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY (CONTINUED)

An overview of the scope of our audit report

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014
In our opinion, based solely on the work undertaken in the course of the audit, we report that:

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

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

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

Matters on which we are required to report by exception
Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY (CONTINUED)

Respective responsibilities

Responsibilities of directors for the financial statements
As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN FUNDING DESIGNATED ACTIVITY COMPANY (CONTINUED)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Irish Law and IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.
- We understood how Incline Aladdin Engine Funding Designated Activity Company is complying with those frameworks by understanding the Company's entity level controls relevant to compliance with laws and regulations. Furthermore, we performed inquiries with management, those charged with governance and external legal counsel and review of minutes of meetings of those charged with governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements, testing unusual transactions and reviewing significant accounting estimates for evidence of management bias.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiry as to any known instances of non-compliance or suspected non-compliance with laws and regulations and review of minutes of meetings of those charged with governance.

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

This description forms part of our auditor's report.

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

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

Patrick O Driscoll

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Interest income	2	38,277,543	31,557,501
Interest expense	3	(37,601,880)	(34,056,599)
Net interest income/(loss)		675,663	(2,499,098)
Other income	4	403,610	-
Operating expenses	5	(224,891)	(187,391)
Unrealised fair value gain/(loss) on notes receivable from affiliates	12	14,627,330	(26,882,773)
Profit/(loss) on ordinary activities before taxation		15,481,712	(29,569,262)
Income tax (charge)/credit on ordinary activities	8	(213,596)	671,622
Profit/(loss) on ordinary activities after taxation		15,268,116	(28,897,640)
Other comprehensive income:			
Other comprehensive loss to be reclassified to profit or loss in subsequent years			
Cash flow hedge - effective portion of changes in fair value, net of deferred tax		(167,242)	(4,380,593)
Total comprehensive income/(loss)		15,100,874	(33,278,233)

The accompanying notes on pages 18 to 49 form an integral part of these financial statements.

The Company has adopted a single Statement of Comprehensive Income. All items of comprehensive income are due to continuing operations.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 US$	2023 US$
Assets			
Notes receivable from affiliates	12	182,044,501	333,980,024
Deferred tax assets	8	869,679	1,083,275
Total non-current assets		182,914,180	335,063,299
Cash and cash equivalents	9	4,819,308	580,589
Restricted cash	10	1,885,799	702,832
Amounts due from fellow group undertakings	11, 23	89,091,286	90,362,945
Tax refund receivable		341,520	341,520
Notes receivable from affiliates	12	112,166,700	82,374,483
Other assets	13	8,791	73,571
Total current assets		208,313,404	174,435,940
Total assets		391,227,584	509,499,239

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

	Note	2024 US$	2023 US$
Liabilities			
Notes payable to affiliates	15	162,862,654	193,947,460
Secured borrowings, net	6	74,726,366	124,452,114
Derivative liabilities	7	380,005	1,542,597
Total non-current liabilities		237,969,025	319,942,171
Current liabilities			
Amounts due to fellow group undertakings	14, 23	9,976,126	5,956,194
Secured borrowings, net	6	24,788,127	23,166,711
Notes payable to affiliates	15	13,076,944	69,802,792
Other liabilities	16	145,949	460,832
Total current liabilities		47,987,146	99,386,529
Total liabilities		285,956,171	419,328,700
Net assets		105,271,413	90,170,539
Issued capital and reserves			
Share capital	17	1	1
Capital contributions	18	104,941,131	104,941,131
Retained earnings/(deficit)		330,281	(14,770,593)
Total equity		105,271,413	90,170,539

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

Declan Cotter
Director

Gavin Mercer
Director

The accompanying notes on pages 18 to 49 form an integral part of these financial statements.

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

	Share Capital	Capital Contribution	Retained Earnings/ (Deficit)	Total Equity
	US$	US$	US$	US$
At 1 January 2023	1	104,941,131	18,507,640	123,448,772
Loss for the financial year	-	-	(28,897,640)	(28,897,640)
Other comprehensive loss	-	-	(4,380,593)	(4,380,593)
Total comprehensive loss for the year	-	-	(33,278,233)	(33,278,233)
At 31 December 2023	1	104,941,131	(14,770,593)	90,170,539
At 1 January 2024	1	104,941,131	(14,770,593)	90,170,539
Profit for the financial year	-	-	15,268,116	15,268,116
Other comprehensive loss	-	-	(167,242)	(167,242)
Total comprehensive income for the year	-	-	15,100,874	15,100,874
At 31 December 2024	1	104,941,131	330,281	105,271,413

The accompanying notes on pages 18 to 49 form an integral part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 US$	2023 US$
Cash flows from operating activities			
Profit/(loss) on ordinary activities before taxation		15,481,712	(29,569,262)
Interest income	2	(38,277,543)	(31,557,501)
Interest expense	3	37,656,799	32,873,724
Amortisation of loan costs	6	886,902	1,182,875
(Payments)/Proceeds from swap settlements	7	(941,822)	2,469,894
Unrealised fair value (gain)/loss on notes receivable from affiliates	12	(14,627,330)	26,882,773
Decrease/(increase) in amounts due from fellow group undertakings	11	1,271,659	(34,003,699)
Decrease in other assets	13	64,779	285,384
Increase/(decrease) in amounts due to fellow group undertakings	14	4,019,932	(3,312,090)
Decrease in other liabilities	16	(314,883)	(321,540)
Cash inflow/(outflow) from operations		5,220,205	(35,069,442)
Interest received	2, 12	31,765,326	21,748,443
Interest paid	3, 15	(94,921,666)	(13,442,053)
Net cash outflow from operating activities		(57,936,135)	(26,763,052)
Cash flows from investing activities			
Issuance of notes receivable from affiliates	12	-	(161,000,000)
Receipts on notes receivable from affiliates	12	143,282,857	244,398,019
Net cash inflow from investing activities		143,282,857	83,398,019
Cash flows from financing activities			
Withdrawals from (deposits into) restricted cash	10	(1,182,967)	36,562,647
Proceeds from notes payable to affiliates	15	256,804,278	-
Repayment of notes payable to affiliates	15	(287,889,084)	(60,281,482)
Debt issuance costs	6	-	(3,223,532)
Proceeds from borrowings	6	-	161,000,000
Repayment of borrowings	6	(48,840,230)	(190,116,537)
Net cash outflow in financing activities		(81,108,003)	(56,058,904)
Net movement in cash and cash equivalents		4,238,719	576,063
Cash and cash equivalents at the beginning of year		580,589	4,526
Cash and cash equivalents at the end of the year	9	4,819,308	580,589

The accompanying notes on pages 18 to 49 form an integral part of these financial statements.

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

1. Corporate information and material accounting policy information

1.1 Corporate information

The financial statements of the Company for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 18 September 2025. The Company was incorporated as a limited company on 21 February 2018 and registered as a Designated Activity Company ("DAC") effective 6 February 2020. The Company is domiciled in the Republic of Ireland. The registered office is located at West Pier, Dun Laoghaire, County Dublin, Ireland. The registered number of incorporation is 621584.

The principal activities of the Company are described in the Directors' Report on page 2. Information on the Company's immediate and ultimate parent undertaking is provided in Note 22.

1.2 Basis of preparation and statement of compliance

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

The financial statements have been prepared on a historical cost basis, except for derivative assets and liabilities and notes receivable from affiliates which are measured at fair value. The financial statements provide comparative information in respect of the previous period which covers the year ended 31 December 2023. The financial statements are presented in U.S. dollars ("US$").

Going Concern

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

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

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

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

1.3 New and amended accounting standards adopted

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

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

1.4 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

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

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

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

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

1.5 Foreign Currencies

The Company's financial statements are prepared in U.S. dollars (US$), which is also the functional currency of the Company. All financial information presented in US$ has been rounded to the nearest dollar unless otherwise indicated.

Foreign currency transactions are initially recorded at the spot rate and are translated at the rate of exchange prevailing on the first day of the month. However, where there is a difference of more than 5% between this rate and the rate at the date of the transaction an adjustment is made.

Monetary assets and liabilities denominated in currencies other than US$ are translated into US$ at exchange rates prevailing at the end of the reporting period. Non-monetary assets denominated in currencies other than US$ are stated at cost based on the exchange rate prevailing at the date of acquisition of the asset. All exchange differences are included in the Statement of Comprehensive Income.

1.6 Interest Income

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

1.7 Interest Expense

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

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

1.8 Operating expenses

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

1.9 Financial instruments

The Company's financial asset categories are financial assets at amortised cost and financial assets at fair value. Financial assets at amortised cost comprise "cash and cash equivalents", "restricted cash", "amounts due from fellow group undertakings", "notes receivable from affiliates" (Intercompany Credit Facility, see Note 12) and "other assets" in the Statement of Financial Position.

Financial assets at fair value comprise "notes receivable from affiliates" (PPNs only, see Note 12).

The Company's financial liabilities categories are financial liabilities measured at amortised cost and derivatives designated as hedging instruments.

Financial liabilities measured at amortised cost comprise "amounts due to fellow group undertakings", "notes payable to affiliates", "secured borrowings" and "other liabilities", in the Statement of Financial Position.

Derivatives designated as hedging instruments comprise of interest rate swaps used to hedge interest rates. The derivatives are measured at fair value with the effective portion of the gain or loss being recognised in other comprehensive income ("OCI").

1) Financial assets

Initial recognition and measurement
Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

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

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

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

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

1.9 Financial instruments (continued)

1) Financial assets (continued)

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

The Company's financial assets at amortised cost are cash and cash equivalents, restricted cash, amounts due from fellow group undertakings and other assets. Notes receivable from affiliates consist of notes that are measured at amortised cost, specifically the Intercompany Credit Facility (see Note 12), and at fair value through profit or loss.

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

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

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

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

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

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

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

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

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

The Company's financial assets at fair value through profit and loss consist of notes receivable from affiliates, specifically PPN Notes (see Note 12), on the basis that cash flows are not solely payments of principal and interest and derivatives that are designated as hedging instruments.

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

1.9 Financial instruments (continued)

1) Financial assets (continued)

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

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets
Further disclosures relating to impairment of financial assets are also provided in Note 25.

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

ECLs are recognised in two stages:

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

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

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

1.9 Financial instruments (continued)

2) Financial liabilities

Initial recognition and measurement
The Company's financial liabilities are categorised as financial liabilities measured at amortised cost and derivatives designated as hedging instruments.

Financial liabilities measured at amortised cost comprise "amounts due to fellow group undertakings", "notes payable to affiliates", "secured borrowings" and "other liabilities" in the Statement of Financial Position.

Derivatives designated as hedging instruments comprise of interest rate swaps used to hedge interest rate. The derivatives are measured at fair value with the effective portion of the gain or loss being recognised in OCI.

All financial liabilities are recognised initially at fair value and, in the case of liabilities that are measured at amortised cost, net of directly attributable transaction costs.

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Derivatives designated as hedging instruments comprise of interest rate swaps used to hedge interest rate. The derivatives are measured at fair value with the effective portion of the gain or loss being recognised in OCI.

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

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

This category generally applies to interest-bearing loans and borrowings.

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

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

1.9 Financial instruments (continued)

3) Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, restricted cash, amounts due from fellow group undertakings, notes receivable from affiliates, other assets, amounts due to fellow group undertakings, notes payable to affiliates, secured borrowings and other liabilities.

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

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. .

Cash and cash equivalents
The Company considers cash and cash equivalents to be cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash.

Restricted cash
The Company's restricted cash consists of cash received from a fellow group undertaking, Merah Aircraft 4 Limited's lessees (refer to Note 6), that is pledged as collateral to the Company's lenders.

Notes receivable from affiliates
Notes receivable from affiliates consist of non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Notes receivable, specifically PPNs (see Note 12), are initially measured at fair value and are subsequently measured at fair value at the end of each reporting period with any fair value movements recognised in the Company Statement of Comprehensive Income. Notes receivable were issued to the Company's affiliates for the acquisition of aircraft.

For notes receivable from affiliates that are not held at fair value through profit and loss (Intercompany Credit Facility), financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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

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

1.9 Financial instruments (continued)

3) Non-derivative financial instruments (continued)

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

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

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

1.10 Taxation

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

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

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

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

1.11 Share capital

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

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

1.12 Derivatives

The Company uses interest rate swaps to fix interest rates and manage its exposure to expected cash flows. On the date that the Company enters into an interest rate swap with the intent to hedge from an accounting perspective, the Company formally documents all relationships between the swaps and the hedged items, as well as its risk management objective and strategy for undertaking each hedge transaction.

Interest rates swaps designated in a hedge relationship to mitigate exposure to variability in expected future cash flows are considered cash flow hedges. Such interest rate swaps are initially recognised at fair value on the date on which the swap is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of a swap that is designated and qualifies as an effective cash flow hedge are recorded in OCI, net of tax, until earnings are affected by the variability of cash flows of the hedged item. Any swap gains and losses that are not effective in hedging the variability of expected cash flows of the hedged items are recognised directly into interest expense. The Company recognises the net interest payments on interest rate swaps into interest expense.

At the inception of a hedge, and at least quarterly thereafter, a formal assessment is performed to determine whether changes in cash flows of the interest rate swap have been highly effective in offsetting changes in the cash flows of the hedged items and whether they are expected to be effective in the future. If it is determined that an interest rate swap has not been or will not continue to be highly effective as a hedge, hedge accounting is discontinued. When this occurs, unrecognised gains and losses recorded in equity are recognised as interest expense over the remaining life of the hedged item in the Statement of Comprehensive Income.

1.13 Significant accounting judgments, estimates and assumptions

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

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

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

Note 8 – Deferred tax assets – key judgment about the availability of future taxable profits against which carry forward tax losses can be used; and

Note 12 – Fair value and recoverability of notes receivable from affiliates – key inputs in assessing the fair value and recoverability of notes receivables from affiliates include the discount rate, contractual cash flows and future disposals of aircraft; see 1.14 c) below. The impact of these inputs is disclosed in Notes 19 and 25.

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

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

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

1.14 Determination of fair values

Some of the Company's accounting policies and disclosures require the determination of fair value, for financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a. Cash and cash equivalents and restricted cash
The carrying amount approximates to fair value due to the short-term nature of these instruments.

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

c. Notes receivable from affiliates
The fair value of these instruments was based on the present value of estimated future cash flows from the underlying aircraft of its affiliates. Key inputs include the discount rate, current contractual lease cash flows and projected future sale cash flows, extended to the end of the underlying aircraft's estimated holding period in its highest and best use. The estimated future cash flows are then discounted to present value.

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

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

f. Fair value of derivative liabilities
Interest rate swaps are valued using valuation techniques, such as discounted cash flow analyses on the expected cash flows of each derivative and uses observable market-based inputs, including interest rate curves. Periodically, the Company assess whether the hedged transactions are still probable of occurring and monitors the creditworthiness of the swap counterparty to determine whether the risk of default continues to be remote.

2. Interest income

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Interest income on notes receivable from affiliates at fair value	26,906,512	17,928,067
Interest income on notes receivable from affiliates at amortised cost	10,777,879	13,032,240
Bank deposit interest income	593,152	597,194
	38,277,543	31,557,501

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

3. Interest expense

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Amortisation of loan costs	886,902	1,182,875
Interest expense on secured borrowings and derivatives	8,857,853	8,191,372
Interest expense on notes payable to affiliates	27,857,125	24,682,352
	37,601,880	34,056,599

The above interest expense of US$8.9 million (2023: US$8.2 million) includes a credit to interest expense of US$1.5 million (2023: US$1.8 million) on the hedged derivatives and US$Nil (2023: US$2.5 million) in relation to the cumulative unrealised fair value gains on the terminated interest rate swap contracts that was reclassified to interest expense.

4. Other income

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Legal settlement funds received	403,610	-
	403,610	-

5. Operating expenses

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Selling, general and administrative	224,891	187,391
	224,891	187,391

6. Secured borrowings, net

In June 2018, the Company and Incline Aladdin MaltaCo Limited (Aladdin Malta), an affiliate, entered into a US$695.7 million senior secured credit facility (the "Credit Facility") with a consortium of lenders to finance the acquisition of a portfolio of 34 aircraft on operating leases to the AirAsia Group (the AirAsia Portfolio) by Merah Aircraft 4 Limited ("MA4"), an affiliate. Borrowings are secured by the beneficial interests in the borrowers, MA4's parent undertaking, Red Aircraft Holdings 2 Co., Ltd. ("RAH2"), and RAH2's aircraft-owning and leasing subsidiaries; the AirAsia Portfolio; and the related leases. Each loan made pursuant to the Credit Facility was designated 25% to a Series A Loan and 75% to a Series B Loan.

During the prior financial year, the Company made principal repayments of US$179.1 million on Series B. Series B bore interest at a rate equal to 3-month LIBOR plus a margin of 1.80%. At the time the Credit Facility matured, and prior to the discontinuation of LIBOR, the interest rate applicable to the Series B Loan was 6.90%. The Series A and B loans were repaid in full in June 2019 and June 2023 respectively.

In June 2023, the Company entered into a US$161.0 million senior secured credit facility (the "Aladdin Credit Facility") to refinance 14 aircraft with a maturity in June 2031. The Company received no borrowings (2023: US$161.0 million) and repaid US$48.8 million (2023: US$11.0 million) during the financial year. At 31 December 2024, the Company had US$101.2 million (2023: US$150.0 million) principal amount outstanding under the Aladdin Credit Facility and incurred debt issuance costs of US$Nil (2023: US$3.2 million). As of 31 December 2024, the Company had accrued and unpaid interest of US$0.2 (2023: US$0.3 million).

Loans under the Aladdin Credit Facility are based on daily Secured Overnight Financing Rate ("SOFR"), plus a margin of 3.0%. The weighted average interest rate for outstanding borrowings under the Aladdin Credit Facility was 8.22% at 31 December 2024 (2023: 7.15%).

The Aladdin Credit Facility contains operating covenants and customary reporting requirements. Breaches of covenants, if any, do not result in a reclassification of the related borrowings and do not trigger an immediate repayment of the borrowings. As of 31 December 2024 and 2023, the Company is in compliance with these reporting requirements. The borrowers are required to maintain a loan-to-value ("LTV") ratio of (a) 70% through June 14, 2024, (b) 67.5% from June 15, 2024 through June 14, 2025, (c) 65% from June 15, 2025 through June 14, 2026, (d) 62.5% from June 15, 2026 through June 14, 2027, (e) 60% from June 15, 2027 through June 14, 2028, (f) 57.5% from June 15, 2028 through June 14, 2029, (g) 55% from June 15, 2029 through June 14, 2030 and (h) 52.5% thereafter.

Upon the occurrence and continuance of an event of default, a breach of the LTV ratio for a period of six months or certain other events, the borrowers will be required to deposit all maintenance reserves and security deposits received under the associated leases into pledged accounts. The Company has provided a guarantee of the borrowers' obligations to deposit such maintenance reserves and security deposits upon the occurrence of any of these triggering events. The Company must also maintain a tangible net worth of at least US$165.0 million and a minimum liquidity of at least US$50.0 million.

In addition, upon the occurrence of any payment event of default under the Aladdin Credit Facility, the Company or borrowers may cure such event of default with a cash payment for no more than 12 payment dates in the aggregate. A cash sweep may be triggered under the Aladdin Credit Facility in an amount equal to 100% of certain collection amounts remaining upon the occurrence of a breach of the LTV ratio or certain other events, in each case, such amounts to be applied to repay the outstanding principal balance of the loans.

	2024 US$	**2023 US$**
Principal outstanding	101,170,503	150,010,733
Accrued and unpaid interest	197,052	348,056
Loan costs, net of amortisation	(1,853,062)	(2,739,964)
Net loans and borrowings	99,514,493	147,618,825

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

6. Secured borrowings, net (continued)

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Movement on principal and interest		
Balance at beginning of financial year	150,358,789	181,169,052
Advanced during the financial year	-	161,000,000
Repayment of borrowings	(48,840,230)	(190,116,537)
Interest paid	(11,846,544)	(12,354,992)
Interest expense	11,695,540	10,661,266
Balance at end of financial year	101,367,555	150,358,789

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Movements on loan costs		
Balance at beginning of financial year	2,739,964	699,307
Debt issuance costs	-	3,223,532
Amortisation of loan costs	(886,902)	(1,182,875)
Balance at end of financial year	1,853,062	2,739,964

	31 December 2024 US$	31 December 2023 US$
Loan commitments as contracted:		
Due within one year	25,386,669	23,606,263
Due between one and two years	25,605,630	25,386,669
Due between two and three years	25,907,660	25,605,630
Due between three and four years	20,434,646	25,907,660
Due between four and five years	3,835,898	20,434,646
Due over five years	-	29,069,865
	101,170,503	150,010,733

7. Derivatives

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

These derivative contracts are expected to reduce the volatility attributable to interest rate fluctuations. Hedging the volatility of forecast interest rates is in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swap contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount, maturity, payment and reset dates). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap contracts is identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument;
- Differences in the timing of the cash flows of the hedged items and the hedging instruments;
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items; and
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

The Company's interest rate derivatives have been designated as cash flow hedges. The effective portion of changes in fair value of these derivatives are recorded as a component of accumulated OCI. The Company recognises the net interest payments on the interest rate swaps into interest expense. Any derivative gains and losses that are not effective in hedging the variability of expected cash flow of the hedged item are recognised into interest expense.

The unrealised fair value loss (2023: loss) on the interest rate swap contracts, reflected as derivative liabilities (2023: derivative liabilities) on the Statement of Financial Position, as of 31 December 2024 was US$0.4 million (2023: US$1.5 million):

Type	Maturity Date	Hedge Interest Rate	Notional Amount US$	Derivative Fair Value US$	Loss Recognised in OCI	Gain/(Loss) Recognised in Earnings US$
Derivative liabilities at 31 December 2024:						
Interest rate swaps (2)	15-Jun-31	4.15%	126,404,470	(380,005)	(167,242)	(941,822)

Type	Maturity Date	Hedge Interest Rate	Notional Amount US$	Derivative Fair Value US$	Loss Recognised in OCI	Gain/(Loss) Recognised in Earnings US$
Derivative assets at 31 December 2023:						
Interest rate swaps (2)	15-Jun-31	4.15%	150,010,733	(1,542,597)	(4,380,593)	2,469,894

Both of the above derivative instruments were de-designated on 10 October 2024. These derivative instruments mature on 15 June 2027, have a swap contract notional amount of $126.4 million and a hedge interest rate of 4.15%.

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

7. Derivatives (continued)

During the year ended 31 December 2024, the Company did not enter into any new interest rate swap contracts (2023: two), terminated no interest rate swap contracts (2023: 28) and received no proceeds related to terminations (2023: US$2.5 million). The Company paid no termination fees during 2024 and 2023. At 31 December 2024, the Company had an accumulated other comprehensive loss, net of deferred tax, of US$1.7 million (2023: accumulated other comprehensive loss of US$1.5 million).

8. Tax on continuing operations

8.1 Analysis of tax in financial year

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Deferred tax		
Tax on continuing operations	213,596	(671,622)
Income tax for the financial year	213,596	(671,622)

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

The tax for the financial year is lower (2023: higher) than the tax on ordinary activities at the rate of corporation tax in the Republic of Ireland for qualifying companies within the meaning of Section 110 of the Irish Tax Consolidation Act, 1997 (25%). The differences are explained below:

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Profit/(Loss) on ordinary activities before taxation	15,481,712	(29,569,262)

	2024 US$	2023 US$
Tax on ordinary activities at standard Irish corporation tax rate of 25% (2023: 25%)	3,776,791	(7,392,316)
Effects of:		
Non-assessable for tax purposes	(3,563,195)	6,720,694
Income tax for the financial year	213,596	(671,622)

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

8. Tax on continuing operations (continued)

8.3 Circumstances affecting current and future tax charges

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

8.4 Deferred tax

Deferred tax generally relates to deferred tax expense offset by deferred tax credits for losses available for offsetting against future taxable income.

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

The amount of the deferred tax assets is considered realizable, however, it could be significantly reduced in the near term if estimates of future taxable income during the carry-forward period are reduced due to prolonged dislocation in the capital markets and negative changes in economic conditions and their consequences for air travel generally and specifically demand for aircraft. The key judgments associated with the accounting for deferred taxes relate primarily to whether there will be sufficient taxable income to recognise the tax losses. A deferred tax asset has been recognised based on the following:

- Favourable profit projections which are consistent with forecasts used for internal management and planning purposes, and also consistent with forecasts used to support other areas of financial reporting such as impairment analysis; and
- Contractually committed lease agreements entered into by the Company's fellow group undertakings which support a future income stream in excess of the cost required to service the lease.

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

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Deferred tax asset		
Opening balance	1,083,275	411,653
Deferred tax	(213,596)	671,622
Total deferred tax asset	869,679	1,083,275

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

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

9. Cash and cash equivalents

	31 December 2024 US$	31 December 2023 US$
Cash at bank	4,819,308	580,589

10. Restricted cash

	31 December 2024 US$	31 December 2023 US$
Pledged accounts	1,885,799	702,832

Pursuant to the Aladdin Credit Facility, MA4's lessees are required to make certain payments due to MA4 into accounts in the Company's name that are pledged to the security trustee of the Aladdin Credit Facility, being Wilmington Trust (London) Limited.

11. Amounts due from fellow group undertakings

	31 December 2024 US$	31 December 2023 US$
Amounts due from fellow group undertakings	89,091,286	90,362,945

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

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

12. Notes receivable from affiliates

	31 December 2024 US$	31 December 2023 US$
Intercompany Credit Facility	102,595,103	151,006,624
Profit Participating Notes (PPNs)	191,616,098	265,347,883
	294,211,201	416,354,507

Intercompany Credit Facility
In June 2018, the Company entered into a senior secured credit facility (the Intercompany Credit Facility) with RAH2 to finance MA4's acquisition of the AirAsia Portfolio. Borrowings are secured by the beneficial interests in RAH2 and RAH2's aircraft-owning and leasing subsidiaries; the aircraft; and the related leases. Each loan made pursuant to the Intercompany Credit Facility was designated 25% to a Series A Loan and 75% to a Series B Loan. The Series A and B Loans were repaid in full in 2019 and 2023 respectively.

In June 2023, the Company entered into the US$161.0 million Aladdin Credit Facility to refinance 14 aircraft with a maturity in June 2031 (see Note 6 above). Concurrently, the Company entered into an intercompany loan with MA4 amounting to US$161.0 million. Loans under the intercompany loan are based on daily SOFR, plus a margin of 3.00%. The interest rate for outstanding borrowings under the intercompany loan was 7.88% at 31 December 2024 (2023: 8.44%). The intercompany loan matures in June 2031.

	31 December 2024 US$	31 December 2023 US$
Intercompany Credit Facility		
Principal, non-current	77,890,504	150,010,733
Principal, current	23,279,999	-
Accrued and unpaid interest, current	1,424,600	995,891
	102,595,103	151,006,624

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Movements		
Balance at beginning of financial year	151,006,624	209,725,166
Advanced during the financial year	-	161,000,000
Receipts from notes receivable from affiliates	(48,840,230)	(213,247,628)
Interest received	(10,349,170)	(19,503,154)
Interest income	10,777,879	13,032,240
Balance at end of financial year	102,595,103	151,006,624

12. Notes receivable from affiliates (continued)

	31 December 2024 US$	31 December 2023 US$
Maturity profile of Intercompany Loans		
Due within one year	18,000,000	23,606,263
Due between one and two years	18,000,000	25,386,669
Due between two and three years	18,000,000	25,605,630
Due between three and four years	18,000,000	25,907,660
Due between four and five years	18,000,000	20,434,646
Due after five years	11,170,503	29,069,865
	101,170,503	150,010,733

PPN

During 2019, the Company entered into a subscription agreement for profit participating notes (“PPNs”) to fund the acquisition of aircraft by MA4, an affiliate of the Company. The PPN’s are structured as limited in recourse and entitle the Company to a periodic return equal to the profit of the affiliate, after taking into consideration a fixed return rate of 8.50%, less a cash retention amount of US$1,200 per quarter. Notes issued in 2019 mature in 2039.

	31 December 2024 US$	31 December 2023 US$
PPNs		
Principal, non-current	104,153,997	183,969,291
Accrued and unpaid interest, current	87,462,101	81,378,592
Total loans	191,616,098	265,347,883

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Movements		
Balance at beginning of financial year	265,347,883	307,101,075
Receipts from notes receivable from affiliates	(94,442,627)	(31,150,391)
Unrealised fair value gain/(loss)	14,627,330	(26,882,773)
Interest received	(20,823,000)	(1,648,095)
Interest income	26,906,512	17,928,067
Balance at end of financial year	191,616,098	265,347,883

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

13. Other assets

	31 December 2024 US$	31 December 2023 US$
Service fee receivables	-	25,000
Interest rate swap income receivable	8,791	48,571
	8,791	73,571

Other assets are expected to be fully recovered within twelve months after the reporting date.

14. Amounts due to fellow group undertakings

	31 December 2024 US$	31 December 2023 US$
Amounts due to fellow group undertakings	9,976,126	5,956,194

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

15. Notes payable to affiliates

	31 December 2024 US$	31 December 2023 US$
Fixed-Rate Note	709,785	257,470,855
Intercompany Loan	-	402,152
PPN	175,229,813	5,877,245
Total loans	175,939,598	263,750,252

The repayment of notes payable to affiliates of US$287.9 million consists of a non-cash settlement of a FRN with Incline B Aviation Aladdin (Cayman) Co., Ltd., a related party, in the amount of US$193.4 million as part of an internal refinancing. In addition, the repayment also consists of a US$94.4 million non-cash payment settled through intercompany amounts due to fellow group understanding.

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

15. Notes payable to affiliates (continued)

Fixed-Rate Note

In June 2018, the Company issued a US$321.0 million fixed-rate note (the Fixed-Rate Note) to Incline B Aviation Aladdin (Cayman) Holdings Limited Partnership (Aladdin Cayman Holdings), an affiliate, for a loan to finance the IOU Notes. In December 2019, Aladdin Cayman Holdings transferred the Fixed-Rate Note to a subsidiary. The Fixed-Rate Note is listed on the Cayman Stock Exchange and bears a fixed interest rate of 8.5%, maturing in July 2038.

	31 December 2024 US$	31 December 2023 US$
Fixed-Rate Note		
Principal, non-current	500,000	193,946,460
Accrued and unpaid interest, current	209,785	63,524,395
Total loans	709,785	257,470,855

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Movements		
Balance at beginning of financial year	257,470,855	270,693,265
Repayment of notes payable to affiliates	(193,446,460)	(31,150,391)
Interest paid	(63,357,818)	-
Interest expense	43,208	17,927,981
Balance at end of financial year	709,785	257,470,855

Intercompany Loan

In June 2018, the Company and Aladdin Malta entered into an intercompany loan agreement whereby Aladdin Malta loans proceeds it receives from the Credit Facility to the Company (the Intercompany Loan). Similar to the Credit Facility, each loan made by Aladdin Malta to the Company was designated 25% to a Series A Loan and 75% to a Series B Loan. The Series A Loan was repaid in full during 2019 and the Series B loans matured and were repaid in full in June 2023. Series B Loans bore interest at a rate equal to 3-month LIBOR plus a margin of 1.89%.

	31 December 2024 US$	31 December 2023 US$
Intercompany Loan		
Principal, Series B Loans, current	-	-
Accrued and unpaid interest, current	-	402,152
Total loans	-	402,152

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

15. Notes payable to affiliates (continued)

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Movements		
Balance at beginning of financial year	402,152	29,742,178
Repayment of borrowings	-	(29,131,091)
Interest paid	(402,152)	(1,087,061)
Interest expense	-	878,126
Balance at end of financial year	-	402,152

PPN
In 2019, the Company issued a US$0.5 million fixed-rate note bearing interest at 8.50% and a profit participating note for US$49.5 million. The fixed rate note was fully repaid during the prior financial year. The PPN was partially repaid with a principal balance outstanding of US$1,000. The note matures in February 2039.

During December 2024, the Company issued a profit participating note for US$256.8 million to Incline Aladdin Holdings SARL. The PPN matures in December 2044. Under the PPN agreements, the Company is obligated to pay a periodic return equal to the profit of the Company, less a cash retention amount of US$1,200 per quarter.

	31 December 2024 US$	31 December 2023 US$
PPN		
Principal, non-current	162,362,654	1,000
Accrued and unpaid interest, current	12,867,159	5,876,245
Total loans	175,229,813	5,877,245

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Movements		
Balance at beginning of financial year	5,877,245	1,000
Advanced during the financial year	256,804,278	-
Repayment of borrowings	(94,442,624)	-
Interest paid	(20,823,003)	-
Interest expense	27,813,917	5,876,245
Balance at end of financial year	175,229,813	5,877,245

16. Other liabilities

	31 December 2024 US$	31 December 2023 US$
Accrued operating expenses	145,949	460,832

17. Share capital

Authorised

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

Issued and fully paid

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

18. Capital contributions

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

19. Fair value

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

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

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

19. Fair value (continued)

a) Fair value of financial assets and financial liabilities

The fair value of notes receivable from affiliates was determined based on the present value of estimated future cash flows. Key inputs include the discount rate, current contractual lease cash flows and projected future sale cash flows from its affiliates' underlying aircraft, extended to the end of the underlying aircraft's estimated holding period in its highest and best use. The estimated future cash flows are then discounted to present value. Notes receivable from affiliates are classified as Level 3.

The carrying amount of the Company's cash and cash equivalents, restricted cash, amounts due from and due to fellow group undertakings, other assets and liabilities approximate their fair values. Notes receivable from affiliates, secured borrowings and notes payable to affiliates are recorded at amortised cost and are classified as Level 3. The fair value of the derivative liabilities are classified as Level 2. The valuation of interest rate swaps is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves.

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

At 31 December 2024	Derivatives designated as hedging instruments	Fair Value through Profit and Loss	Amortised Cost	Carrying Amount	Fair Value
	US$	US$	US$	US$	US$
Notes receivable from affiliates	-	191,616,098	102,595,103	294,211,201	281,242,756
Derivative liabilities	380,005	-	-	380,005	380,005
Notes payable to affiliates	-	-	175,939,598	175,939,598	175,644,671
Secured borrowings	-	-	99,514,493	99,514,493	86,546,048
	380,005	-	275,454,091	275,834,096	262,570,724

At 31 December 2023	Derivatives designated as hedging instruments	Fair Value through Profit and Loss	Amortised Cost	Carrying Amount	Fair Value
	US$	US$	US$	US$	US$
Notes receivable from affiliates	-	265,347,883	151,006,624	416,354,507	417,078,009
Derivative liabilities	1,542,597	-	-	1,542,597	1,542,597
Notes payable to affiliates	-	-	263,750,252	263,750,252	138,770,252
Secured borrowings	-	-	147,618,825	147,618,825	147,618,825
	1,542,597	-	411,369,077	412,911,674	287,932,034

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

19. Fair value (continued)

b) Fair value valuation techniques

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative liabilities	Discounted cash flow method: The fair values are determined based on the contractual terms of the derivatives and interest rate curves.	Not applicable	Not applicable
Fair value of notes receivable from affiliates	Discounted cash flow method	Discount rate based on published airline industry's weighted average cost of capital ("WACC") as a measure of the estimated market rate estimated cash flows extended to the maturity of the instruments.	1% increase/(decrease) in the discount rate would result in a (decrease)/increase in the fair value of US$(11.9) million and US$12.6 million, respectively (2023: US$(10.6) million and US$11.3 million).
Notes payable to affiliates and secured borrowings	Discounted cash flow method	Discount rate, the debt rate using the average weighted credit facility rate for other similar borrowings and the contractual principal repayment amounts extended to the maturity of the instruments.	In 2024, a 1% increase/(decrease) in the discount rate would have resulted in a (decrease)/increase in the fair value of US$(1.8) million and US$1.8 million, respectively. In 2023, the carrying amount of notes payable to affiliates and secured borrowings approximates fair value.

20. Statutory and other information

The profit/(loss) on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2024 US$	Year ended 31 December 2023 US$
Directors' remuneration	-	-
Auditor's remuneration:		
- Audit fees	17,031	20,573
- Tax advisory services	3,377	4,673
	20,408	25,246

The Company incurred no directors' costs (2023: US$Nil). Auditor's remuneration, shown exclusive of value added tax ("VAT"), arises from the audit of entity financial statements and tax compliance fees. The tax compliance fees incurred consist of tax return preparation and reporting and is payable to the auditor.

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

21. Employees

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

22. Immediate and ultimate parent undertaking

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

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

The smallest and largest group in which the financial statements of the Company are consolidated are Aladdin Holdings and Incline B, respectively. Aladdin Holdings is incorporated in the Republic of Ireland, having its registered office at West Pier, Dun Laoghaire, County Dublin. Aladdin Holdings' financial statements are publicly available at the Company's registered office. The financial statements of Incline B are not publicly available.

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

23. Related party transactions

The Company has notes receivable from affiliates (see Note 12) and notes payable to affiliates (see Note 15). Details on additional transactions with fellow group undertakings are disclosed below:

	31 December 2024 US$	31 December 2023 US$
Amounts due from fellow group undertakings		
Intermediate parent:		
Incline B Aviation Aladdin (Cayman) Holdings Limited Partnership	46,858,380	-
Immediate parent:		
Incline Aladdin Holdings Limited	-	57,765,460
Affiliates:		
Merah Aircraft 4 Limited	42,110,955	32,591,485
Incline Aladdin Holdings SARL	12,000	6,000
Red Aircraft Holdings 2 Co., Ltd.	1,772	-
Incline Aladdin 1 Leasing Limited	59,726	-
Incline Aladdin 2 Leasing Limited	19,909	-
Incline Aladdin 3 Leasing Limited	19,909	-
Other related parties:		
Incline Aviation 9 Limited	1,772	-
Incline Aviation 15 Limited	1,772	-
Incline Aviation 2 Limited	1,547	-
Incline Aviation 7 Limited	1,772	-
Incline Aviation 16 Limited	1,772	-
	89,091,286	90,362,945

	31 December 2024 US$	31 December 2023 US$
Amounts due to fellow group undertakings		
Ultimate parent:		
Incline B Aviation Limited Partnership	518	483
Affiliates:		
Incline Aladdin Engine Funding Designated Activity Company	9,317,193	5,582,870
Other related parties:		
Incline Aviation Holdings Designated Activity Company	363,228	365,000
Incline B Irish Co. One Limited	8,826	3,434
Incline B Irish Co. Three Limited	5,144	4,407
Incline Aviation Funding Limited	281,217	-
	9,976,126	5,956,194

23. Related party transactions (continued)

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

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

During the financial year, the Company paid BBAM ASL for the provision of Directors to the Company for a fee of US$2,000 (2023: US$2,000).

24. Capital management

The primary objective of the Company in terms of capital management is to ensure that appropriate capital ratios are maintained in order to support the business. At 31 December 2024, Company capital comprise secured borrowings, measured at US$99.5 million (2023: US$147.6 million), notes payable to affiliates measured at US$175.9 million (2023: US$263.8 million), and issued share capital, capital contributions and retained earnings, measured at a total surplus of US$105.3 million (2023: US$90.2 million). The Company regards secured borrowings as a form of capital. The secured borrowings are subject to customary covenants and events of default which are described in more detail in Note 6. The Company manages its capital base and makes adjustments to it in light of changes in economic conditions. There have been no changes in the objectives, policies or processes relating to capital management during the year.

25. Risks and uncertainties

a) Market risk

The Company is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect it through a reduced demand for aircraft in the fleet and/or reduced market rates, higher incidences of lessee default and aircraft off-lease, all of which may require that the carrying value of notes receivable from affiliates be materially reduced.

These exposures are managed through the requirement of the airlines that lease MA4's assets to maintain insurance, adequate maintenance policies and/or contribute to a maintenance reserve for the major maintenance on each aircraft. The effective monitoring and controlling of these exposures for the period was a competency of BBAM ASL as part of the financial risk policy which the Company has entered into.

A significant deterioration in the financial condition of or bankruptcy by a lessee could impair their ability to comply with their lease payment obligations to the MA4 and expose the Company to significant financial loss. The Company and BBAM ASL periodically perform reviews of the carrying values of notes receivable from affiliates, substantially all of which are susceptible to the above risks and uncertainties.

b) Liquidity risk

The ability of the Company to continue to operate is dependent upon its ability to meet its payment obligations and adhere to covenant requirements under respective arrangements (see Note 6 above). If the Company cannot meet its obligations under the various debt arrangements or its capital commitments, it may be subject to contract breach damages suits and may even be unable to continue to operate on a going concern basis.

In the management of liquidity risk, the Company and BBAM ASL monitors and maintains a level of liquid assets deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The Company's exposure to liquidity risk is minimal as it is expected that the Company can meet its short-term liabilities as they fall due through the ongoing cash inflows from operating activities and access to additional funding from its ultimate parent undertaking, if required.

25. Risks and uncertainties (continued)

b) Liquidity risk (continued)

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

At 31 December 2024	Carrying amount US$	Total US$	Up to 3 months US$	3 months to 1 year US$	1 year to 5 years US$	Over 5 years US$
Amounts due to fellow group undertakings	9,976,126	9,976,126	-	9,976,126	-	-
Secured borrowings	99,514,493	99,514,493	6,239,450	18,548,677	74,726,366	-
Notes payable to affiliates	175,939,598	175,939,598	13,076,944	-	-	162,862,654
Derivative liabilities	380,005	380,005	23,826	70,829	285,350	-
Other liabilities	145,949	145,949	145,949	-	-	-
Other future interest	-	16,338,417	1,937,356	4,913,192	9,084,119	403,750
Total	285,956,171	302,294,588	21,423,525	33,508,824	84,095,835	163,266,404

At 31 December 2023	Carrying amount US$	Total US$	Up to 3 months US$	3 months to 1 year US$	1 year to 5 years US$	Over 5 years US$
Amounts due to fellow group undertakings	5,956,194	5,956,194	5,956,194	-	-	-
Secured borrowings	147,618,825	150,358,789	6,115,273	17,839,046	97,334,604	29,069,866
Notes payable to affiliates	263,750,252	263,750,252	69,802,792	-	-	193,947,460
Derivative liabilities	1,542,597	1,937,686	78,808	229,893	1,254,359	374,626
Other liabilities	460,832	460,832	460,832	-	-	-
Other future interest	-	300,098,306	7,288,673	19,951,005	88,755,812	184,102,816
Total	419,328,700	722,562,059	89,702,572	38,019,944	187,344,775	407,494,768

Other future interest is calculated based on SOFR as at year end plus an applicable margin, as well as a fixed interest rate, as applicable. The other future interest calculation does not include interest on PPNs, as the interest payments depend on the profits of the Company which cannot be forecasted with reasonable certainty.

c) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on notes receivable from affiliates, interest bearing liabilities, consisting of secured borrowings and notes payable to affiliates. The Company uses interest rate swaps to hedge interest rate risk on interest bearing liabilities, except for the Fixed-Rate Note which is not exposed to interest rate risk through the impact of market rate changes. The interest rate and terms of repayment of financial liabilities are disclosed in the respective notes to the financial statements. As the Company uses interest rate swaps, there is no material exposure to interest rate risk on interest bearing liabilities and therefore, no sensitivity analysis has been presented.

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

25. Risks and uncertainties (continued)

c) Interest rate risk (continued)

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

As at 31 December 2024	Carrying Amount	Interest bearing		Non-interest bearing
		Fixed	Variable	
	US$	US$	US$	US$
Financial assets:				
Cash and cash equivalents	4,819,308	-	4,819,308	-
Restricted cash	1,885,799	-	1,885,799	-
Amounts due from fellow group undertakings	89,091,286	-	-	89,091,286
Notes receivable from affiliates	294,211,201	-	182,044,501	112,166,700
Other assets	8,791	-	-	8,791
Total	390,016,385	-	188,749,608	201,266,777
Financial liabilities:				
Amount due to fellow group undertakings	9,976,126	-	-	9,976,126
Notes payable to affiliates	175,939,598	500,000	162,362,654	13,076,944
Secured borrowings	99,514,493	-	99,317,441	197,052
Derivative liabilities	380,005	-	380,005	-
Other liabilities	145,949	-	-	145,949
Total	285,956,171	500,000	262,060,100	23,396,071

As at 31 December 2023	Carrying Amount	Interest bearing		Non-interest bearing
		Fixed	Variable	
	US$	US$	US$	US$
Financial assets:				
Cash and cash equivalents	580,589	-	580,589	-
Restricted cash	702,832	-	702,832	-
Amounts due from fellow group undertakings	90,362,945	-	-	90,362,945
Notes receivable from affiliates	416,354,507	-	333,980,024	82,374,483
Other assets	73,571	-	-	73,571
Total	508,074,444	-	335,263,445	172,810,999
Financial liabilities:				
Amount due to fellow group undertakings	5,956,194	-	-	5,956,194
Notes payable to affiliates	263,750,252	193,946,460	1,000	69,802,792
Secured borrowings	147,618,825	-	147,270,769	348,056
Derivative liabilities	1,542,597	-	1,542,597	-
Other liabilities	460,832	-	-	460,832
Total	419,328,700	193,946,460	148,814,366	76,567,874

25. Risks and uncertainties (continued)

d) Credit risk

The Company is subject to the credit risk of MA4's lessees as to collection of rental and maintenance payments under its operating leases since MA4's ability to pay back its loans depends on rental collections. The maximum exposure to credit risk at the reporting date in relation to the Company's financial assets were:

Exposure to credit risk	**2024**	**2023**
	US$	**US$**
Cash and cash equivalents	4,819,308	580,589
Restricted cash	1,885,799	702,832
Amounts due from fellow group undertakings	89,091,286	90,362,945
Notes receivable from affiliates	294,211,201	416,354,507
Other assets	8,791	73,571

Credit risk is defined as an unexpected loss in cash and earnings if the counterparty is unable to pay its obligations in due time. The Company's objective in managing credit risk is to minimize potential losses incurred due to non-payment by MA4's lessees. The effective monitoring and controlling of airline customer credit risk is a competency of BBAM ASL as part of the financial risk policy the Company has entered into. The creditworthiness of each new customer of MA4 is assessed and MA4 seeks security deposits in the form of cash or Letters of Credit to mitigate overall financial exposure to its lessees.

The assessment process takes into account qualitative and quantitative information about the customer such as business activities, financial resources and performance or business risks, to the extent that this information is publicly available or otherwise disclosed to the Company.

The Company holds cash balances which are invested on a short-term basis and are classified as cash and cash equivalents. These deposits give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty. The Company typically does not enter into deposits with duration of more than 3 months. The Company's bank balances are held with JP Morgan Chase, N.A., which has a credit rating of 'Aa1- Outlook: Negative' (2023: 'Aa1- Outlook: Negative'), based on Moody's.

The Company and BBAM ASL periodically perform reviews of notes receivable from affiliates, if any, and substantially all of which are susceptible to the above risks and uncertainties.

Impairment of financial assets
The Company has four types of financial assets that are subject to the ECL model:

- Cash and cash equivalents and restricted cash;
- Amounts due from fellow group undertakings;
- Notes receivable from affiliates; and
- Other assets.

Cash and cash equivalents and restricted cash
While cash and cash equivalents and restricted cash are subject to the impairment requirements of IFRS 9, no ECL was identified as of 31 December 2024 and 2023.

Amounts due from fellow group undertakings
The Company's amounts due from fellow group undertakings of US$89.1 million (2023: US$90.4 million) are all due from group companies. The Company has assessed the potential impairment of its total receivable balance through a credit assessment of the probability of default of the counterparty. The identified impairment loss was immaterial and therefore the Company has not recognised any loss allowance in respect of its amounts due from fellow group undertakings during the financial year ended 31 December 2024 (2023: US$Nil).

25. Risks and uncertainties (continued)

d) Credit risk (continued)

Notes receivable from affiliates
The Company’s investments in notes receivable from affiliates are all due from group companies. The Company has assessed the potential impairment of its notes receivable through a credit assessment of the probability of default of the counterparty. Notes receivable measured at fair value through profit or loss are excluded from this assessment. The identified impairment loss was immaterial and therefore the Company has not recognised any loss allowance in respect of its investment in notes receivable during the financial year ended 31 December 2024 (2023: US$Nil).

Other assets
While other assets are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

e) Foreign currency risk

The Company’s exposure to foreign currency risk is minimal. The Company’s foreign currency exposures arise mainly on audit and tax fees which are denominated in Euro. There is no sensitivity analysis presented as the exposure is deemed to be not material.

26. Events after the reporting period

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

27. Approval of financial statements

The Board of Directors approved and authorised these financial statements on 18 September 2025.