

Registered number: 698100

**AQUILA AIR CAPITAL (IRELAND)
DESIGNATED ACTIVITY COMPANY**

Annual report and audited consolidated financial statements for the
financial year ended 30 June 2025

Aquila Air Capital (Ireland) Designated Activity Company

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Aquila Air Capital (Ireland) Designated Activity Company

DIRECTORS AND OTHER INFORMATION

Directors	Lewis Alfred Wood III (US) Lisa Rooney (Ireland) Aoife Conneely (Ireland) Gloria Cahill (Ireland) (appointed alternative director on 6 August 2024 and resigned on 12 August 2024) Aine Neylon (Ireland) (appointed alternative director on 12 March 2025) Craig Irwin (Ireland) (appointed alternative director on 12 March 2025)
Registered Office	Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare, V14 FW97 Ireland.
Company Secretary and Administrator	Vistra Corporate Services (Ireland) Limited, Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare, V14 FW97 Ireland.
Company Registration Number	698100
Independent Auditor	Grant Thornton, Chartered Accountants and Statutory Audit Firm, 13-18 City Quay, Dublin 2, D02 ED70, Ireland.
Lawyers	McGuireWoods LLP, 1251 Avenue of the Americas, 20th Floor, New York, NY 10020-1104, USA. Matheson, 70 Sir John Rogerson's Quay, Dublin 2, D02 R296, Ireland.
Banks	Bank of Ireland Global Markets, 2 Burlington Plaza, Burlington Road, Dublin 4, D04 EC666, Ireland. JP Morgan Chase Bank, N.A. PO Box 6076, Newark, DE 1914-6076 USA
Definitions “the Company” “the Group”	Aquila Air Capital (Ireland) Designated Activity Company Aquila Air Capital (Ireland) Designated Activity Company and its subsidiary undertakings, ROAQ Aero Leasing 1 DAC, ROAQ Aero Leasing 2 DAC and Aquila Air Capital (Ireland) 1 DAC

Aquila Air Capital (Ireland) Designated Activity Company

DIRECTORS' REPORT

The Directors present their annual report, together with the audited consolidated financial statements of Aquila Air Capital (Ireland) Designated Activity Company (the "Company") for the financial year from 1 July 2024 to 30 June 2025.

Principal activities, business review and future developments

The Company was incorporated under the provisions of the Companies Act 2014 on 15 June 2021. The principal activity of the Group and Company is the leasing of aircraft, airframes and engines to international airlines. The Group and Company's activities were funded via equity injections from a number of Warburg Pincus LP fund holdings and these equity injections flow through the Aquila group structure to the Company.

The Company's subsidiary undertakings ROAQ Aero Leasing 1 DAC, ROAQ Aero Leasing 2 DAC and Aquila Air Capital (Ireland) 1 DAC have commenced liquidation proceedings and are expected to be liquidated in the financial year 2026.

The Group and Company acquired a number of aircraft, airframes and engines during the financial year. Furthermore, the Group and Company entered into several lease agreements with international airlines for a number of aircraft and engines. The Group and Company disposed of a number of aircraft, airframes and engines during the financial year.

As at 30 June 2025 and 30 June 2024, the Group's asset portfolio was comprised as follows:

Asset type	30 June 2025	30 June 2024
Engines on lease or available for lease	1	4
Other assets held	28	28

Post financial year end, up to the date of signing of these financial statements, the movement in the Group's asset portfolio was as follows:

Asset type sold	30 June 2025	30 June 2024
Aircraft/airframes	-	3
Engines	-	-
Asset type purchased		
Aircraft/airframes	3	-
Engines	-	-

Post financial year end a legal dispute was settled in which the Group received USD 3,750,000.

No significant change in the Group and Company's principal activities is expected. The Directors expect these activities to continue for the foreseeable future and will continue to review and seek business opportunities for the Group and Company.

Key performance indicators

The principal key performance indicators used by management to monitor performance are as follows:

- (Loss)/Profit for the year from continuing activities;
- Total assets;
- Total liabilities; and
- Various measures in relation to capital expenditure, including acquisition and disposals.

Results and dividends

During the financial year, the Group made a loss after tax of USD 74,749,557 (2024: profit USD 32,297,436). Lease income amounted to USD 3,002,245 (2024: USD 16,905,046) and general and administration expenses, primarily related to intercompany write off and legal costs, amounted to USD 78,644,210 (2024: USD 10,066,848).

At the end of the financial year, the Group's financial position showed total assets of USD 40,244,333 (2024: USD 195,452,252). The Group's total liabilities consisting of accruals and other payables totaled USD 1,784,729 (2024: USD 6,509,951). The Group and Company results for the financial year are set out on pages 12 to 18.

Aquila Air Capital (Ireland) Designated Activity Company

DIRECTORS' REPORT — continued

Results and dividends (continued)

The Directors recommended the payment of the following dividends in respect of the financial year:

Date	Group Company	Type	USD
27 September 2024	Aquila Air Capital (Ireland) DAC	Interim	10,000,000
30 September 2024	Aquila Air Capital (Ireland) DAC	Interim	38,142,013
31 March 2025	Aquila Air Capital (Ireland) DAC	Interim	5,000,000
26 June 2025	Aquila Air Capital (Ireland) DAC	Interim	7,000,000

Total dividend declared and paid for in the financial year amounted to USD 60,142,013 (2024: USD 65,590,107). At year end, there are no dividends that have been declared and are unpaid. Post financial year end, up to the date of signing of these financial statements, the Directors have recommended the payment of the following interim dividends in respect of the financial year ended 30 June 2026:

Date	Group Company	Type	USD
26 August 2025	Aquila Air Capital (Ireland) DAC	Interim	10,000,000

Principal risks and uncertainties

The airline industry is cyclical, economically sensitive, and highly competitive. The oversupply of a specific type of aircraft or engine in the market could depress the aircraft lease rates and values, which would affect sale and re-lease rates. The supply and demand of aircraft is affected by various cyclical factors including:

- passenger air travel and air cargo demand;
- fuel prices;
- maintenance costs;
- geopolitical and economic risks; and
- government and environmental regulations.

A key determinant of the Group and Company's success is its financial strength and its ability to react and cope with the competitive environment in which it operates.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group and Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

Operational risk arises from all the Group and Company's operations. Certain management and administration functions have been outsourced by the Directors of the Group and Company to Vistra Corporate Services (Ireland) Limited ("Vistra"). The activities and performance of the Group and Company are regularly reviewed by the Directors. The Directors have assessed the financial risks facing the Group and Company. The details of the principal financial risks and financial risk management are set out in Note 18.

Going concern

Having considered the Group and Company's financial position, future business plans, the current economic and aviation environment and given the commitment of support from Aquila Air Capital Holdings LLC the Directors continue to have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for at least twelve months subsequent to the date of approval of these financial statements and that the going concern basis of preparation remains appropriate. The Directors note the commitment of support from Aquila Air Capital Ltd and, after a review of extensive forecasts and a range of scenario planning, anticipate that the Group and Company's aircraft and financial assets will continue to generate enough cash flow on an ongoing basis to meet the Group's liabilities as they fall due.

Aquila Air Capital (Ireland) Designated Activity Company

DIRECTORS' REPORT — continued

Change of Director, company secretary and registered office

The names of the persons who were Directors and company secretary at any time during the financial year ended 30 June 2025, as well as since the financial year end, and subsequently are set out below:

Lewis Alfred Wood III

Lisa Rooney

Aoife Conneely

Gloria Cahill (appointed alternative director on 6 August 2024 and resigned on 12 August 2024)

Aine Neylon (appointed alternative director on 12 March 2025)

Craig Irwin (appointed alternative director on 12 March 2025)

Vistra Corporate Services (Ireland) Limited, Company Secretary

The registered office of the Company is Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare.

There have been no other changes in Directors, secretary, or registered office during the financial year or since the financial year end.

Directors, secretary, and their interests

The Directors and secretary who held office at 30 June 2025 and during the financial year had no interests in the share capital of the Company or in any Group company at any time during the financial year.

Transactions involving directors

There were no direct transactions during the financial year under review with any of the Directors who held office during the financial year or on 30 June 2025. Please refer to Note 20 for further details on transactions with Vistra, with whom one of the current directors is an employee.

Subsequent events

Post financial year end, up to the date of signing of these financial statements, the movement in the Group's asset portfolio was as follows:

	30 June 2025	30 June 2024
Asset type sold		
Aircraft/airframes	-	3
Engines	-	-
Asset type purchased		
Aircraft/airframes	3	-
Engines	-	-

Post financial year end, up to the date of signing of these financial statements, the Directors have recommended the payment of the following interim dividends in respect of the financial year ended 30 June 2026:

Date	Group Company	Type	USD
26 August 2025	Aquila Air Capital (Ireland) DAC	Interim	10,000,000

Post financial year end a legal dispute was settled in which the Group received USD 3,750,000.

The Directors are not aware of any other matter or circumstances which have arisen that has significantly affected or may affect the operations of the Group and Company, the results of those operations or the state of affairs of the Group and Company for the financial year ended 30 June 2025.

Political donations

No political donations were made by the Group and Company during the financial year (2024: nil).

Aquila Air Capital (Ireland) Designated Activity Company

DIRECTORS' REPORT — continued

Accounting records

The Directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014, with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Group and Company are maintained at Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare, Ireland.

Statement of relevant audit information

The Directors confirm that:

- so far as the Directors are aware, there is no relevant audit information of which the Group and Company's statutory auditors are unaware of; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group and Company's statutory auditors are aware of that information.

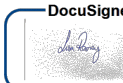
Directors' compliance statement


At this present time, the Company is operating within the balance sheet and turnover threshold limits as set out under Section 225 (7) of the Companies Act 2014, which enables the Company to avail of an exemption to the Compliance Policy Statement obligations. Accordingly, the Directors are not required to include a Compliance Statement in their statutory Directors' report for the current financial year ending 30 June 2025.

Independent auditor

The auditors, Grant Thornton, Chartered Accountants and Statutory Audit Firm, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act, 2014.

On behalf of the board:

DocuSigned by:

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Lisa Rooney
Director

Signed by:

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Aine Neylon
Director

Date: 05 December 2025

Aquila Air Capital (Ireland) Designated Activity Company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Irish company law requires the Directors to prepare financial statements for each financial period in accordance with the provisions of the Companies Act 2014. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU"). 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 the financial position of the Group and Company as at the financial year end date and of the profit or loss of the Group and 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 judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.


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

- correctly record and explain the transactions of the Group and Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Group and Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

On behalf of the board:

DocuSigned by:

218170EB6D79424...
Lisa Rooney
Director

Signed by:

EFFF0AF0FA284F5...
Aine Neylon
Director

Date: 05 December 2025

Independent auditor's report to the members of Aquila Air Capital (Ireland) Designated Activity Company and its Subsidiaries

Opinion

We have audited the financial statements of Aquila Air Capital (Ireland) Designated Activity Company (“the Company”) and its subsidiaries, ROAQ Aero Leasing 1 Designated Activity Company, ROAQ Aero Leasing 2 Designated Activity Company and Aquila Air Capital (Ireland) 1 Designated Activity Company (or together the “Group”), which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Company Statement of financial position, the Consolidated statement of changes in equity, the Company Statement of changes in equity, the Consolidated statement of cash flows and the Company Statement of cash flows for the financial year ended 30 June 2025, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the International Financial Reporting Standards (or “IFRS”) as adopted by the European Union.

In our opinion, the Company and Group's financial statements:

- give a true and fair view in accordance with IFRS of the assets, liabilities and financial position of the company as at 30 June 2025 and of its financial performance for the financial year then ended,
- have been properly prepared in accordance with the relevant accounting framework, 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 ‘Responsibilities of the auditor for the audit of the financial statements’ section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Independent auditor's report to the members of Aquila Air Capital (Ireland) Designated Activity Company and its Subsidiaries

Conclusions relating to going concern (continued)

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

Other information

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Director's 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 course of 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.

Matters on which we are required to report by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion:

- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.

The statement of financial position and income statement are in agreement with the accounting records and returns.

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements, excluding the requirements on sustainability reporting in Part 28.

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Independent auditor's report to the members of Aquila Air Capital (Ireland) Designated Activity Company and its Subsidiaries

Matters on which we are required to report by exception

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

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is 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 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, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process and for the preparation of financial statements that give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

Independent auditor's report to the members of Aquila Air Capital (Ireland) Designated Activity Company and its Subsidiaries

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

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



John Glennon

For and on behalf of

Grant Thornton

Chartered Accountants & Statutory Audit Firm
13-18 City Quay
Dublin
Ireland

05 December 2025

Aquila Air Capital (Ireland) Designated Activity Company**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the financial year ended 30 June 2025

	Note	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Revenue			
Lease revenue	3	3,002,245	16,905,046
Finance income	4	3,095,762	3,652,737
Other income	5	399,906	39,495,052
Total revenue		6,497,913	60,052,835
Expenses			
General and administrative expenses	6	78,644,210	10,066,848
Finance costs	7	-	2,552,817
Depreciation and amortisation	8	2,353,014	11,252,846
Total expenses		80,997,224	23,872,511
(Loss)/Profit for the year before taxation		(74,499,311)	36,180,324
Tax (charge) on profit on ordinary activities	9	(250,246)	(3,882,888)
(Loss)/Profit for the year from continuing activities		(74,749,557)	32,297,436
Other comprehensive income		-	-
Total comprehensive profit for the financial year		(74,749,557)	32,297,436
(Loss)/Profit for the financial year attributable to:			
Non-controlling interest		-	-
Owners of the parent company		(74,749,557)	32,297,436
		(74,749,557)	32,297,436
Total comprehensive (loss)/profit for the financial year attributable to:			
Non-controlling interest		-	-
Owners of the parent company		(74,749,557)	32,297,436
		(74,749,557)	32,297,436

The Group has no recognised gains or losses in the year other than those included within the statement of comprehensive income. All items relate to continuing operations.

The accompanying notes on pages 19 to 44 form an integral part of these financial statements.

Aquila Air Capital (Ireland) Designated Activity Company**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 30 June 2025**

	Note	30 June 2025 USD	30 June 2024 USD
Assets			
Non-current assets			
Aircraft assets	10	7,068,521	16,283,164
Total non-current assets		7,068,521	16,283,164
Current assets			
Cash and cash equivalents	12	444,665	4,183,562
Trade and other receivables	13	28,831,817	170,218,253
Inventories	14	3,899,330	4,767,273
Total current assets		33,175,812	179,169,088
Total assets		40,244,333	195,452,252
Equity			
Called up share capital	17	1,542,036	1,542,036
Share premium	17	152,671,451	152,671,451
Capital contributions	17	49,747,827	49,747,827
Minority interest	17	(4,859,289)	(4,859,289)
Dividends paid	17	(131,433,140)	(55,700,000)
Retained (deficit)/profit	17	(29,209,281)	45,540,276
Total equity		38,459,604	188,942,301
Liabilities			
Current liabilities			
Security deposits payable	15	-	150,000
Accruals and other payables	16	1,784,729	6,359,951
		-	-
		1,784,729	6,509,951
Total liabilities		1,784,729	6,509,951
Total equity and liabilities		40,244,333	195,452,252

The accompanying notes on pages 19 to 44 form an integral part of these financial statements.

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Lisa Rooney

Director

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Aine Neylon

Director

Date: 05 December 2025

Aquila Air Capital (Ireland) Designated Activity Company**COMPANY STATEMENT OF FINANCIAL POSITION**
As at 30 June 2025

	Note	30 June 2025 USD	30 June 2024 USD
Assets			
Non-current assets			
Aircraft assets	10	7,068,521	16,283,164
Total non-current assets		7,068,521	16,283,164
Current assets			
Cash and cash equivalents	12	444,665	853,017
Trade and other receivables	13	28,831,814	170,397,047
Inventories	14	3,899,330	4,767,273
Total current assets		33,175,809	176,017,337
Total assets		40,244,330	192,300,501
Equity			
Called up share capital	17	1,542,036	1,542,036
Share premium	17	152,671,451	152,671,451
Capital contributions	17	49,747,827	49,747,827
Dividends paid	17	(131,433,139)	(55,700,000)
Retained profit	17	(34,068,563)	40,992,535
Total equity		38,459,612	189,253,849
Liabilities			
Current liabilities			
Security deposits payable	15	-	150,000
Accruals and other payables	16	1,784,718	2,896,652
Total current liabilities		1,784,718	3,046,652
Total liabilities		1,784,718	3,046,652
Total equity and liabilities		40,244,330	192,300,501

The accompanying notes on pages 19 to 44 form an integral part of these financial statements.

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Lisa Rooney
Director

Signed by:



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Aine Neylon
Director

Date: 05 December 2025

Aquila Air Capital (Ireland) Designated Activity Company

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2025

	Note	Share capital USD	Share Premium USD	Capital contributions USD	Minority Interest USD	Distributable reserves USD	Retained earnings USD	Total Equity USD
Balance at 30 June 2024		1,542,036	152,671,451	49,747,827	(4,859,289)	(55,700,000)	45,540,276	188,942,301
Share capital/ premium issued during financial year		-	-	-	-	-	-	-
Share redemption during financial year		-	-	-	-	-	-	-
Capital contributions received during the financial year	17	-	-	-	-	-	-	-
Dividends paid during financial year	17	-	-	-	-	(75,733,140)	-	(75,733,140)
Total comprehensive income								
Total comprehensive income for the financial year		-	-	-	-	-	(74,749,557)	(74,749,557)
Balance at 30 June 2025		1,542,036	152,671,451	49,747,827	(4,859,289)	(131,433,140)	(29,209,281)	38,459,604
	Note	Share capital USD	Share Premium USD	Capital contributions USD	Minority Interest USD	Distributable reserves USD	Retained earnings USD	Total equity USD
Balance at 30 June 2023		10,000	-	203,805,838	609,748	(21,700,000)	13,242,840	195,968,426
Share capital/ premium issued during financial year		2,326,136	152,671,451	-	-	-	-	154,997,587
Share redemption during financial year		-	-	-	(4,919,002)	-	-	(4,919,002)
Capital contributions received during the financial year	17	-	-	(154,852,111)	-	-	-	(154,852,111)
Dividends paid during financial year	17	-	-	-	(550,035)	(34,000,000)	-	(34,550,035)
Reclassification	17	(794,100)	-	794,100	-	-	-	-
Total comprehensive income								
Total comprehensive income for the financial year		-	-	-	-	-	32,297,436	32,297,436
Balance at 30 June 2024		1,542,036	152,671,451	49,747,827	(4,859,289)	(55,700,000)	45,540,276	188,942,301

The accompanying notes on pages 19 to 44 form an integral part of these financial statements.

Aquila Air Capital (Ireland) Designated Activity Company

COMPANY STATEMENT OF CHANGES IN EQUITY For the financial year ended 30 June 2025

Note	Share capital USD	Share Premium USD	Capital contributions USD	Distributable Reserves USD	Retained earnings USD	Total Equity USD
Balance at 30 June 2024	1,542,036	152,671,451	49,747,827	(55,700,000)	40,992,535	189,253,849
Share capital issued during the financial year	-	-	-	-	-	-
Capital contributions received during the financial year	17	-	-	-	-	-
Dividends paid during the financial year	-	-	-	(75,733,139)	-	(75,733,139)
Total comprehensive income						
Total comprehensive expense for the financial year	-	-	-	-	(75,061,098)	(75,061,098)
Balance at 30 June 2025	1,542,036	152,671,451	49,747,827	(131,433,139)	(34,068,563)	38,459,612

Note	Share capital USD	Share Premium USD	Capital contributions USD	Distributable Reserves USD	Retained earnings USD	Total Equity USD
Balance at 30 June 2023	10,000	-	203,805,838	(21,700,000)	19,137,073	201,252,911
Share capital issued during the financial year	2,326,136	152,671,451	-	-	-	154,997,587
Capital contributions received during the financial year	17	-	(154,852,111)	-	-	(154,852,111)
Dividends paid during the financial year	-	-	-	(34,000,000)	-	(34,000,000)
Reclassification	(794,100)		794,100			
Total comprehensive income						
Total comprehensive income for the financial year	-	-	-	-	21,855,462	21,855,462
Balance at 30 June 2024	1,542,036	152,671,451	49,747,827	(55,700,000)	40,992,535	189,253,849

The accompanying notes on pages 19 to 44 form an integral part of these financial statements.

Aquila Air Capital (Ireland) Designated Activity Company

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2025

	Note	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Cash flows from operating activities			
(Loss)/Profit for the financial year		(74,749,557)	32,297,436
<i>Adjustment for:</i>			
Depreciation and amortisation	8	2,353,014	11,252,846
Taxation		-	3,882,888
Profit on disposal of aircraft and engines	5	(291,325)	(37,526,332)
Interest expense	7	-	2,180,498
Amortisation of debt issuance costs	7	-	371,969
<i>Changes in operating assets and liabilities</i>			
Decrease/(Increase) in trade and other receivables	13	154,145,400	(98,113,501)
Decrease in inventories	14	867,943	2,436,855
(Decrease) in accruals and other payables	16	(68,308,362)	(37,306,820)
Movement in security deposits payable	15	(150,000)	(2,905,607)
(Decrease) in maintenance reserves		-	(1,104,824)
Net cash flows used in operating activities		13,867,113	(124,534,592)
Cash flows from investing activities			
Net (purchase)/disposal of aircraft and engines	10	(5,606,009)	160,841,890
Net cash flows used from investing activities		(5,606,009)	160,841,890
Cash flows from financing activities			
Repayment of loans and borrowings		-	(29,189,342)
Interest paid		-	(2,294,272)
Dividends paid	17	(12,000,000)	(550,035)
Share redemption	17	-	(4,919,002)
Net cash flows (used in)/from financing activities		(12,000,000)	(36,952,651)
Net (decrease) in cash and cash equivalents		(3,738,897)	(645,353)
Cash and cash equivalents at beginning of financial year		4,183,562	4,828,915
Cash and cash equivalents at end of financial year	12	444,665	4,183,562
Non-cash transactions:			
Increase in accruals & other payables	16	63,733,140	34,000,000
Increase in trade & other receivables	13	(12,758,964)	(145,476)
Net disposal of aircraft and engines	10	12,758,964	-
Dividends paid	17	(63,733,140)	(34,000,000)
Share capital introduced	17	-	154,997,587
Capital contributions received	17	-	(154,852,111)
Net cash flows		-	-

The accompanying notes on pages 19 to 44 form an integral part of these financial statements.

Aquila Air Capital (Ireland) Designated Activity Company

COMPANY STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2025

	Note	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Cash flows from operating activities			
Profit for the financial year		(75,061,098)	21,855,462
<i>Adjustment for:</i>			
Depreciation and amortisation	10	2,353,014	4,539,913
Taxation	16	-	-
Profit on disposal of aircraft and engines		(291,325)	(7,877,747)
<i>Changes in operating assets and liabilities</i>			
Decrease/(Increase) in trade and other receivables	13	154,324,196	(100,956,680)
Decrease in inventories	14	867,943	1,721,855
(Decrease) in accruals and other payables	16	(64,845,072)	(35,614,474)
Movement in security deposits payable	15	(150,000)	(2,119,607)
(Decrease) in maintenance reserves		-	(1,104,824)
Write down of investment		-	35,771,897
Net cash flows used in operating activities		17,197,658	(83,784,205)
Cash flows from investing activities			
Net (purchase)/disposal of aircraft and engines	10	(5,606,010)	82,259,840
Net cash flows from investing activities		(5,606,010)	82,259,840
Cash flows from financing activities			
Dividends paid	17	(12,000,000)	-
Net cash flows from financing activities		(12,000,000)	-
Net (decrease) in cash and cash equivalents		(408,352)	(1,524,365)
Cash and cash equivalents at beginning of financial year		853,017	2,377,382
Cash and cash equivalents at end of financial year	12	444,665	853,017
Non-cash transactions:			
Increase in accruals & other payables	16	63,733,139	34,000,000
Increase in trade & other receivables	13	(12,758,964)	(24,524,676)
Net disposal of aircraft and engines	10	12,758,964	-
Net investment in subsidiaries		-	-
Dividends paid	17	(63,733,139)	(34,000,000)
Dividends received	17	-	24,379,200
Share capital introduced	17	-	154,997,587
Capital contributions received	17	-	(154,852,111)
Net cash flows		-	-

The accompanying notes on pages 19 to 44 form an integral part of these financial statements.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2025

1. General information

Aquila Air Capital (Ireland) Designated Activity Company (the "Company") was incorporated under the provisions of the Companies Act 2014 on 15 June 2021. The principal activity of the Group (please refer to page 2 for the make-up of "Group" and subsidiaries) and Company is the leasing of aircraft, airframes and engines to international airlines.

The Group's activities were previously funded via equity injections from a number of Warburg Pincus LP fund holdings and these equity injections flow through the Aquila group structure.

The Group and Company acquired one aircraft during the financial year. The Group and Company disposed of one aircraft and a number of airframes and engines during the financial year.

The Company's subsidiary undertakings ROAQ Aero Leasing 1 DAC, ROAQ Aero Leasing 2 DAC and Aquila Air Capital (Ireland) 1 DAC have commenced liquidation proceedings and are expected to be liquidated in the financial year 2026.

As at 30 June 2025 and 30 June 2024, the Group's asset portfolio was comprised as follows:

Asset type	30 June 2025	30 June 2024
Engines on lease or available for lease	1	4
Other assets held	28	28

Post financial year end, up to the date of signing of these financial statements, the movement in the Group's asset portfolio was as follows:

	30 June 2025	30 June 2024
Asset type sold		
Aircraft/airframes	-	3
Engines	-	-
Asset type purchased		
Aircraft/airframes	3	-
Engines	-	-

No significant change is expected in the Group and Company's principal activities. The Directors expect these activities to continue for the foreseeable future and will continue to review and seek business opportunities for the Group and Company.

The Group and Company have no employees and administration services are contracted from a related party and third parties.

2. Accounting policies

a. Statement of compliance

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU"), as applied in accordance with the Companies Act 2014. The standards adopted are all of those endorsed by the EU and which were effective for accounting periods commencing on or after 15 June 2021.

The accounting policies set out below have been applied in preparing the financial statements for the financial year ended 30 June 2025.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued For the financial year ended 30 June 2025

2. Accounting policies — continued

b. Going concern

Having considered the Company's financial position, future business plans, the current economic and aviation environment and given the commitment of support from Aquila Air Capital Holdings LLC the Directors continue to have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months subsequent to the date of approval of these financial statements and that the going concern basis of preparation remains appropriate. The Directors note the commitment of support from Aquila Air Capital Ltd and, after a review of extensive forecasts and a range of scenario planning, anticipate that the Company's aircraft and financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due.

c. Basis of measurement

The financial statements have been prepared under the historical cost convention and using the accruals basis of accounting.

d. Basis of preparation

The Group and Company's financial statements for the financial year ended 30 June 2025 have been prepared on a going concern basis. The Directors anticipate that the Group and Company's assets will continue to generate enough cash flow on an ongoing basis to meet the Group and Company's liabilities as they fall due.

In accordance with Section 304 of the Companies Act 2014, the Group and Company is availing of the exemption from presenting the individual profit and loss account. The Company's results for the financial year ended 30 June 2025 was a loss after tax of USD 72,802,531 (2024: profit 72,802,531USD 21,855,462).

e. Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the operating and financial policies of an entity in order to gain economic benefits. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The results of subsidiaries are made up to the reporting date.

All intra-group transactions and balances and any income, expenses or unrealised profits are eliminated in preparing the consolidated financial statements. The consolidated financial statements include the following subsidiaries of the Company;

Entity name	Domicile	Registered office	% of holding	Nature of business
ROAQ Aero Leasing 1 DAC	Ireland	Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare, Ireland	98%	Aircraft leasing
ROAQ Aero Leasing 2 DAC	Ireland	Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare, Ireland	98%	Aircraft leasing
Aquila Air Capital (Ireland) 1 DAC	Ireland	Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare, Ireland	100%	Aircraft leasing

f. Standards, interpretations and amendments introduced during the financial year

There were no new standards, amendments and interpretations issued which became effective during the financial year.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

2. Accounting policies — continued

g. Accounting standards and interpretations that are not yet effective and not adopted early

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group and Company's financial statements are disclosed below. The Directors do not believe that these new and amended standard and interpretations will have any material effect on the financial statements moving forward.

The below lists the recent changes to IFRS that are required to be applied for annual periods beginning after 30 June 2025. The Group and Company intends to apply such standards where relevant from their effective date.

- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (effective for financial periods beginning after 1 January 2025);
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (effective 1 January 2026);
- Annual Improvements to IFRS Accounting Standards – Amendments to (effective 1 January 2026):
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash flows.
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027).
- IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027).

The Group and Company has not adopted any other new standards or interpretations that are not mandatory. The Directors do not believe that these new and amended standard and interpretations will have any material effect on the financial statements moving forward.

h. Use of estimates and judgements

The preparation of the financial statements in conformity with the IFRSs as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements 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 on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are 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. The material judgement in respect of aircraft assets is the identification and subsequent measurement of depreciation (including useful life and residual value) and impairment. The Directors assess if there is an indication of impairment. In the current financial year, the Directors are of the view that no such indication existed.

The Group and Company has exercised judgement in the expected credit losses ("ECL") calculation it has prepared in relation to its financial assets, namely trade and other receivables. The ECL model is based on information provided by the Aquila Group in relation to the likelihood of default and impairment on the corresponding party, the likelihood on the realisation of the asset value and other related factors. More information on the ECL is noted in the Financial Instruments policy disclosed in Note 2(m).

i. Functional and presentation currency

These financial statements are presented in US dollar denominated by the symbol "USD" which is the Group and Company's functional currency and presentation currency. This reflects the fact that the majority of the Group and Company's transactions are denominated in this currency.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

2. Accounting policies — continued

j. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group and Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

k. Aircraft assets

Aircraft assets, including aircraft, airframes, engines and engine stands, are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated on an asset-by-asset basis with aircraft, airframes and engines depreciated based on the green time (the extended life of an engine that is removed from a retired or grounded aircraft) and lease expiry details to the respective residual values. The useful economic life of the portfolio of aircraft assets (aircraft, airframes and engines) ranges from 1 year to 10 years based on the underlying circumstances of the asset in question (e.g. vintage, use, maintenance status). Their residual values are determined in line with market expectations and based on management's experience and knowledge of the relevant market for the asset in question. Engine stands are depreciated over 10 years to a residual value of 10% of cost.

Aircraft assets are assessed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purposes of measuring an impairment loss, each asset is tested individually by comparing its carrying amount to the higher of value in use and fair value less cost to sell. Impairment is charged to the Statement of Comprehensive Income to reduce the carrying value of specific assets to the recoverable amount where impairment is considered to have occurred. Where the recoverable amount is greater than the carrying value, no impairment is recognised. The recoverable amount is the higher of the fair value less costs to sell and value in use. The fair value is the amount at which an asset could be disposed of less any direct selling costs, and value in use is the present value of future cash as at 30 June 2025. An impairment review is carried out annually and also when there has been an indication of impairment, which usually occurs on the basis of independent market appraisals and indications of market demand.

l. Assets held for sale

Current assets and disposal groups (assets relating to an activity that is to be sold) are classified as held for sale if their carrying amount is to be recovered principally through a sales transaction rather than through continuing use. The reclassification takes place when the assets are available for immediate sale and the sale is highly probable. Current assets held for sale and disposal groups are measured at the lower of carrying amount and fair value less costs to sell. Current assets held for sale are not depreciated or amortised.

m. Financial instruments

Financial assets

Classification (IFRS 9)

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI"), are subsequently measured at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income ("FVTOCI");
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at fair value through profit and loss ("FVTPL").

However, the Group and Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option). No such designations were made in the financial year.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued For the financial year ended 30 June 2025

2. Accounting policies — continued

m. Financial instruments — continued

Financial assets — continued

Financial assets at amortised cost

Financial assets are measured at amortised cost only if both the following criteria are met: the objective of the Group and Company's business model is to hold the asset to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are SPPI on the principal outstanding, interest being consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Financial assets meeting these criteria are measured initially at fair value. They are subsequently measured at amortised cost using the effective interest rate ("EIR") method less any ECL allowance. Interest income, if any, from these financial assets is included in "Interest income" using the EIR method. The Group and Company only holds its lease income, trade and other receivables and cash and cash equivalents at amortised cost. All other assets are classified as current as they are expected to be realised within twelve months of the reporting period.

Impairment of financial assets

In accordance with IFRS 9 the Group and Company is required to determine the impairment of financial assets on an ECL basis. Trade and other receivables fall within scope of IFRS 9 impairment. Financial assets that are classified as FVTPL do not need to be assessed for impairment as they are already recorded at fair value which reflects credit risk at the measurement date. The Group and Company is required to calculate an ECL provision which represents an un-biased (i.e. neutral, not optimistic or pessimistic) probability weighted estimate of the present value of cash shortfalls which is determined by evaluating a range of possible outcomes. Cash shortfalls are the difference between the cash flows that are due to the Group and Company in accordance with the contractual terms of the financial asset and the cash flows that the Group and Company expects to receive.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3);
- A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group and Company measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR. Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group and Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation, or
- the borrower is unlikely to pay its credit obligations in full.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

2. Accounting policies — continued

m. Financial instruments — continued

Financial assets — continued

Impairment of financial assets — continued

The Group and Company monitors all financial assets that are subject to the IFRS 9 impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group and Company will measure the loss allowance based on lifetime rather than 12-month ECL. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group and Company considers that when an asset becomes 30 days past due, the Group and Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. The Group and Company measures ECL on an individual basis. Loss allowances for ECL which are material are presented in the balance sheet as a deduction from the gross carrying amount of the assets. Other assets are written off when the Group and Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group and Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

Financial liabilities

Classification (IFRS 9)

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group and Company or a contract that will or may be settled in the Group and Company's own equity instruments and is a non-derivative contract for which the Group and Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group and Company's own equity instruments.

In accordance with IFRS 9, financial liabilities required to be classified and subsequently measured at amortised cost using the EIR except for;

- financial liabilities at FVTPL;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts not designated as at FVTPL that are not accounted for under IFRS 4 Insurance Contracts; and
- commitments to provide a loan at a below-market interest rate.

Financial liabilities are only classified as current if they are expected to be settled within the Group and Company's normal operating cycle or within twelve months after the reporting period. All other liabilities are classified as non-current. All those financial liabilities not measured at FVTPL are measured at amortised cost. Financial liabilities measured at amortised cost include loans and borrowings and other liabilities. Financial liabilities are classified as non-current unless they are expected to be realised within twelve months after the reporting period, in which case they are classified as current. The amortised cost of a financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the EIR method of any difference between the initial amount recognised and the maturity amount.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

2. Accounting policies — continued

n. Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and accruals and other payables. Non-derivative financial instruments are recognised initially at fair value, for instruments not at fair value through profit and loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the EIR method, less any impairment losses in the case of financial assets.

Cash and cash equivalents

Cash and cash equivalents generally comprise bank balances and other short term highly liquid investments that are readily convertible to a known amount of cash. The cash at bank held with First Republic Bank is held in the name of Aquila Air Capital Topco L.P., a related group company, for the benefit of the Group and Company. The bank account held with First Republic Bank is held for the operation of the Group and Company only. The Group and Company have a Cash Pooling Agreement in place with Aquila Air Capital Topco L.P. and thus has presented the cash from the First Republic Bank account as cash and cash equivalents in the Group and Company. Any payment made from this bank account can only be made with the approval of the management of the Group and Company.

Trade and other receivables and accruals and other payables

Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost using the EIR less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. A provision for impairment of other receivables is recognised when there is objective evidence the Group and Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of other receivables, probability that the counterparty will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the receivable is impaired. Accruals and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost.

o. Lease revenue

Lease revenue comprises revenue from aircraft assets on operating lease. The rental received from operating leases is recorded as income on a straight-line basis over the lease term even if the payments are not made on such a basis. Rental received but unearned are recorded as deferred income in accruals and other payables.

p. Expenses

The general and administrative expenses of the Group and Company are recognised in the financial statements on an accruals basis.

q. Taxation

Tax expense for the financial period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in other comprehensive income or equity respectively. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

r. Share capital

Share capital is issued in USD and each ordinary share has a par value of USD 1. Dividends are recognised as liabilities in the financial period in which they are approved.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

2. Accounting policies — continued

s. Security deposits receivable and payable

In accordance with the terms of a number of the lease and purchase agreements, the lessees are required to provide a security deposit. The security deposits are refundable to the lessees upon termination of the respective leases and transactions and are recorded as part of the assets and liabilities in the Statement of Financial Position.

t. Inventories

Inventories are comprised of engine parts and are carried at the lower of cost or net realisable value being the estimated selling price less the estimated costs to make the sale.

u. Finance income and finance expenses

Finance income and expense are recognised as it accrues in the statement of profit and loss and other comprehensive income on an effective interest rate basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial liability to the fair value of the financial liability at initial recognition less transaction costs. The application of the method has the effect of recognising expense payable on the liability evenly in proportion to the amount outstanding over the period to maturity or repayment.

In calculating the effective interest rate, the Company estimates cash flows (using projections based on repayments) considering all contractual terms of the financial liability. The calculation will take into account all fees that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

The Company will review its estimate of payments each year and if necessary, adjust the carrying amount of the financial liability to reflect actual and revised estimated cash flows. This process involves computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. As such the Company shall recognise the adjustment as income or expense in profit or loss at the date of such revision.

3. Lease revenue

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Operating lease revenue	2,109,990	9,655,063
Supplementary lease revenue	892,255	7,249,983
	<u>3,002,245</u>	<u>16,905,046</u>

All income is derived from leasing of the aircraft, airframes and engines.

Aquila Air Capital (Ireland) Designated Activity Company

3. Lease revenue (continued)

Lease revenue is derived from the following geographical locations:

	Year ended 30 June 2025		Year ended 30 June 2024	
	USD	%	USD	%
Azerbaijan	-	-	807,780	5
Belgium	-	-	42,974	-
Bulgaria	-	-	762,663	5
China	-	-	(80,400)	-
Kenya	1,417,495	47	1,806,822	11
Mongolia	-	-	900,217	5
Netherlands	-	-	11,516,310	67
Singapore	-	-	79,980	0
Spain	-	-	(103,212)	0
Turkey	-	-	269,220	2
United Arab Emirates	734,360	24	754,130	4
USA	850,390	29	148,562	1
	<u>3,002,245</u>	<u>100</u>	<u>16,905,046</u>	<u>100</u>

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

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Not later than one year	722,746	2,032,495
Between one and two years	-	708,748
Between two and three years	-	-
Between three and four years	-	-
Between four and five years	-	-
Later than five years	-	-
	<u>722,746</u>	<u>2,741,243</u>

4. Finance income

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Intercompany interest income	3,095,762	3,652,737
	<u>3,095,762</u>	<u>3,652,737</u>

5. Other income

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Profit on disposal of aircraft and engines	291,325	37,526,332
Other income	108,581	1,968,720
	<u>399,906</u>	<u>39,495,052</u>

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

6. General and administrative expenses

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Lease related expenses including lease bad debts	-	1,988,082
Accounting and administration services*	196,549	505,186
Audit fees	34,498	117,359
Tax compliance fees	38,559	40,201
Insurance	92,630	611,204
Legal costs	1,391,020	881,858
Maintenance costs	-	(271,181)
Marketing costs	-	10,000
Professional services	302,720	291,258
Shipping and transport costs	16,000	549,671
Technical costs	606,141	695,600
Trust fees	1,030	51,363
Servicer fees - monthly management and consulting	19,120	4,498,351
Storage fees	51,564	52,953
Employee expenses	-	(110,985)
Other expenses	75,145,420	47,638
Inventory Stock take adjustment	786,802	-
Bank charges	15,637	45,846
Foreign exchange (gains)/losses	(53,480)	62,444
	<u>78,644,210</u>	<u>10,066,848</u>

*The Group and Company had no persons in employment during the financial year ended 30 June 2025. The Group and Company has entered into service agreements with Vistra to provide accounting, administration, and directorship services to the Group and Company. The terms of the corporate services agreement in place between the Group and Company and Vistra provide for fees for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). No director is remunerated specifically for their services as Director of the Company. A theoretical charge of USD 8,400 would have been charged per Director per Company if the costs were borne by the Group and Company.

7. Finance costs

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Loan interest expense	-	2,180,498
Amortisation of debt issuance costs	-	371,969
Intercompany interest expense	-	350
	<u>-</u>	<u>2,552,817</u>

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

8. Profit from ordinary activities

The profit for the financial year has been arrived at after charging:

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Directors' remuneration	-	-
Depreciation and amortisation	2,353,014	11,252,846
	<u>2,353,014</u>	<u>11,252,846</u>

The Group and Company paid no remuneration to the Directors of the Group and Company related to the directorship role they provide as part of their Company-wide executive management role.

The auditor's remuneration exclusive of VAT in respect of the financial year is as follows:

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Audit of the financial statements	34,498	117,359
	<u>34,498</u>	<u>117,359</u>

9. Tax on profit on ordinary activities

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
<i>a) Analysis of tax charge for the financial year</i>		
Current tax charge	249,861	(4,089,168)
Deferred tax (charge)/credit	(500,107)	206,280
Taxation for the financial year	<u>(250,246)</u>	<u>(3,882,888)</u>
<i>b) Reconciliation of effective tax rate</i>		
Profit on ordinary activities before taxation	<u>(74,499,311)</u>	<u>36,180,324</u>
Corporation tax at rate of 12.5%	(9,312,414)	4,522,540
Corporation tax at rate of 25%	-	79,661
Effects of:		
Expenses not allowable for tax	9,423,813	1,335,086
Income not allowable for tax	(45,389)	-
Excess capital allowances	(315,871)	(611,226)
Excess on disposal of fixed assets	-	(128,636)
Excess provision FY2023	-	(100,802)
Carry forward of tax losses	-	(481,048)
Utilisation of Group tax losses	-	(526,407)
	<u>(249,861)</u>	<u>4,089,168</u>

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued For the financial year ended 30 June 2025

9. Tax on loss on ordinary activities — continued

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
<i>c) Deferred tax</i>		
Opening balance	(344,874)	(551,154)
Deferred tax not recognised	-	-
Deferred tax (charge)/credit	(500,107)	206,280
Net deferred tax (liability)/asset	(844,981)	(344,874)
<i>Deferred tax and liability summarised as follows:</i>		
Excess of capital allowances over depreciation	(844,981)	(344,874)
Deferred tax assets relating to tax losses	-	-
Total	(844,981)	(344,874)

The Group and Company is taxed at a rate of 12.5% in accordance with the provisions of the TCA 1997.

10. Aircraft assets

The Group and Company acquired one aircraft during the financial year. The Group and Company disposed of a number of airframes and engines during the financial year.

The below tables detail the movement in costs in each of the Group and Company's investment asset types during the financial year ended 30 June 2025.

Group	As at 30 June 2025 USD	As at 30 June 2024 USD
<i>Aircraft cost</i>		
At the beginning of the financial year	-	21,026,715
Acquisitions during the financial year	2,719,372	12,142
Disposals during the financial year	(2,719,372)	(21,038,857)
At the end of the financial year	-	-
<i>Accumulated depreciation and impairment on aircraft</i>		
At the beginning of the financial year	-	(3,197,095)
Depreciation charge for the financial year	-	(1,781,014)
Impairment charge for the financial year	-	-
Transfers between asset groups during the financial year	-	4,978,109
At the end of the financial year	-	-

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

10. Aircraft assets — continued

Group — continued	As at 30 June 2025 USD	As at 30 June 2024 USD
<i>Engines cost</i>		
At the beginning of the financial year	18,027,753	148,853,929
Acquisitions during the financial year	4,036,419	16,137,128
Disposals during the financial year	(12,758,964)	(146,014,586)
Transfers to inventories during the financial year	-	(2,500,000)
Transfers from inventories during the financial year	-	1,551,282
At the end of the financial year	9,305,208	18,027,753
<i>Accumulated depreciation and impairment on engines</i>		
At the beginning of the financial year	(2,225,228)	(16,337,385)
Depreciation charge for the financial year	(299,004)	(9,419,567)
Impairment charge for the financial year	(1,999,873)	-
Depreciation on disposals during the financial year	-	22,583,006
Transfers to inventories during the financial year	-	948,718
Transfers between asset groups during the financial year	1,860,915	-
At the end of the financial year	(2,663,190)	(2,225,228)
<i>Engine stands and jacks cost</i>		
At the beginning of the financial year	610,000	582,500
Acquisitions during the financial year	-	27,500
At the end of the financial year	610,000	610,000
<i>Accumulated depreciation and impairment on engine stands and jacks</i>		
At the beginning of the financial year	(129,361)	(77,096)
Depreciation charge for the financial year	(54,136)	(52,265)
Impairment charge for the financial year	-	-
At the end of the financial year	(183,497)	(129,361)
Net book value		
Balance at the end of the financial year	7,068,521	16,283,164
Company		
	As at 30 June 2025 USD	As at 30 June 2024 USD
<i>Aircraft cost</i>		
At the beginning of the financial year	-	10,104,560
Acquisitions during the financial year	2,719,372	-
Disposals during the financial year	(2,719,372)	(10,104,560)
At the end of the financial year	-	-
<i>Accumulated depreciation and impairment on aircraft</i>		
At the beginning of the financial year	-	(1,387,240)
Depreciation charge for the financial year	-	(423,296)
Disposals during the financial year	-	1,810,536
At the end of the financial year	-	-

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued For the financial year ended 30 June 2025

10. Aircraft assets — continued

Company — continued	As at 30 June 2025 USD	As at 30 June 2024 USD
<i>Engines cost</i>		
At the beginning of the financial year	18,027,753	96,603,929
Acquisitions during the financial year	4,036,419	14,088,359
Disposals during the financial year	(12,758,964)	(92,664,535)
Transfers from held for sale during the financial year	-	-
Transfers to inventory during the financial year	-	-
Transfers between asset groups during the financial year	-	-
At the end of the financial year	9,305,208	18,027,753
<i>Accumulated depreciation and impairment on engines</i>		
At the beginning of the financial year	(2,225,228)	(10,621,483)
Depreciation charge for the financial year	(299,004)	(4,064,352)
Impairment charge for the financial year	(1,999,873)	-
Depreciation on disposals during the financial year	1,860,915	11,511,889
Transfers to inventory during the financial year	-	948,718
At the end of the financial year	(2,663,190)	(2,225,228)
<i>Engine stands and jacks cost</i>		
At the beginning of the financial year	610,000	582,500
Acquisitions during the financial year	-	27,500
At the end of the financial year	610,000	610,000
<i>Accumulated depreciation and impairment on engine stands and jacks</i>		
At the beginning of the financial year	(129,361)	(77,096)
Depreciation charge for the financial year	(54,136)	(52,265)
Impairment charge for the financial year	-	-
At the end of the financial year	(183,497)	(129,361)
<i>Net book value</i>		
Balance at the end of the financial year	7,068,521	16,283,164

The Group and Company acquired one aircraft during the financial year. The Group and Company disposed of a number of airframes and engines during the financial year.

At each reporting date, each aircraft asset is assessed for a triggering event to determine if there is an indication of possible impairment. This is calculated by comparing the carrying value of the aircraft assets to the higher of the net realisable value and value in use. As a result of this assessment, the Directors determined that the aircraft assets were not impaired at the reporting date. Indications of possible impairment are kept constantly under review for appropriateness based on current market conditions. Each aircraft, engine, engine stand and jack is carried at its net realisable value.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

11. Deferred tax

	As at 30 June 2025 USD	As at 30 June 2024 USD
Group		
Opening deferred tax asset at beginning of the financial year	(344,874)	(551,154)
Deferred tax not recognised	-	-
Deferred tax charge to statement of profit or loss and other comprehensive income	(500,107)	206,280
Closing deferred tax (liability)/asset at the end of the financial year	(844,981)	(344,874)
<i>Deferred tax liability/(asset) summarised as follows:</i>		
Excess of capital allowances over depreciation	(844,981)	(344,874)
Deferred tax assets relating to tax losses	-	-
Total	(844,981)	(344,874)

	As at 30 June 2025 USD	As at 30 June 2024 USD
Company		
Opening deferred tax asset at beginning of the financial year	(344,874)	(551,154)
Deferred tax not recognised	-	-
Deferred tax charge to statement of profit or loss and other comprehensive income	(500,107)	206,280
Closing deferred tax asset at the end of the financial year	(844,981)	(344,874)
<i>Deferred tax (liability)/asset summarised as follows:</i>		
Excess of capital allowances over depreciation	(844,981)	(344,874)
Deferred tax assets relating to tax losses	-	-
Total	(844,981)	(344,874)

The Group has recognised a deferred tax liability of USD (844,981) (2024: USD (344,874)) for the financial year, while the Company has recognised a deferred tax liability of USD (844,981) (2024: USD (344,874)).

12. Cash and cash equivalents

	As at 30 June 2025 USD	As at 30 June 2024 USD
Group		
Cash at bank	444,665	4,183,562
Company		
Cash at bank	444,665	853,017

Cash at bank at the end of the financial year is held with JP Morgan Chase Bank, N.A and Bank of Ireland.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued For the financial year ended 30 June 2025

13. Trade and other receivables

	As at 30 June 2025 USD	As at 30 June 2024 USD
Group		
Trade receivables	759,910	4,543,988
Accrued lease revenue	-	34,187
Intercompany receivables*	27,075,928	165,568,364
Corporation tax	873,632	-
Prepayments and other receivables	122,347	71,714
	<u>28,831,817</u>	<u>170,218,253</u>
Company		
Trade receivables	759,910	4,511,037
Accrued lease revenue	-	34,187
Intercompany receivables*	27,075,928	165,783,243
Corporation tax	873,632	-
Prepayments and other receivables	122,344	68,580
	<u>28,831,814</u>	<u>170,397,047</u>

Intercompany receivables relate to loans provided to related parties on trading and funding activities. From 1 July 2023 intercompany loans are subject to a fixed interest rate of 4.86%. No interest will accrue in respect of any advance relating solely to trading balances if fully repaid within six months of such advance having been made.

14. Inventories

	As at 30 June 2025 USD	As at 30 June 2024 USD
Group		
Engine parts	<u>3,899,330</u>	<u>4,767,273</u>
Company		
Engine parts	<u>3,899,330</u>	<u>4,767,273</u>

Inventories recognized as an expense during the year ended 31 December amounted to USD 799,798 (2024: nil). These amounts were included in general and administrative expenses and relate to a stock adjustment.

15. Security deposits payable

	As at 30 June 2025 USD	As at 30 June 2024 USD
Group		
Security deposit	<u>-</u>	<u>150,000</u>
Company		
Security deposit	<u>-</u>	<u>150,000</u>

In accordance with the terms of a number of the lease and asset sales agreements, a security deposit has been paid to the Group and Company. This security deposit is refundable to the lessee upon termination of the lease or sale of the relevant aircraft asset.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued For the financial year ended 30 June 2025

16. Accruals and other payables

	As at 30 June 2025 USD	As at 30 June 2024 USD
Group		
Accruals and other payables	938,339	1,732,640
Intercompany payables	1,409	225,370
Deferred lease revenue	-	-
Corporation tax	-	4,057,067
Deferred tax	844,981	344,874
	<u>1,784,729</u>	<u>6,359,951</u>
Company		
Accruals and other payables	938,135	1,543,541
Intercompany payables	1,602	248,467
Deferred lease revenue	-	-
Corporation tax	-	759,770
Deferred tax	844,981	344,874
	<u>1,784,718</u>	<u>2,896,652</u>

Intercompany payables relate to loans provided to related parties on trading and funding activities. From 1 July 2023 the intercompany loan is subject to a fixed interest rate of 4.86%. No interest will accrue in respect of any advance relating solely to trading balances if fully repaid within six months of such advance having been made.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued For the financial year ended 30 June 2025

17. Capital and reserves

	As at 30 June 2025 USD	As at 30 June 2024 USD
Group and Company		
<i>Authorised</i>		
Ordinary shares of USD 1 each	<u>100,000,000</u>	<u>100,000,000</u>
<i>Allotted, called up and unpaid</i>		
Ordinary share of USD 1 each	<u>1</u>	<u>1</u>
Group		
Shareholders' funds at the start of the financial year	188,942,301	195,968,426
Loss/(profit) for the financial year	(74,749,557)	32,297,436
Minority interest	-	(5,469,037)
Share capital introduced	-	2,326,136
Share premium	-	152,671,451
Dividends paid	(75,733,140)	(34,000,000)
Capital contributions	-	(154,852,111)
Shareholders' funds at the end of the financial year	<u>38,459,604</u>	<u>188,942,301</u>
Company		
Shareholders' funds at the start of the financial year	189,253,849	201,252,911
Loss/ (profit) for the financial year	(75,061,098)	21,855,462
Share capital introduced	-	2,326,136
Share premium	-	152,671,451
Dividends paid	(75,733,139)	(34,000,000)
Capital contributions	-	(154,852,111)
Shareholders' funds at the end of the financial year	<u>38,459,612</u>	<u>189,253,849</u>

The Company's issued ordinary share capital is held by Aquila Air Capital (Cayman) Ltd. The Company's objectives when managing capital are:

- (a) To safeguard the Company's ability to continue as a going concern.
- (b) To support the Company's stability and growth; and
- (c) To provide capital for the purpose of strengthening the Company's risk management capability.

In the prior year there was a misclassification between share capital and capital contribution of USD 794,000 which is reflected in the statement of changes in equity.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

18. Financial instruments and financial risk management

Financial risk management

The Directors have overall responsibility for the establishment and oversight of the Group and Company's risk management framework. This note presents information about the Group and Company's exposure to each of the significant risks and the Group and Company's management of these risks.

a. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group and Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i. Foreign exchange risk

Foreign exchange risk is the risk that fluctuations in foreign exchange rates will impact the Group and Company's performance. The Group and Company's primary operating currency is USD, with all lease transactions being conducted therewith. The Group and Company incurs certain administrative and professional expenses in foreign currency, primarily in Euro. The transactions are not significant and the total exposure to exchange rate fluctuations is not significant and therefore no sensitivity analysis has been performed.

ii. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

At the reporting date, the interest rate profile of the Group and Company's financial instruments was as follows:

30 June 2025

	Fixed rate USD	Floating rate USD	Non-interest bearing USD	Total USD
Group				
<i>Financial assets</i>				
Trade and other receivables	27,075,928	-	1,755,889	28,831,817
Cash and cash equivalents	-	-	444,665	444,665
	<u>27,075,928</u>	<u>-</u>	<u>2,200,554</u>	<u>29,276,482</u>
<i>Financial liabilities</i>				
Accruals and other payables	1,602	-	1,783,127	1,784,729
	<u>1,602</u>	<u>-</u>	<u>1,783,127</u>	<u>1,784,729</u>
Company				
<i>Financial assets</i>				
Trade and other receivables	27,075,928	-	1,755,886	28,831,814
Cash and cash equivalents	-	-	444,665	444,665
	<u>27,075,928</u>	<u>-</u>	<u>2,200,551</u>	<u>29,276,479</u>
<i>Financial liabilities</i>				
Accruals and other payables	1,602	-	1,783,116	1,784,718
	<u>1,602</u>	<u>-</u>	<u>1,783,116</u>	<u>1,784,718</u>

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

18. Financial instruments and financial risk management — continued

a. Market risk — continued

ii. Interest rate risk — continued

30 June 2024	Fixed Fixed rate USD	Floating Floating rate USD	Non-interest bearing USD	Total USD
Group				
<i>Financial assets</i>				
Trade and other receivables	165,568,364	-	4,649,889	170,218,253
Cash and cash equivalents	-	-	4,183,562	4,183,562
	<u>165,568,364</u>	<u>-</u>	<u>8,833,451</u>	<u>174,401,815</u>
<i>Financial liabilities</i>				
Accruals and other payables	225,370	-	6,134,581	6,359,951
Security deposits	-	-	150,000	150,000
	<u>225,370</u>	<u>-</u>	<u>6,284,581</u>	<u>6,509,951</u>
Company				
<i>Financial assets</i>				
Trade and other receivables	165,783,243	-	4,613,804	170,397,047
Cash and cash equivalents	-	-	853,017	853,017
	<u>165,783,243</u>	<u>-</u>	<u>5,466,821</u>	<u>171,250,064</u>
<i>Financial liabilities</i>				
Accruals and other payables	248,467	-	2,648,185	2,896,652
Security deposits	-	-	150,000	150,000
	<u>248,467</u>	<u>-</u>	<u>2,798,185</u>	<u>3,046,652</u>

Sensitivity analysis

The Group and Company is not subject to interest rate risk for the financial year ended 30 June 2025 as the interest on the external debt and intercompany is fixed (2024: none). Therefore, the Group and Company does not bear any material sensitivity to interest rate movements.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

18. Financial instruments and financial risk management — continued

b. Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and Company's receivables from the lessees. The Group and Company operates as a lessor to a number of airlines and operators. The carrying value of financial assets represents the Group and Company's maximum exposure to credit risk. The Directors have assessed the credit risk associated with the Group and Company's financial assets and are satisfied that these amounts are recoverable and the Group and Company's exposure to credit risk is not significant.

The maximum exposure to credit risk at the financial year end in relation to financial assets was:

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Group		
Trade and other receivables	28,831,817	170,218,253
Cash and cash equivalents	444,665	4,183,562
	<u>29,276,482</u>	<u>174,401,815</u>
Company		
Trade and other receivables	28,831,814	170,397,047
Cash and cash equivalents	444,665	853,017
	<u>29,276,479</u>	<u>171,250,064</u>

Cash and cash equivalents

The Group held cash of USD 444,665 (2024: USD 4,183,562), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with JP Morgan Chase Bank N.A., Bank of Ireland and Ebury, which has the following ratings as assigned:

	Year ended 30 June 2025 USD	Year ended 30 June 2024 USD
Moody's rating		
Group		
JP Morgan Chase Bank – Aa2 (2024: Aa2)	38,273	86,332
Bank of Ireland – A3 (2024: A3)	406,392	766,685
Ebury (not rated)	-	3,330,545
	<u>444,665</u>	<u>4,183,562</u>
Company		
JP Morgan Chase Bank – Aa2 (2024: Aa2)	38,273	86,332
Bank of Ireland – A3 (2024: A3)	406,392	766,685
	<u>444,665</u>	<u>853,017</u>

The Group and Company has not noted a significant increase in credit risk in the counterparties to the above mentioned trade and other receivables. No heightened probability of default has been noted and thus no ECLs of note have been recognised for the financial year under review.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

18. Financial instruments and financial risk management — continued

c. Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group and Company receives operating lease revenues from its lessees and uses this cash to manage the operations of the Group and Company and invest in new aircraft asset opportunities.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

30 June 2025

	Carrying amount USD	Gross Contractual Amount USD	Within 1 year USD	1-2 years USD	2-5 years USD	More than 5 years USD
Group						
<i>Financial liabilities</i>						
Accruals and other payables	1,784,729	1,784,729	1,784,729	-	-	-
	1,784,729	1,784,729	1,784,729	-	-	-

Company

<i>Financial liabilities</i>						
Accruals and other payables	1,784,718	1,784,718	1,784,718	-	-	-
	1,784,718	1,784,718	1,784,718	-	-	-

30 June 2024

Group

<i>Financial liabilities</i>						
Accruals and other payables	6,359,951	6,359,951	6,359,951	-	-	-
Security deposits	150,000	150,000	150,000	-	-	-
Loans and borrowings	-	-	-	-	-	-
	6,509,951	6,509,951	6,509,951	-	-	-

Company

<i>Financial liabilities</i>						
Accruals and other payables	2,896,652	2,896,652	2,896,652	-	-	-
Security deposits	150,000	150,000	150,000	-	-	-
	3,046,652	3,046,652	3,046,652	-	-	-

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

18. Financial instruments and financial risk management — continued

c. Liquidity risk — continued

The following are the contractual maturities of financial assets, including estimated interest payments:

30 June 2025	Carrying amount USD	Gross Contractual Amount USD	Within 1 year USD	1-2 years USD	2-5 years USD	More than 5 years USD
Group						
<i>Financial assets</i>						
Trade and other receivables	28,831,817	28,831,817	28,831,817	-	-	-
Cash and cash equivalents	444,665	444,665	444,665	-	-	-
	<u>29,276,482</u>	<u>29,276,482</u>	<u>29,276,482</u>	<u>-</u>	<u>-</u>	<u>-</u>

Company						
<i>Financial assets</i>						
Trade and other receivables	28,831,814	28,831,814	28,831,814	-	-	-
Cash and cash equivalents	444,665	444,665	444,665	-	-	-
	<u>29,276,479</u>	<u>29,276,479</u>	<u>29,276,479</u>	<u>-</u>	<u>-</u>	<u>-</u>

30 June 2024

Group						
<i>Financial assets</i>						
Trade and other receivables	170,218,253	170,218,253	170,218,253	-	-	-
Cash and cash equivalents	4,183,562	4,183,562	4,183,562	-	-	-
Security deposits	-	-	-	-	-	-
	<u>174,401,815</u>	<u>174,401,815</u>	<u>174,401,815</u>	<u>-</u>	<u>-</u>	<u>-</u>

Company						
<i>Financial assets</i>						
Trade and other receivables	170,397,047	170,397,047	170,397,047	-	-	-
Cash and cash equivalents	853,017	853,017	853,017	-	-	-
Security deposits	-	-	-	-	-	-
	<u>171,250,064</u>	<u>171,250,064</u>	<u>171,250,064</u>	<u>-</u>	<u>-</u>	<u>-</u>

d. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group and Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues from legal and regulatory requirements and generally accepted standards to corporate behavior. The Group and Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued

For the financial year ended 30 June 2025

19. Fair values of financial instruments

Valuation of financial instruments

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group and Company measures fair values using the following hierarchy of methods:

- Level 1:** Quoted market price in an active market for an identical instrument;
- Level 2:** Valuation techniques based on an observable input. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for similar instruments in markets that are considered less than active, or valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs could be valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between instruments.

Cash and cash equivalents have been classified under level 1. Due to their short-term nature the carrying values approximate to the fair values.

The trade and other receivables and trade and other payables have been classified under level 2. Receivables and payables have been classified under level 2 due to the fact that if they were transferred to a third party these are the values that would be obtained for both based on the value of similar instruments. Due to their short-term nature the Directors are of the view that the carrying values approximate the fair values.

20. Related party transactions

As at 30 June 2025, the Group and Company has identified the following related party transactions;

(a) *Transactions with directors*

Aoife Conneely, Gloria Cahill, Aine Neylon and Craig Irwin, employees of Vistra, served as Directors of the Group and Company during the financial year. The Company has entered into a service agreement with Vistra to provide accounting, administration, and directorship services to the Company. The terms of the corporate services agreement in place between the Company and Vistra provide for fees for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). No director is remunerated specifically for their services as Director of the Company. A theoretical charge of USD 8,400 would have been charged per Director per Company if the costs were borne by the Group and Company.

Aquila Air Capital (Ireland) Designated Activity Company

NOTES TO THE FINANCIAL STATEMENTS — continued For the financial year ended 30 June 2025

20. Related party transactions — continued

(b) *Transactions with related parties*

As at 30 June 2025, the Group has the following related party transactions:

	Nature of relationship	Opening balance USD	Transactions during year USD	Closing Balance USD
Aquila Air Capital Holdings LLC	Ultimate Parent	-	(131)	(131)
Aquila Air Capital TopCo L.P.	Former Parent	37,629,419	(37,629,419)	-
Aquila Air Capital (Cayman) 1 Ltd	Intermediate Parent	6,557	(6,397)	160
Aquila Air Capital Ltd	Parent	(204,315)	203,037	(1,278)
Aquila Air Capital Management Company Ltd	Group	2,448,001	(2,353,461)	94,540
Aquila Air Capital (Ireland) 2 DAC	Group	118,901,933	(92,005,705)	26,896,228
Aquila US Management LLC	Group	-	85,000	85,000
Aquila Air Capital Management, LLC	Former Group	3,366,657	(3,366,657)	-
Aquila Air Capital, LLC	Former Group	3,094,742	(3,094,742)	-
Takeoff Holdco, LLC	Former Group	100,000	(100,000)	-
		<u>165,342,994</u>	<u>(138,268,475)</u>	<u>27,074,519</u>

The above transactions relate to trading and funding activities. The above transactions were carried out on an arms-length basis and all relate to the ongoing operations of the Group and Company. On 13th December 2024 the ultimate parent changed from Aquila Air Capital TopCo L.P to Aquila Air Capital Holdings LLC (Bermuda) following the sale of Aquila Air Capital (Cayman) 1 Ltd and subsidiaries to Aquila Air Capital Holdings LLC (Bermuda).

21. Subsequent events

Post financial year end, up to the date of signing of these financial statements, the movement in the Group's asset portfolio was as follows:

	30 June 2025	30 June 2024
Asset type sold		
Aircraft/airframes	-	3
Engines	-	-
Asset type purchased		
Aircraft/airframes	-	-
Engines	-	-

Post financial year end a legal dispute was settled in which the Group received USD 3,750,000.

The Directors are not aware of any other matter or circumstances which have arisen that has significantly affected or may affect the operations of the Group and Company, the results of those operations or the state of affairs of the Group and Company for the financial year ended 30 June 2025.

22. Ownership of the Company

The share capital of the Company is held by Aquila Air Capital Ltd (formerly Aquila Air Capital (Cayman) Ltd), the Company's immediate parent undertaking. The Company's ultimate controlling party is Aquila Air Capital Holdings LLC.

23. Commitments and contingent liabilities

There were no commitments or contingent liabilities requiring disclosure in the financial statements at the financial year end (2024: none).

Aquila Air Capital (Ireland) Designated Activity Company

24. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 05 December 2025.