

**INCLINE ALADDIN HOLDINGS LIMITED
AND ITS SUBSIDIARIES**

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

COMPANY INFORMATION

Directors	Declan Cotter Gavin Mercer Maurice Prendergast James Conroy Darragh Smyth (alternate to Declan Cotter)
Company secretary	Gavin Mercer
Registered number of incorporation	621473
Registered office	West Pier Dun Laoghaire County Dublin Ireland
Independent auditor	Ernst & Young Chartered Accountants Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2 Ireland
Solicitor	McCann FitzGerald Riverside 1 Sir John Rogerson's Quay Dublin 2 Ireland

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present herewith the annual report and audited company and consolidated financial statements of Incline Aladdin Holdings Limited (the “Company”) and subsidiaries (the “Group”) for the financial year ended 31 December 2024. The comparative consolidated financial statements were presented for the financial year ended 31 December 2023.

Principal Activities and Review of the Development of the Business

The principal activity of the Company is that it operates as an investment holding company that holds equity interests in a number of subsidiary undertakings. The principal activity of the Group is the leasing of flight equipment. The Directors expect these activities to continue for the foreseeable future. The Directors continue to review and seek business opportunities for the Group. The Group’s Directors regularly review financial information related to the performance of the Group as well as relevant arrangements when making operating decisions. The key performance indicators used by management to monitor the performance are results on ordinary activities. The Group’s fixed-rate notes are listed with the Cayman Islands Stock Exchange.

Principal Risks and Uncertainties

The Group, in the course of its business activities, is exposed to asset, market, credit, liquidity, foreign currency and interest rate risk as the principal risks facing the Group, as it bears the risk of non-performance under the leases by the airlines operating the aircraft. The Group in turn has a financial risk policy that is managed by a related party, BBAM Aviation Services Limited (“BBAM ASL”). The Board of Directors ensures that risks are identified and managed in accordance with the objectives of the Group. The financial risks are discussed in more detail in Note 31 ‘Risks and uncertainties’ which is included herein by reference.

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

The Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2024 and the Consolidated and Company Statements of Financial Position at 31 December 2024 are set out on pages 9 to 13, respectively. The Group loss on ordinary activities for the financial year before taxation amounted to US\$22,187,520 (2023: US\$17,211,355). After crediting tax of US\$4,542,779 (2023: US\$4,273,467), a loss of US\$17,644,741 (2023: US\$12,937,888) is transferred to reserves. Other comprehensive income for the financial year amounted to US\$15,635 (2023: loss of US\$4,380,593). Consolidated shareholders’ funds at 31 December 2024 amounted to a surplus of US\$31,625,261 (2023: US\$49,254,367). Shareholders’ funds of the Company at 31 December 2024 amounted to a surplus of US\$72,786,938 (2023: US\$85,506,514). The Directors do not recommend a dividend to be paid in respect of the current financial year (2023: US\$Nil).

Directors’ and Secretary’s Interests

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

Going Concern

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

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

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

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

Events after the Reporting Period

Subsequent to 31 December 2024, the Group sold one Airbus A320 aircraft that was off lease as well as two CFM56 type engines, both of which were off-lease and realised a gain on sale on these transactions.

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

Political Donations

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

Charitable Contributions

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

Subsidiary Undertakings

Details of the activities carried out by subsidiary undertakings are set out in Note 15 in the consolidated financial statements.

Accounting Records

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

The accounting records are maintained by BBAM Limited Partnership ("BBAM LP"), a related party undertaking, at 150 Spear Street, Suite 850, San Francisco, CA 94105, USA. Although the accounting records are kept at a place outside the State, these are sent to and kept at a place in the State and such information and returns relating to the business dealt with in the accounting records will (a) disclose with reasonable accuracy the assets, liabilities, financial position and profit or loss of that business at intervals not exceeding 6 months, and (b) enable to be prepared in accordance with Part 6 of the Companies Act 2014 the Company's statutory financial statements as required by section 293 and the Directors' Report as required by section 325. These accounting records are held at the Company's registered office.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

Statement on Relevant Audit Information

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

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

Independent Auditor

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

Directors' Responsibilities Statement

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

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

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

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

Directors' Compliance Statement

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

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

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

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



Declan Cotter
Director



Gavin Mercer
Director



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN
HOLDINGS LIMITED**

Report on the audit of the financial statements

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN
HOLDINGS LIMITED (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' report, other than those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, is consistent with the financial statements; and
- the Directors' report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, and those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, has been prepared in accordance with applicable legal requirements.

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

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

Matters on which we are required to report by exception

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

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



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLINE ALADDIN
HOLDINGS LIMITED (CONTINUED)**

Respective responsibilities

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

This description forms part of our auditor's report.

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

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Operating income	2	46,084,621	38,641,397
Operating expense	4	(25,995,150)	(23,231,091)
Net operating profit on continuing operations		20,089,471	15,410,306
Interest income	5	5,538,086	1,929,790
Interest expense	6	(50,008,766)	(39,785,936)
Reversal of expected credit loss	3	1,474,876	5,234,485
Gain on sale of flight equipment assets	14	3,045,287	-
Loss on disposal of financial assets	13	(2,326,474)	-
Loss on ordinary activities before taxation		(22,187,520)	(17,211,355)
Income tax credit	9	4,542,779	4,273,467
Loss on ordinary activities after taxation		(17,644,741)	(12,937,888)
Other comprehensive income/(loss):			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent years			
Cash flow hedge - effective portion of changes in fair value, net of deferred tax	8	15,635	(4,380,593)
Total comprehensive loss		(17,629,106)	(17,318,481)

The accompanying notes on pages 19 to 78 form an integral part of these consolidated financial statements.

The Group has adopted a single Consolidated Statement of Comprehensive Income. All activities are derived from continuing operations, the results of which are attributable to the owners of the Company.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024 US\$	2023 US\$
Assets			
Flight equipment assets held for operating leases, net	14	614,994,677	409,076,935
Rent receivable, net	13	13,320,866	26,060,774
Derivative asset	8	182,877	-
Deferred tax assets, net	9	15,985,199	11,445,702
Other assets	16	99,023,909	122,426,056
Total non-current assets		743,507,528	569,009,467
Cash and cash equivalents	10	26,779,417	9,588,263
Restricted cash	11	3,348,643	2,748,722
Rent receivable, net	13	30,120,923	38,136,650
Amounts due from related party undertakings	12, 29	22,241,049	21,972,260
Tax refund receivable		405,339	413,825
Other assets	16	637,145	1,155,398
Total current assets		83,532,516	74,015,118
Total assets		827,040,044	643,024,585

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024**

	Note	2024 US\$	2023 US\$
Liabilities			
Maintenance payment liabilities	19	29,208,103	12,366,873
Security deposits	20	6,893,961	5,833,641
Secured borrowings, net	7	232,003,976	124,130,552
Notes payable to affiliates	18	422,477,213	282,588,228
Derivative liabilities	8	380,005	1,542,597
Other liabilities	22	22,759,376	27,040,603
Total non-current liabilities		713,722,634	453,502,494
Deferred operating lease rental income	21	3,499,871	2,281,077
Maintenance payment liabilities	19	5,991,842	12,895,908
Security deposits	20	1,110,000	1,500,000
Secured borrowings, net	7	32,752,212	23,036,988
Amounts due to related party undertakings	17, 29	17,802,617	17,503,407
Notes payable to affiliates	18	19,340,430	81,550,296
Other liabilities	22	1,195,177	1,500,048
Total current liabilities		81,692,149	140,267,724
Total liabilities		795,414,783	593,770,218
Net assets		31,625,261	49,254,367
Equity			
Share capital	23	1	1
Capital contributions	24	84,547,131	84,547,131
Retained deficit		(52,921,871)	(35,292,765)
Total equity		31,625,261	49,254,367

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



Declan Cotter
Director



Gavin Mercer
Director

The accompanying notes on pages 19 to 78 form an integral part of these consolidated financial statements.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024 US\$	2023 US\$
Assets			
Investment in subsidiary undertakings	15	108,320,422	108,320,418
Deferred tax assets		4,351,071	111,212
Other assets	16	98,343,565	121,483,228
Total non-current assets		<u>211,015,058</u>	<u>229,914,858</u>
Tax refund receivable		62,846	67,005
Other assets	16	345,463	815,790
Cash and cash equivalents	10	1,282,355	2,347,632
Amounts due from related party undertakings	12, 29	1,039,174	36,475,854
Total current assets		<u>2,729,838</u>	<u>39,706,281</u>
Total assets		<u>213,744,896</u>	<u>269,621,139</u>

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**COMPANY STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024**

	Note	2024 US\$	2023 US\$
Liabilities			
Other liabilities	22	22,321,771	27,040,603
Notes payable to affiliates	18	93,238,312	-
Total non-current liabilities		115,560,083	27,040,603
Amounts due to related party undertakings	17, 29	25,326,377	156,992,595
Other liabilities	22	71,498	81,427
Total current liabilities		25,397,875	157,074,022
Total liabilities		140,957,958	184,114,625
Net assets		72,786,938	85,506,514
Equity			
Share capital	23	1	1
Capital contributions	24	84,547,131	84,547,131
Retained (deficit)/earnings		(11,760,194)	959,382
Total equity		72,786,938	85,506,514

During the financial year, the Company recorded a net loss of US\$12,719,576 (2023: US\$10,721).

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



Declan Cotter
Director



Gavin Mercer
Director

The accompanying notes on pages 19 to 78 form an integral part of these consolidated financial statements.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share Capital	Capital Contribution	Retained Deficit	Total attributable to equity holders of parent	Total Equity
	US\$	US\$	US\$	US\$	US\$
At 1 January 2023	1	84,547,131	(17,974,284)	66,572,848	66,572,848
Loss for the financial year	-	-	(12,937,888)	(12,937,888)	(12,937,888)
Other comprehensive loss	-	-	(4,380,593)	(4,380,593)	(4,380,593)
Total comprehensive loss for the year	-	-	(17,318,481)	(17,318,481)	(17,318,481)
At 31 December 2023	1	84,547,131	(35,292,765)	49,254,367	49,254,367
At 1 January 2024	1	84,547,131	(35,292,765)	49,254,367	49,254,367
Loss for the financial year	-	-	(17,644,741)	(17,644,741)	(17,644,741)
Other comprehensive income	-	-	15,635	15,635	15,635
Total comprehensive loss for the year	-	-	(17,629,106)	(17,629,106)	(17,629,106)
At 31 December 2024	1	84,547,131	(52,921,871)	31,625,261	31,625,261

The accompanying notes on pages 19 to 78 form an integral part of these consolidated financial statements.

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share Capital	Capital Contribution	Retained Deficit	Total Equity
	US\$	US\$	US\$	US\$
At 1 January 2023	1	84,547,131	970,103	85,517,235
Loss for the year	-	-	(10,721)	(10,721)
Total comprehensive loss for the year	-	-	(10,721)	(10,721)
At 31 December 2023	1	84,547,131	959,382	85,506,514
At 1 January 2024	1	84,547,131	959,382	85,506,514
Loss for the year	-	-	(12,719,576)	(12,719,576)
Total comprehensive loss for the year	-	-	(12,719,576)	(12,719,576)
At 31 December 2024	1	84,547,131	(11,760,194)	72,786,938

The accompanying notes on pages 19 to 78 form an integral part of these consolidated financial statements.

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024	2023
		US\$	US\$
Cash flows from operating activities			
Loss on ordinary activities before taxation		(22,187,520)	(17,211,355)
Interest income	5	(5,538,086)	(1,929,790)
Interest expense	6	49,845,040	38,430,021
Amortisation of loan costs	7	1,105,548	1,355,915
(Payments)/Proceeds from swap settlements	8	(941,822)	2,469,894
Depreciation	14	15,095,705	13,127,128
Increase in amounts due from related party undertakings	12	(268,788)	(123,284)
(Increase)/decrease in rent receivable	13	(16,670,839)	3,143,188
Decrease in other assets	16	780,739	654,124
Increase in amounts due to related party undertakings	17	299,210	549,850
Increase in maintenance payment liabilities	19	9,937,163	4,581,663
Increase in deferred operating lease rental income	21	1,218,794	-
Increase/(decrease) in other liabilities	22	564,493	(501,707)
Increase in security deposits	20	670,320	950,000
Gain on sale of flight equipment assets	14	(3,045,287)	-
Loss on disposal of financial assets	13	2,326,474	-
Gain in fair value of derivatives	8	(1,329,836)	-
		<hr/>	<hr/>
Cash inflow from operations		31,861,308	45,495,647
		<hr/>	<hr/>
Interest received	5	5,538,086	1,929,790
Interest paid on borrowings and derivatives	7, 18	(111,282,750)	(13,288,177)
Income tax received/(paid)	9	11,770	(28,148)
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(73,871,586)	34,109,112
		<hr/>	<hr/>
Cash flows from investing activities			
Flight equipment assets purchased	14	(210,700,000)	-
Flight equipment improvements	14	(4,543,730)	-
Proceeds from sale of flight equipment asset	14	4,000,000	-
Proceeds from sale of maintenance rights	14	11,264,641	-
Proceeds from sale of revenue bonds	13	35,100,000	-
		<hr/>	<hr/>
Net cash outflow from investing activities		(164,879,089)	-
		<hr/>	<hr/>

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024	2023
		US\$	US\$
Cash flows from financing activities			
Net movements from restricted cash	11	(599,922)	35,239,096
Repayment of notes payable to affiliates	18	(388,582,101)	-
Proceeds from notes payable to affiliates	18	528,471,086	31,150,391
Proceeds from borrowings	7	168,000,000	161,000,000
Repayment of borrowings	7	(49,956,641)	(250,398,018)
Loan costs	7	(1,390,593)	(3,754,463)
		<hr/>	<hr/>
Net cash inflow/(outflow) from financing activities		255,941,829	(26,762,994)
		<hr/>	<hr/>
Net movement in cash and cash equivalents		17,191,154	7,346,118
Cash and cash equivalents at the beginning of the financial year		9,588,263	2,242,145
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year		26,779,417	9,588,263
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 19 to 78 form an integral part of these consolidated financial statements.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**COMPANY STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024	2023
		US\$	US\$
Cash flows from operating activities			
Loss on ordinary activities before taxation		(16,959,435)	(14,295)
Interest income		(12,520)	(12,322)
Interest expense		20,823,003	-
Decrease/(increase) in amounts due from related party undertakings	12	53,425,752	(375,966)
Decrease in other assets	16	470,326	106,780
(Decrease)/increase in amounts due to related party undertakings	17	(131,666,219)	2,154,748
Increase in other liabilities	22	421,831	11,149
		<hr/>	<hr/>
Cash (outflow)/inflow from operations		(73,497,262)	1,870,094
Interest received		12,520	12,322
Interest paid		(20,823,003)	-
Income tax received/(paid)		4,160	(2,023)
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(94,303,585)	1,880,393
		<hr/>	<hr/>
Cash flows from investing activities			
Investment in subsidiary	15	(4)	-
		<hr/>	<hr/>
Net cash outflow from investing activities		(4)	-
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from notes payable to affiliates	18	115,265,627	-
Repayment of notes payable to affiliates	18	(22,027,315)	-
		<hr/>	<hr/>
Net cash inflow from financing activities		93,238,312	-
		<hr/>	<hr/>
Net movement in cash and cash equivalents		(1,065,277)	1,880,393
Cash and cash equivalents at the beginning of the financial year		2,347,632	467,239
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year		1,282,355	2,347,632
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 19 to 78 form an integral part of these consolidated financial statements.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies

1.1 Corporate Information

The consolidated financial statements of the Group for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 18 September 2025. The Company is a limited company incorporated on 20 February 2018 and domiciled in the Republic of Ireland. The registered office is located at West Pier, Dun Laoghaire, County Dublin, Ireland. The registered number of incorporation is 621473.

The principal activities of the Group are described in the Directors' Report on page 2. Details of the subsidiary undertakings of the Company are provided in Note 15. Information on the Group's ultimate and immediate parent undertakings is provided in Note 28.

1.2 Basis of Preparation and Statement of Compliance

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

The consolidated financial statements have been prepared on a historical cost basis, except for derivative assets and liabilities which are measured at fair value. The consolidated financial statements are presented in U.S. dollars ("US\$"). The consolidated financial statements provide comparative information in respect of the previous year ended 31 December 2023. The following accounting policies have been consistently applied to all periods presented, unless otherwise stated. In accordance with the exemption contained within Section 304 of the Companies Act 2014, the primary financial statements of the Company do not include a Statement of Profit or Loss.

Going Concern

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

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the following:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.4 New and amended accounting standards adopted

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

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

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

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

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.6 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9, *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit and loss. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

1.7 Foreign Currencies

The Group's consolidated financial statements are prepared in U.S. dollars ("US\$"), which is also the Company's functional currency. Each entity in the Group determined its own functional currency and items included in the standalone financial statements of each entity are measured using that functional currency. All financial information presented in US\$ has been rounded to the nearest dollar unless otherwise indicated.

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.8 Operating Lease Income

Operating lease income is recognised on a straight-line basis over the term of the underlying lease. The difference between lease rentals invoiced and amounts recognised in income, resulting from the straight-lining of revenues, are included in deferred lease income in the Consolidated Statements of Financial Position. As the Group's lease contracts require payment in advance, rentals received but unearned under the lease agreements are also recorded in deferred lease income. When the terms of an operating lease are modified, the Group considers if the arrangement continues to be an operating lease. If the arrangement continues to be an operating lease, the Group accounts for the modification as a new lease from the effective date of the modification, considering any prepaid and accrued lease payments relating to the original lease as part of the lease payments for the new lease.

1.9 Investment in Subsidiary Undertakings

Investment in subsidiary undertakings are carried at cost less impairment charges recognised. The Company reviews its investment in subsidiary undertakings at each reporting date or when there is an indication of a possible impairment. An investment in subsidiary undertakings is considered impaired when its carrying value is higher than its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and value in use. Each of these is determined by reference to the assets and liabilities of all subsidiary undertakings that are directly or indirectly owned. Where an investment is considered to be impaired, it is written down to its recoverable amount with the resultant impairment charge being recorded in the Statements of Comprehensive Income.

1.10 Operating Expenses

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

Depreciation for the financial year is also recognised under this heading and is calculated and disclosed as discussed below in line with the corresponding requirements under the IFRS framework as set out in IAS 16, *Property, Plant and Equipment* (see Note 14).

1.11 Leases

Leases are accounted for and classified in accordance with IFRS 16 *Leases*. Leases where the Company transfers substantially all of the risks and rewards of ownership to the lessee are classified as finance leases. All other leases are classified as operating leases.

1.12 Lease costs

Costs incurred and directly attributable to the leasing out of the aircraft are recognised and amortised over the term of the lease.

1.13 Interest Income

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

1.14 Interest Expense

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.15 Flight Equipment Assets Held for Operating Leases, Net

The Group states all flight equipment assets owned at cost, net of accumulated depreciation and accumulated impairment losses. The cost of the asset is made up of the purchase price of the asset plus any costs directly attributable to bringing the asset into working condition for its intended use.

The depreciable amount of the flight equipment assets, comprised of the flight equipment's cost less its estimated salvage value, is allocated on a systematic basis over the asset's useful life, which was determined taking into consideration the service potential and maintenance condition of the asset. The useful life of the aircraft is assessed to be 25 years from the date of manufacture unless conversion has been undertaken on the equipment. Aircraft that have undergone conversion are assigned a 15-year life from the date being placed into service after the conversion is completed or 35 years from the date of manufacture, whichever is longer. The useful life of jet engines is assessed to 15 years from the date of acquisition. Residual values are generally estimated to be 15% of the original manufacturer's cost for aircraft and 55% of the original manufacturer's estimated realised price for the engine when new. Management may, at its discretion, make exceptions to this policy on a case-by-case basis when, in its judgment, the residual values calculated pursuant to this policy do not appear to reflect current expectations of residual values.

The depreciation methodology, which is straight-line for all flight equipment assets, is determined taking into consideration the pattern in which the asset's economic benefits are consumed by the Group.

Impairment of an asset is recognised in accordance with IAS 36, *Impairment of Assets*, which stipulates that the recoverable amount of an asset is measured whenever there is an indication that the asset is impaired. The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any condition exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments at the time value of money and the risks specific to the asset. Future cash flows include contracted lease rentals, forecast lease rentals, a forecast cash flow to adjust from full to half-life maintenance return condition and forecast half-life residual value at the end of the flight equipment asset life.

If the recoverable amounts are lower than carrying values, assets are reduced to their recoverable amounts with the resultant impairment charges being recorded in the Consolidated Statements of Comprehensive Income. Where a prior impairment loss has decreased or reversed, the carrying amount of the asset is increased and the impairment loss reversed in the Consolidated Statements of Comprehensive Income to the extent the asset is not carried at a higher value than if no impairment loss had been recognised in prior periods.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.16 Maintenance Rights

At the time of acquisition of flight equipment with an in-place lease, the Group identifies, measures and accounts for maintenance right assets and liabilities associated with its acquisition. A maintenance right asset represents the fair value of its contractual right under a lease to receive flight equipment in an improved maintenance condition at lease expiry as compared to the maintenance condition on the acquisition date. A maintenance right liability represents the Group's obligation to pay the lessee for the difference between the lease end contractual maintenance condition of the flight equipment at lease expiry and the actual maintenance condition of the flight equipment on the acquisition date.

The Group's flight equipment is typically subject to triple-net leases pursuant to which the lessee is responsible for maintenance, which is accomplished through one of two types of provisions in its leases: (i) end of lease return conditions ("EOL Leases") or (ii) periodic maintenance payments ("MR Leases"). Maintenance rights are not subject to amortisation.

EOL Leases

Under EOL Leases, the lessee is obligated to comply with certain return conditions which require the lessee to perform lease end maintenance work or make cash compensation payments at the end of the lease to bring the flight equipment into a specified maintenance condition.

Maintenance right assets in EOL Leases represent the difference in value between the contractual right to receive flight equipment in an improved maintenance condition at lease expiry as compared to the maintenance condition on the acquisition date. Maintenance right assets are recorded in flight equipment assets.

Maintenance right liabilities exist in EOL Leases if, on the acquisition date, the maintenance condition of the flight equipment is greater than the contractual return condition in the lease at lease expiry and the Group is required to pay the lessee in cash for the improved maintenance condition. The Group has no maintenance rights liabilities in EOL Leases as of 31 December 2024 and 2023.

When the Group has recorded maintenance right assets with respect to EOL Leases, the following accounting scenarios exist: (i) the flight equipment is returned at lease expiry in the contractually specified maintenance condition without any cash payment to the Group by the lessee, the maintenance right asset is relieved and a flight equipment improvement is recorded to the extent the improvement is substantiated and deemed to meet the Group's capitalization policy; (ii) the lessee pays the Group cash compensation at lease expiry in excess of the value of the maintenance right asset, the maintenance right asset is relieved and any excess is recognised as end of lease income; or (iii) the lessee pays the Group cash compensation at lease expiry that is less than the value of the maintenance right asset, the cash is applied to the maintenance right asset and the balance of such asset is relieved and recorded as a flight equipment improvement to the extent the improvement is substantiated and meets the Group's capitalisation policy.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.16 Maintenance Rights (continued)

Any flight equipment improvement will be depreciated over a period to the next scheduled maintenance event in accordance with the Group's policy with respect to major maintenance.

When the Group has recorded maintenance right liabilities with respect to EOL Leases, the following accounting scenarios exist: (i) the flight equipment is returned at lease expiry in the contractually specified maintenance condition without any cash payment by the Group to the lessee, the maintenance right liability is relieved and end of lease income is recognised; (ii) the Group pays the lessee cash compensation at lease expiry of less than the value of the maintenance right liability, the maintenance right liability is relieved and any difference is recognised as end of lease income; or (iii) the Group pays the lessee cash compensation at lease expiry in excess of the value of the maintenance right liability, the maintenance right liability is relieved and the excess amount is recorded as a flight equipment improvement.

Maintenance Rights (MR) Leases

Under MR Leases, the lessee is required to make periodic maintenance payments to the Group based upon usage of the flight equipment. When qualified major maintenance is performed during the lease term, the Group is required to reimburse the lessee for the costs associated with such maintenance. At the end of lease, the Group is entitled to retain any cash receipts in excess of the required reimbursements to the lessee.

Maintenance right assets in MR Leases represent the right to receive flight equipment in an improved condition relative to the actual condition on the acquisition date. The flight equipment is improved by the performance of qualified major maintenance paid for by the lessee who is reimbursed by the Group from the periodic maintenance payments that it receives.

When the Group has recorded maintenance right assets with respect to MR Leases, the following accounting scenarios exist: (i) the flight equipment is returned at lease expiry and no qualified major maintenance has been performed by the lessee since the acquisition date, the maintenance right asset is offset by the amount of the associated maintenance payment liability and any excess is recorded as end of lease income, which is consistent with the Group's existing policy; or (ii) the Group has reimbursed the lessee for the performance of qualified major maintenance, the maintenance right asset is relieved and a flight equipment improvement is recorded.

The Group has no maintenance right liabilities for MR Leases.

When flight equipment is sold, maintenance rights are released from the Statements of Financial Position as part of the disposition gain or loss.

1.17 Lease Premium and Lease Discount

Lease premium represents the value of an acquired lease where the contractual rent payments are above the market lease rate at the date of acquisition. This asset is recognised at cost based on discounted cash flows and is amortised on a straight-line basis over the remaining term of the related lease and is recorded as a component of operating lease revenue in the Consolidated Statements of Comprehensive Income.

Lease discount represents the value of an acquired lease where the contractual rent payments are below the market lease rate at the date of acquisition. This liability is recognised at cost based on discounted cash flows and is amortised on a straight-line basis over the remaining term of the related lease and is recorded as a component of operating lease revenue in the Consolidated Statements of Comprehensive Income.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.18 Financial Instruments

The Group's financial asset categories are financial assets at amortised cost and derivatives designated as hedging instruments. Financial assets at amortised cost comprise of "cash and cash equivalents", "restricted cash", "amounts due from related party undertakings", "rent receivable" and other receivables within "other assets" in the Consolidated Statements of Financial Position. Derivatives designated as hedging instruments comprise of interest rate swaps used to hedge interest rate risk. The derivatives are measured at fair value with the effective portion of the gain or loss being recognised in OCI.

The Group's financial liabilities categories are financial liabilities measured at amortised cost and derivatives designated as hedging instruments. Financial liabilities measured at amortised cost comprise of "amounts due to related party undertakings", "notes payable to affiliates", "maintenance payment liabilities", "security deposits", "other liabilities" (excluding future lease discount) and "secured borrowings" in the Consolidated Statements of Financial Position. Derivatives designated as hedging instruments comprise of interest rate swaps used to hedge interest rate. The derivatives are measured at fair value with the effective portion of the gain or loss being recognised in OCI.

1) Financial Assets

Initial recognition and measurement

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

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

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

Subsequent Measurement

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.18 Financial Instruments (continued)

1) Financial Assets (continued)

Financial assets at amortised cost

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

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

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

The Group’s financial assets at amortised cost are cash and cash equivalents, restricted cash, amounts due from related party undertakings, rent receivable and other receivables within other assets.

Financial assets at fair value through OCI (equity instruments)

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

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

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

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.18 Financial Instruments (continued)

1) Financial Assets (continued)

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

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

Financial assets at fair value through profit or loss

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

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

The Group does not hold any financial assets at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily recognised (i.e., removed from the Consolidated Statements of Financial Position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.18 Financial Instruments (continued)

1) Financial Assets (continued)

Impairment of Financial Assets

Further disclosures relating to impairment of financial assets are also provided in Note 31.

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

ECLs are recognised in two stages as follows:

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

For rent receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognised a loss allowance based on lifetime ECLs at each reporting date.

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

2) Financial Liabilities

Initial Recognition and Measurement

The Group’s financial liabilities are recognised as financial liabilities measured at amortised cost and derivatives designated as hedging instruments. Financial liabilities measured at amortised cost comprise of “amounts due to related party undertakings”, “notes payable to affiliates”, “maintenance payment liabilities”, “security deposits”, “other liabilities” (excluding future lease discount) and “secured borrowings” in the Consolidated Statements of Financial Position. Derivatives designated as hedging instruments comprise of interest rate swaps used to hedge interest rate. The derivatives are measured at fair value with the effective portion of the gain or loss being recognised in OCI.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has designated “fair value of derivative liabilities” as derivatives designated as hedging instruments with the effective portion of the gain or loss on the hedging instrument being recognised in OCI.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.18 Financial Instruments (continued)

2) Financial Liabilities (continued)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are recognised as well as through the EIR recognition process.

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

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

Derecognition

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

3) Non-Derivative Financial Instruments

Non-derivative financial instruments comprise of “cash and cash equivalents”, “restricted cash”, “amounts due from related party undertakings”, “rent receivable”, other receivables within “other assets”, “amounts due to related party group undertakings”, “notes payable to affiliates”, “security deposits” “maintenance payment liabilities”, “secured borrowings” and “other liabilities (excluding future lease discount)”.

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

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

Cash and Cash Equivalents

The Group considers cash and cash equivalents to be cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments and where required under operating lease contracts.

Restricted Cash

The Group’s restricted cash consists of cash received from lessees that are pledged as collateral to the Group’s lenders and security deposits received from lessees.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.18 Financial Instruments (continued)

3) Non-Derivative Financial Instruments (continued)

Notes Payable to Affiliates and Secured Borrowings

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

Notes payable are classified as financial liabilities at amortised cost in accordance with IFRS 9, *Financial Instruments*. Notes payable are debt instruments and all amounts, paid or payable by the Group (other than payments of principal on the notes) will be treated as interest expense in the Group’s Consolidated Statements of Comprehensive Income. After initial recognition, interest-bearing notes payable are subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the Consolidated Statements of Comprehensive Income using the effective interest rate method.

Loan Costs

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

Modification of Loans

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

Rent Receivable

Rent receivable represent amounts due from lessees under operating lease contracts. Where amounts are outstanding from lessees, the Group will identify a potential impairment loss, based upon expected ability to collect the amounts, taking into consideration the credit quality of the lessee and the level of security held.

Maintenance Payment Liabilities

The Group receives maintenance payment liabilities under its aircraft lease arrangements which are retained and subsequently drawn down by the lessee as maintenance costs are borne. Maintenance payment liabilities are accounted for on a cash basis. Any surplus arising on the maintenance payment liabilities account is retained by the Group. The lessee retains responsibility for maintenance costs that exceed the balance on deposit with the Group.

Security Deposits

Security deposits represent cash received from the lessee that are held on deposit until lease expiry. The Group’s lease agreements also obligate the lessee to maintain the aircraft and comply with all governmental requirements during the lease term.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.19 Taxation

Corporation tax payable is provided on the results for the financial year. The Company and its subsidiaries that are domiciled in the Republic of Ireland have elected to be treated as qualifying companies within the meaning of Section 110 of the Irish Tax Consolidation Act, 1997, which provides for a special tax regime applicable to taxable profits. A qualifying company will be subject to Irish corporation tax on trading operations at a rate of 25%. However, a qualifying company is not entitled to surrender any tax relief it is entitled to under the group relief provisions of the Irish Tax Consolidation Act, 1997. Losses accruing to a qualifying company may be carried forward and relieved against future profits of the company. Provisions have been made for income taxes for subsidiaries domiciled in foreign jurisdictions based on their jurisdictions.

Deferred tax is recognised in respect of all temporary between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Provision is made at the rates expected to apply when the temporary differences reverse based on legislation enacted or substantively enacted at the end of the financial year.

Temporary differences are differences between the carrying amount of an asset or liability in the Consolidated Statements of Financial Position and its tax base.

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

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

1.20 Share Capital

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

1.21 Derivatives

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

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

At the inception of a hedge, and at least quarterly thereafter, a formal assessment is performed to determine whether changes in cash flows of the interest rate swap have been highly effective in offsetting changes in the cash flows of the hedged items and whether they are expected to be effective in the future. If it is determined that an interest rate swap has not been or will not continue to be highly effective as a hedge, hedge accounting is discontinued. When this occurs, cumulative gains and losses recorded in equity are recognised into interest expense over the remaining life of the hedged item in the Consolidated Statements of Comprehensive Income beginning no later than when hedge accounting ceases.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.22 Significant Accounting Judgments, Estimates and Assumptions

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

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

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

Note 3 – Expected credit loss – key assumptions about the lessees' credit risk and probability of default;

Note 9 – Deferred tax assets – key judgment about the availability of future taxable profits against which carry forward tax losses can be used; and

Notes 1.15 and 14 – Flight equipment assets held for operating leases – key assumptions around the underlying recoverable amount, residual values and useful economic lives.

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

1. Corporate Information and Material Accounting Policies (continued)

1.23 Determination of Fair Values

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

a. Cash and cash equivalents and restricted cash

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

b. Amounts due from and due to related party undertakings

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

c. Rent receivable

The current portion of the rent receivable balance approximates to fair value due to the short-term nature of these instruments.

d. Other assets and liabilities

The carrying amount approximates to fair value due to the short-term nature of these instruments, excluding "flight equipment deposits" and "future lease discount".

e. Notes payable to affiliates

The fair value of the notes payable to affiliates was based on the present value of estimated future cash flows. Key inputs include the discount rate.

f. Security deposits and maintenance payment liabilities

For security deposits, the lessee may at any time during the lease period elect to substitute a letter of credit for the security deposit held by the Group. As this substitution can happen on demand, the carrying amount of the security deposit approximates to fair value as it represents cash paid.

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

g. Secured borrowings

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

h. Fair value of derivative assets and liabilities

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

2. Operating income

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Lease income	42,904,944	38,641,397
End of lease income	2,877,752	-
Other income	301,925	-
	<u>46,084,621</u>	<u>38,641,397</u>

Lease income is derived from 29 (2023: 23) operating leases, of which 26 (2023: 21) remain in place as of 31 December 2024. The leases range from one to eleven years (2023: one to eleven years). Two operating leases are due to expire within twelve months from the reporting date (2023: one operating leases). For the financial year ended 31 December 2024, the Group had its largest concentration of total lease income from one lessee in Malaysia and from one lessee in Thailand (2023: one lessee in Malaysia and one lessee in India).

The Group recognised US\$2.8 million (2023: US\$Nil) in end of lease income in connection with the expiry of three leases relating to two engines, with lessees domiciled in India, the Philippines and Spain.

The analysis of lease income by country of domicile of the lessee is as follows:

	2024 US\$	2023 US\$
Malaysia	28,607,013	27,723,945
India	5,158,462	5,570,203
Thailand	7,891,393	4,973,055
Philippines	-	374,194
Spain	1,248,076	-
	<u>42,904,944</u>	<u>38,641,397</u>

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

	2024 US\$	2023 US\$
Commitments for future lease receipts:		
Due within one year	61,772,927	43,050,587
Due between one and two years	57,109,060	41,251,022
Due between two and three years	55,173,084	36,352,384
Due between three and four years	45,338,449	34,343,646
Due between four and five years	36,136,039	24,688,354
Due after five years	180,604,848	55,878,971
	<u>436,134,407</u>	<u>235,564,964</u>

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

3. Expected credit loss

During the financial year, the Group recognised income of US\$1.5 million (2023: US\$5.2 million) in its Consolidated Statements of Comprehensive Income, representing a partial reversal of previously recognised credit losses attributable to two lessees (2023: three lessees).

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Reversal of expected credit loss	1,474,876	5,234,485

During the financial year, the Group did not recognise any additional expected credit loss on any of its lessees (2023: US\$Nil). Instead, the Group recognised in its Consolidated Statements of Comprehensive Income an amount of US\$1.5 million, representing a partial reversal of previously recognised credit losses attributable to two lessees (2023: US\$5.2 million attributable to three lessees). Refer to Note 31 (d) for further details.

An expected loss provision percentage has been applied based on the probability of default determined. This percentage is multiplied by the lessees outstanding receivable balance at year-end, net of any security deposit, to calculate an expected credit loss over the life of the lease. None of the lessees have a 100% provision (2023: None).

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Movements		
Balance at beginning of financial year	2,368,806	7,603,291
Reversal of expected credit loss	(1,474,876)	(5,234,485)
Balance at end of financial year	893,930	2,368,806

4. Operating expenses

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Depreciation	15,095,705	13,127,128
Management fee	9,055,405	9,068,582
Selling, general and administrative	1,120,785	541,245
Maintenance and other	723,255	494,136
	25,995,150	23,231,091

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

5. Interest income

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Bank deposit interest income	1,098,477	824,391
Aircraft lease interest income	4,439,609	1,105,399
	<u>5,538,086</u>	<u>1,929,790</u>

6. Interest expense

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Amortisation of loan costs	1,105,548	1,355,915
Interest expense on secured borrowings and derivatives	11,905,132	8,860,896
Interest expense on notes payable to affiliates	36,998,086	29,569,125
	<u>50,008,766</u>	<u>39,785,936</u>

The above interest expense of US\$11.9 million (2023: US\$8.9 million) includes a credit to interest expense of US\$1.5 million (2023: US\$1.8 million) on the hedged derivatives and US\$Nil (2023: US\$2.5 million) in relation to the cumulative unrealised fair value gains on the terminated interest rate swap contracts that was reclassified to interest expense.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

7. Secured borrowings, net

	2024	2023
	US\$	US\$
Aladdin Credit Facility	99,209,284	147,167,540
Aladdin 1 Leasing Credit Facility	40,691,216	-
Aladdin 2 Leasing Credit Facility	41,466,354	-
Aladdin 3 Leasing Credit Facility	41,783,847	-
Aladdin 4 Leasing Credit Facility	41,605,487	-
	264,756,188	147,167,540

Aircraft Credit Facility

In June 2018, the Company’s subsidiaries Incline Aladdin Funding DAC (“Aladdin Funding”) and Incline Aladdin MaltaCo Limited (“Aladdin Malta”), entered into a US\$695.7 million senior secured credit facility (“the Aircraft Credit Facility”) with a consortium of lenders to finance the acquisition of a portfolio of 34 aircraft on operating leases to the AirAsia Group (“the AirAsia Portfolio”) by the Company’s indirect subsidiary Merah Aircraft 4 Limited (“MA4”). Borrowings are secured by the beneficial interests in the borrowers, the Company’s subsidiary and MA4’s parent undertaking, Red Aircraft Holdings 2 Co., Ltd. (“RAH2”), and RAH2’s aircraft-owning and leasing subsidiaries, including MA4 (“the AirAsia Portfolio and the related leases”). Each loan made pursuant to the Aircraft Credit Facility was designated 25% to a Series A Loan and 75% to a Series B loan. The Series A and B loans were repaid in full in June 2019 and June 2023, respectively.

Aladdin Credit Facility

In June 2023, the Group entered into a US\$161.0 million senior secured credit facility (the “Aladdin Credit Facility”) to refinance 14 aircraft with a maturity in June 2031. The Group did not borrow any additional amounts during 2024 (2023: borrowed US\$161.0 million) and repaid US\$48.8 million (2023: US\$11.0 million) during the financial year. At 31 December 2024, the Group had US\$101.2 million (2023: US\$150.0 million) principal amount outstanding under the Aladdin Credit Facility and did not incur debt issuance costs during 2024 (2023: incurred US\$3.8 million). As of 31 December 2024, the Group had accrued and unpaid interest of US\$0.2 million (2023: US\$0.3 million).

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

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

7. Secured borrowings, net (continued)

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

	2024	2023
	US\$	US\$
Aladdin Credit Facility		
Principal outstanding	101,170,503	150,010,733
Accrued and unpaid interest	197,051	348,056
Loan costs, net of amortisation	(2,158,270)	(3,191,249)
Net loans and borrowings	99,209,284	147,167,540
	Year ended	Year ended
	31 December	31 December
	2024	2023
	US\$	US\$
Movements on principal and interest		
Balance at beginning of financial year	150,358,789	204,563,803
Advanced during the year	-	161,000,000
Repayment of borrowings	(48,840,230)	(213,247,627)
Interest expense	11,695,540	8,860,896
Interest paid	(11,846,544)	(10,818,283)
Balance at end of financial year	101,367,555	150,358,789
	Year ended	Year ended
	31 December	31 December
	2024	2023
	US\$	US\$
Movements on loan costs		
Balance at beginning of financial year	3,191,249	792,701
Additional loan costs	-	3,754,463
Amortisation of loan costs	(1,032,978)	(1,355,915)
Balance at end of financial year	2,158,271	3,191,249

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

7. Secured borrowings, net (continued)

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

Aladdin 1 Leasing Credit Facility

During 2024, the Company's subsidiary, Incline Aladdin 1 Leasing Limited ("Aladdin 1 Leasing"), entered into a secured credit facility (the "Aladdin 1 Leasing Credit Facility") to finance the acquisition of one aircraft with a loan maturity in June 2029. The loan bears interest at SOFR plus a margin of 3.00%, and at 31 December 2024, the weighted average interest rate was 6.96%. The borrowings are secured by the associated aircraft and lease and the equity interest in Aladdin 1 Leasing. The Aladdin 1 Leasing Credit Facility contains operating covenants and customary reporting requirements. Breaches of covenants, if any, do not result in a reclassification of the related borrowings and do not trigger an immediate repayment of the borrowings. As of 31 December 2024, the Group is in compliance with these reporting requirements.

During 2024, Aladdin 1 Leasing received borrowings in an aggregate amount of \$42.0 million and repaid an aggregate outstanding principal amount of \$1.0 million. Aladdin 1 Leasing incurred debt issuance costs of \$0.4 million during 2024. As of 31 December 2024, Aladdin 1 Leasing's aggregate accrued interest for the Aladdin 1 Leasing Credit Facility totaled \$39,655.

	2024	2023
	US\$	US\$
Aladdin 1 Leasing Limited Facility		
Principal outstanding	41,022,504	-
Accrued and unpaid interest	39,655	-
Loan costs, net of amortisation	(370,943)	-
	40,691,216	-
Net loans and borrowings		

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

7. Secured borrowings, net (continued)

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Movements on principal and interest		
Balance at beginning of financial year	-	-
Drawdown of borrowings	42,000,000	-
Repayment of borrowings	(977,496)	-
Interest paid	(1,447,547)	-
Interest expense	1,487,202	-
Balance at end of financial year	41,062,159	-
	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Movements on loan costs		
Balance at beginning of financial year	-	-
Loan costs incurred	420,000	-
Amortisation of loan costs	(49,057)	-
Balance at end of financial year	370,943	-
	2024 US\$	2023 US\$
Loan commitments as contracted:		
Due within one year	2,071,368	-
Due between one and two years	2,224,376	-
Due between two and three years	2,388,686	-
Due between three and four years	2,558,122	-
Due between four and five years	31,779,952	-
Due over five years	-	-
	41,022,504	-

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

7. Secured borrowings, net (continued)

Aladdin 2 Leasing Limited Facility

During 2024, the Company's subsidiary, Incline Aladdin 2 Leasing Limited ("Aladdin 2 Leasing"), entered into a secured credit facility (the "Aladdin 2 Leasing Credit Facility") to finance the acquisition of one aircraft with a loan maturity in November 2029. The loan bears interest at SOFR plus a margin of 2.75%, and at 31 December 2024, the weighted average interest rate was 6.64%. The borrowings are secured by the associated aircraft and lease and the equity interest in Aladdin 2 Leasing. The Aladdin 2 Leasing Credit Facility contains operating covenants and customary reporting requirements. Breaches of covenants, if any, do not result in a reclassification of the related borrowings and do not trigger an immediate repayment of the borrowings. As of 31 December 2024, the Group is in compliance with these reporting requirements.

During 2024, Aladdin 2 Leasing received borrowings in an aggregate amount of \$42.0 million and repaid an aggregate outstanding principal amount of \$0.1 million. Aladdin 2 Leasing incurred debt issuance costs of \$0.4 million during 2024. As of 31 December 2024, Aladdin 2 Leasing's aggregate accrued interest for the Aladdin 2 Leasing Credit Facility totaled \$15,450.

	2024	2023
	US\$	US\$
Aladdin 2 Leasing Limited Facility		
Principal outstanding	41,861,085	-
Accrued and unpaid interest	15,450	-
Loan costs, net of amortisation	(410,181)	-
	41,466,354	-
Net loans and borrowings	41,466,354	-
	2024	2023
	US\$	US\$
Movements on principal and interest		
Balance at beginning of financial year	-	-
Drawdown of borrowings	42,000,000	-
Repayment of borrowings	(138,914)	-
Interest paid	(271,256)	-
Interest expense	286,705	-
	41,876,535	-
Balance at end of financial year	41,876,535	-

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

7. Secured borrowings, net (continued)

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Movements on loan costs		
Balance at beginning of financial year	-	-
Loan costs incurred	420,000	-
Amortisation of loan costs	(9,819)	-
Balance at end of financial year	410,181	-
	2024 US\$	2023 US\$
Loan commitments as contracted:		
Due within one year	2,169,104	-
Due between one and two years	2,319,794	-
Due between two and three years	2,480,953	-
Due between three and four years	2,646,538	-
Due between four and five years	32,244,696	-
Due over five years	-	-
	41,861,085	-

Aladdin 3 Leasing Limited Facility

During 2024, the Company's subsidiary, Incline Aladdin 3 Leasing Limited ("Aladdin 3 Leasing"), entered into a secured credit facility (the "Aladdin 3 Leasing Credit Facility") to finance the acquisition of one aircraft with a loan maturity in December 2029. The loan bears interest at SOFR plus a margin of 2.75%, and at 31 December 2024, the weighted average interest rate was 6.49%. The borrowings are secured by the associated aircraft and lease and the equity interest in Aladdin 3 Leasing. The Aladdin 3 Leasing Credit Facility contains operating covenants and customary reporting requirements. Breaches of covenants, if any, do not result in a reclassification of the related borrowings and do not trigger an immediate repayment of the borrowings. As of 31 December 2024, the Group is in compliance with these reporting requirements.

During 2024, Aladdin 3 Leasing received borrowings in an aggregate amount of \$42.0 million. Aladdin 3 Leasing incurred debt issuance costs of \$0.4 million during 2024. As of 31 December 2024, Aladdin 3 Leasing's aggregate accrued interest for the Aladdin 3 Leasing Credit Facility totaled \$0.2 million.

	2024 US\$	2023 US\$
Aladdin 3 Leasing Limited Facility		
Principal outstanding	42,000,000	-
Accrued and unpaid interest	196,924	-
Loan costs, net of amortisation	(413,077)	-
Net loans and borrowings	41,783,847	-

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

7. Secured borrowings, net (continued)

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Movements on principal and interest		
Balance at beginning of financial year	-	-
Drawdown of borrowings	42,000,000	-
Repayment of borrowings	-	-
Interest paid	-	-
Interest expense	196,924	-
Balance at end of financial year	42,196,924	-
	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Movements on loan costs		
Balance at beginning of financial year	-	-
Loan costs incurred	420,000	-
Amortisation of loan costs	(6,923)	-
Balance at end of financial year	413,077	-
	2024 US\$	2023 US\$
Loan commitments as contracted:		
Due within one year	2,139,412	-
Due between one and two years	2,324,773	-
Due between two and three years	2,482,495	-
Due between three and four years	2,644,356	-
Due between four and five years	32,408,964	-
Due over five years	-	-
	42,000,000	-

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

7. Secured borrowings, net (continued)

Aladdin 4 Leasing Limited Facility

During 2024, the Company's subsidiary, Incline Aladdin 4 Leasing Limited ("Aladdin 4 Leasing"), entered into a secured credit facility (the "Aladdin 4 Leasing Credit Facility") to finance the acquisition of one aircraft with a loan maturity in December 2029. The loan bears interest at SOFR plus a margin of 2.50%, and at 31 December 2024, the weighted average interest rate was 6.40%. The borrowings are secured by the associated aircraft and lease and the equity interest in Aladdin 4 Leasing. The Aladdin 4 Leasing Credit Facility contains operating covenants and customary reporting requirements. Breaches of covenants, if any, do not result in a reclassification of the related borrowings and do not trigger an immediate repayment of the borrowings. As of 31 December 2024, the Group is in compliance with these reporting requirements.

During 2024, Aladdin 4 Leasing received borrowings in an aggregate amount of \$42.0 million. Aladdin 4 Leasing incurred debt issuance costs of \$0.5 million during 2024. As of 31 December 2024, Aladdin 4 Leasing's aggregate accrued interest for the Aladdin 4 Leasing Credit Facility totaled \$0.1 million.

	2024	2023
	US\$	US\$
Aladdin 4 Leasing Limited Facility		
Principal outstanding	42,000,000	-
Accrued and unpaid interest	149,310	-
Loan costs, net of amortisation	(543,823)	-
	41,605,487	-
Net loans and borrowings	41,605,487	-
	Year ended	Year ended
	31 December	31 December
	2024	2023
	US\$	US\$
Movements on principal and interest		
Balance at beginning of financial year	-	-
Drawdown of borrowings	42,000,000	-
Repayment of borrowings	-	-
Interest paid	-	-
Interest expense	149,310	-
	42,149,310	-
Balance at end of financial year	42,149,310	-
	Year ended	Year ended
	31 December	31 December
	2024	2023
	US\$	US\$
Movements on loan costs		
Balance at beginning of financial year	-	-
Loan costs incurred	550,593	-
Amortisation of loan costs	(6,770)	-
	543,823	-
Balance at end of financial year	543,823	-

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

7. Secured borrowings, net (continued)

	2024	2023
	US\$	US\$
Loan commitments as contracted:		
Due within one year	1,715,704	-
Due between one and two years	1,869,728	-
Due between two and three years	1,994,701	-
Due between three and four years	2,115,312	-
Due between four and five years	34,304,555	-
Due over five years	-	-
	42,000,000	-

8. Derivatives

Derivatives are used by the Group to manage its exposure to interest rate fluctuations. The Group uses interest rate swap contracts to hedge variable interest payments due on loans. Interest rate swap contracts allow the Group to pay fixed interest rates and receive variable interest rates with the swap counterparty based on SOFR (2023: based on SOFR) applied to the notional amounts over the life of the contracts. The Aircraft Credit Facility matured and was repaid in full on June 2023, prior to the discontinuation of LIBOR. Simultaneously, the LIBOR based interest rate swap contracts were terminated on June 2023.

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

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

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

8. Derivatives (continued)

The unrealised fair value gain on the interest rate swap contracts, reflected as derivative assets on the Consolidated Statements of Financial Position, as of 31 December 2024 was US\$0.2 million (2023: US\$Nil).

Type	Maturity Date	Hedge Interest Rate	Notional Amount US\$	Derivative Fair Value US\$	(Loss)/Gain Recognised in OCI US\$	Gain Recognised in Earnings US\$
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Derivative assets at 31 December 2024:

Interest rate swaps (1)	12-Dec-29	3.90%	42,000,000	182,877	182,877	-
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The unrealised fair value loss (2023: loss) on the interest rate swap contracts, reflected as derivative liabilities (2023: derivative liabilities) on the Consolidated Statements of Financial Position, as of 31 December 2024 was US\$0.4 million (2023: US\$1.5 million):

Type	Maturity Date	Hedge Interest Rate	Notional Amount US\$	Derivative Fair Value US\$	(Loss)/Gain Recognised in OCI US\$	Gain Recognised in Earnings US\$
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Derivative liabilities at 31 December 2024:

Interest rate swaps (2)	15-Jun-31	4.15%	126,404,470	(380,005)	(167,242)	(941,822)
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Derivative liabilities at 31 December 2023:

Interest rate swaps (2)	15-Jun-31	4.15%	150,010,733	(1,542,597)	(4,380,593)	2,469,894
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Both of the above derivative liability instruments were de-designated on 10 October 2024. These derivative instruments mature on 15 June 2027, have a swap contract notional amount of \$126.4 million and a hedge interest rate of 4.15%.

During the year ended 31 December 2024, the Group entered into one new interest rate swap contract (2023: two), terminated no interest rate swap contracts (2023: 28) and received no proceeds related to terminations (2023: US\$2.5 million). The Group paid no termination fees during 2024 and 2023. At 31 December 2024, the Group had an accumulated other comprehensive loss, net of deferred tax, of US\$1.5 million (2023: accumulated other comprehensive loss of US\$1.5 million).

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

9. Tax on continuing operations

9.1 Analysis of tax in financial year

	2024	2023
	US\$	US\$
Current tax:		
Current Irish corporation tax	-	14,734
Current foreign tax	-	652
Deferred tax:		
Deferred Irish corporation tax	(4,542,779)	(4,288,853)
Income tax for the financial year	(4,542,779)	(4,273,467)

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

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

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Loss on ordinary activities before taxation	(22,187,520)	(17,211,355)
Tax on ordinary activities at standard Irish corporation tax rate of 25% (2023: 25%)	(5,546,880)	(4,302,839)
Effects of:		
Non-assessable for tax purposes	1,002,065	-
Foreign tax at higher rate	-	29,096
Under provision in respect of prior year	2,036	276
Tax for the financial year	(4,542,779)	(4,273,467)

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

9. Tax on continuing operations (continued)

9.3 Circumstances affecting current and future tax charges

Tax is chargeable in future periods unless group relief is available. To the extent losses are incurred in the future, these can be carried forward. From 1 January 2025, the corporation tax rate for trading companies is expected to remain at its current rate of 12.5% and qualifying companies within the meaning of Section 110 of the Irish Tax Consolidation Act, 1997, is expected to remain at its current rate of 25%.

9.4 Deferred tax

Deferred tax generally relates to the timing of depreciation for tax purposes offset by losses available for offsetting against future taxable income.

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

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

- Favourable profit projections which are consistent with forecasts used for internal management and planning purposes, and also consistent with forecasts used to support other areas of financial reporting such as impairment analysis;
- Contractually committed lease agreements which support a future income stream in excess of the cost required to service the lease; and
- Appreciation of the value of flight equipment in excess of their carrying value.

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

	2024 US\$	2023 US\$
Group		
Opening balance	69,853,277	59,682,020
Deferred tax credit	14,194,672	10,171,257
Total deferred tax asset	<u>84,047,949</u>	<u>69,853,277</u>

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

9. Tax on continuing operations (continued)

	2024	2023
	US\$	US\$
Group		
Opening balance	(58,407,575)	(52,525,171)
Deferred tax expense	(9,655,175)	(5,882,404)
Total deferred tax liability	<u>(68,062,750)</u>	<u>(58,407,575)</u>

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

10. Cash and cash equivalents

	2024	2023
	US\$	US\$
Group		
Cash at bank	<u>26,779,417</u>	<u>9,588,263</u>
	2024	2023
	US\$	US\$
Company		
Cash at bank	<u>1,282,355</u>	<u>2,347,632</u>

11. Restricted cash

	2024	2023
	US\$	US\$
Group		
Pledged accounts	<u>3,348,643</u>	<u>2,748,722</u>

Pursuant to the Aladdin Credit Facility, the Group's lessees are required to make payments due to the Group into accounts that are pledged to the security trustees of the Aladdin Credit Facility for the purpose of loan repayments.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

12. Amounts due from related party undertakings

	2024	2023
	US\$	US\$
Group		
Amounts due from related party undertakings	22,241,049	21,972,260
	<u>22,241,049</u>	<u>21,972,260</u>
	2024	2023
	US\$	US\$
Company		
Amounts due from related party undertakings	1,039,174	36,475,854
	<u>1,039,174</u>	<u>36,475,854</u>

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

13. Rent receivable, net

	2024	2023
	US\$	US\$
Group		
Rent receivable, current	30,740,741	39,543,845
Rent receivable, non-current	13,594,978	27,022,385
Accumulated expected credit loss (Note 3)	(893,930)	(2,368,806)
	<u>43,441,789</u>	<u>64,197,424</u>
Rent receivable, net	<u>43,441,789</u>	<u>64,197,424</u>
Rent receivable, net (current)	30,120,923	38,136,650
Rent receivable, net (non-current)	13,320,866	26,060,774
	<u>43,441,789</u>	<u>64,197,424</u>

Included within the rent receivable balance is deferred rent amounting to US\$26.2 million (2023: US\$31.7 million) that resulted from the 2021 and 2022 execution of lease agreements to restructure and extend leases for various aircraft and engines.

On August 23, 2024, the Group received revenue bonds from AirAsia Group Berhad with a principal balance of \$37.4 million as partial settlement of \$26.6 million of outstanding rent receivable, \$6.7 million of end of lease compensation receivable and \$4.1 million for default interest, included in interest income. The revenue bonds accrue 7% interest per annum, pay quarterly and mature in 2026.

In October 2024, the Group sold the revenue bonds for \$35.1 million, of which \$25.2 million was used to repay a credit facility held by a subsidiary, Incline Aladdin Funding DAC, and recorded a loss of \$2.3 million included in other expenses.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

14. Flight equipment assets held for operating leases, net

During 2018, the Group acquired the AirAsia Portfolio for a total cost of US\$888.4 million, consisting of US\$673.0 million in flight equipment and US\$215.4 million in maintenance rights. In October 2018, the Group acquired seven jet engines for a total cost of US\$57.2 million, consisting of US\$32.1 million in flight equipment and US\$25.1 million in maintenance rights.

In connection with the Group's acquisition of the AirAsia Portfolio, the Company committed to acquiring a second portfolio of aircraft ("the Future Portfolio") upon delivery of these aircraft from the manufacturer to the seller. The total purchase price attributed to the Future Portfolio was calculated based on an aircraft purchase agreement between the seller and the manufacturer and valued at US\$121.5 million.

Consequently, an amount equal to US\$121.5 million of the AirAsia Portfolio purchase price, reflecting the aggregate excess of the anticipated market value of the purchase price for each Future Portfolio aircraft, was allocated on a pro rata basis to the cost of the AirAsia Portfolio aircraft and an orderbook asset relating to the Future Portfolio was recorded to other assets. In addition, an amount equal to US\$27.0 million of the AirAsia Portfolio purchase price, reflecting the aggregate anticipated lease discount for each Future Portfolio aircraft, was allocated on a pro rata basis to the cost of AirAsia Portfolio aircraft and a liability for future lease discount was recorded to other liabilities.

At 31 December 2024, the orderbook asset of US\$98.3 million (2023: US\$121.5 million) consists of individual values for 17 aircraft (2023: 21 aircraft) and will be recognised into flight equipment held for operating leases as each aircraft is acquired.

The Group recorded a lease discount of US\$21.9 million as of 31 December 2024 (2023: US\$27.0 million). As each Future Portfolio aircraft is acquired, a portion of the lease discount allocated to such aircraft will be recognised into flight equipment held for operating leases. As of 31 December 2024, the Group had taken delivery of four Future Portfolio aircraft (2023: none).

During 2024, the Group acquired 4 aircraft (2023: None), sold one engine and realised a gain on sale of US\$3.0 million (2023: None). At 31 December 2024, the Group had 20 aircraft and 6 engines (2023: 16 aircraft and 7 engines).

	2024	2023
	US\$	US\$
Group		
Flight equipment assets held for operating leases, at cost	572,701,419	340,423,330
Maintenance rights	124,261,395	135,526,036
Accumulated depreciation	(81,968,137)	(66,872,431)
Flight equipment assets held for operating leases, net	614,994,677	409,076,935

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

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

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Group Movements		
Balance at beginning of financial year	409,076,935	422,204,063
Depreciation	(15,095,705)	(13,127,128)
Flight equipment acquired	228,689,071	-
Flight equipment sold, net of depreciation	(954,713)	-
Aircraft improvement	4,543,730	-
Maintenance rights disposed	(11,264,641)	-
Balance at end of financial year	614,994,677	409,076,935

As discussed in Note 1, the Directors of the Group undertake a review to determine whether an impairment expense is required in respect of the Group's flight equipment assets. To aid in this assessment, the Group sought valuations from third party appraisers. These appraisers make assumptions and estimates with respect to the future valuations of aircraft.

For the purpose of recognition and measurement of an impairment expense, if it is determined that a test for impairment is required, each aircraft is tested individually by comparing its carrying amount to the higher of its value in use and fair value less costs to sell. Value in use is determined as the total discounted cash flows expected to be generated by an aircraft in the future. The estimated cash flows are discounted to their present value by using a discount rate of 7.00% (2023: 7.00%) that reflects current market assumptions of the time value of money and the risks specific to the asset in question. Fair value less costs to sell are determined by the Group based on the most relevant of observable market information, forecast cash flows or appraised values.

In cases where the carrying value of the aircraft exceeded the higher of value in use and fair value less costs to sell, an impairment expense is recognised. During the year, the Directors, in applying *IAS 36, Impairment of Assets*, have determined that no impairment expense (2023: US\$Nil) is required.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

15. Investment in subsidiary undertakings

	2024	2023
	US\$	US\$
Shares in subsidiary undertakings		
Balance at beginning of financial year	108,320,418	108,320,418
Investment made in the form of capital contributions	4	-
Balance at end of financial year	108,320,422	108,320,418

Financial information of subsidiary undertakings as of 31 December 2024 is provided below:

Name	Registered Office	Details of Investment	Operating Income US\$	Net Income/ (Loss) US\$	Net Assets/ (Liabilities) US\$
Incline Aladdin Funding DAC	West Pier, Dun Laoghaire, County Dublin, Ireland	1 share of €1, Contribution of US\$23,000,000	38,277,543	15,268,116	105,271,413
Incline Aladdin Engine Funding DAC	West Pier, Dun Laoghaire, County Dublin, Ireland	1 share of €1, Contribution of US\$700,000	11,929,260	85,984	(3,954,945)
Incline Aladdin MaltaCo Limited	Trident Park, Notabile Gardens, No. 2, Level 3, M dina Road, Zone 2, Central Business District, Birkirkara CBD 2010, Malta	5,000 shares of €0.24 each	-	(19,754)	(18,427)
Red Aircraft Holdings 2 Co. Limited and subsidiaries	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	1 share of €1, Contribution of €1	1,122,286	1,110,673	30,853,296
Incline Aladdin 1 Leasing Limited	West Pier, Dun Laoghaire, County Dublin, Ireland	1 share of €1, Contribution of €1	2,655,856	(452,878)	(452,877)
Incline Aladdin 2 Leasing Limited	West Pier, Dun Laoghaire, County Dublin, Ireland	1 share of €1, Contribution of €1	518,112	(262,677)	(262,676)
Incline Aladdin 3 Leasing Limited	West Pier, Dun Laoghaire, County Dublin, Ireland	1 share of €1, Contribution of €1	356,650	(131,946)	(131,945)
Incline Aladdin 4 Leasing Limited	West Pier, Dun Laoghaire, County Dublin, Ireland	1 share of €1, Contribution of €1	270,788	(79,231)	103,647

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15. Investment in subsidiary undertakings (continued)

Financial information of subsidiary undertakings as of 31 December 2023 is provided below:

Name	Registered Office	Details of Investment	Operating Income US \$	Net Income/ (Loss) US \$	Net Assets/ (Liabilities) US \$
Incline Aladdin Funding DAC	West Pier, Dun Laoghaire, County Dublin, Ireland	1 share of €1, Contribution of US\$23,000,000	31,557,501	(28,897,640)	90,170,539
Incline Aladdin Engine Funding DAC	West Pier, Dun Laoghaire, County Dublin, Ireland	1 share of €1, Contribution of US\$700,000	6,087,488	(1,561,159)	(4,040,929)
Incline Aladdin MaltaCo Limited	Trident Park, Notabile Gardens, No. 2, Level 3, M dina Road, Zone 2, Central Business District, Birkirkara CBD 2010, Malta	5,000 shares of €0.24 each	678,252	(128,492)	1,326
Red Aircraft Holdings 2 Co. Limited and subsidiaries	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	1 share of €1, Contribution of €1	34,260,689	12,513,311	29,742,623

The Company owns 100% of the issued share capital of each subsidiary. The principal activities of the Company's subsidiaries are the financing, acquisition, leasing and selling of aircraft. In the opinion of the Directors, the recoverable amount of investments in subsidiary undertakings at 31 December 2024 and 2023 is at least the carrying value.

16. Other assets

	2024 US\$	2023 US\$
Group		
Other receivables, current	374,663	865,961
Prepaid professional fees, current	-	26,955
Lease premiums, current	262,482	262,482
Lease premiums, non-current	680,344	942,828
Flight equipment deposits, non-current (Note 14)	98,343,565	121,483,228
	<u>99,661,054</u>	<u>123,581,454</u>

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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16. Other assets (continued)

	2024	2023
	US\$	US\$
Company		
Other receivables, current	345,463	815,790
Flight equipment deposits, non-current (Note 14)	98,343,565	121,483,228
	<u>98,689,028</u>	<u>122,299,018</u>

17. Amounts due to related party undertakings

	2024	2023
	US\$	US\$
Group		
Amounts due to related party undertakings	17,802,617	17,503,407
	<u>17,802,617</u>	<u>17,503,407</u>

	2024	2023
	US\$	US\$
Company		
Amounts due to related party undertakings	25,326,377	156,992,595
	<u>25,326,377</u>	<u>156,992,595</u>

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18. Notes payable to affiliates

In June 2018, the Group issued fixed-rate notes (“the Fixed Rate Notes”) to the Company’s parent undertaking, Incline B Aviation Aladdin (Cayman) Holdings Limited Partnership (“Incline Aladdin”), to finance the acquisition of the Group’s flight equipment. The Fixed Rate Notes are listed on the Cayman Stock Exchange and bear interest at 8.5% and mature in 2039 (refer to Note 6).

	2024	2023
	US\$	US\$
Group		
Principal, non-current	422,477,213	282,588,228
Accrued interest, current	19,340,430	81,550,296
	441,817,643	364,138,524
Total loans	441,817,643	364,138,524
	2024	2023
	US\$	US\$
Group Movements		
Balance at beginning of year	364,138,524	340,569,399
Advanced during the year	528,471,086	31,150,391
Repayment of borrowings	(388,582,101)	(37,150,391)
Interest paid	(100,149,774)	-
Interest expense	37,939,908	29,569,125
	441,817,643	364,138,524
Balance at end of year	441,817,643	364,138,524

PPN

During 2024, the Company entered into a profit participating note (“PPN”) with Incline Aladdin Holdings SARL (“Aladdin SARL”), amounting to US\$115.3 million. The PPN is structured as limited in recourse and entitles Aladdin SARL to a periodic return equal to the profit of the Company, less a cash retention amount of US\$1,200 per quarter. Notes issued in 2024 mature in 2044.

	2024	2023
	US\$	US\$
Company		
Principal, non-current	93,238,312	-
	93,238,312	-
	93,238,312	-

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

18. Notes payable to affiliates (continued)

	2024	2023
	US\$	US\$
Company Movements		
Balance at beginning of year	-	-
Advanced during the year	115,265,627	-
Repayment of borrowings	(22,027,315)	-
	<u>93,238,312</u>	<u>-</u>
	<u><u>93,238,312</u></u>	<u><u>-</u></u>

19. Maintenance payment liabilities

	2024	2023
	US\$	US\$
Group		
Maintenance payment liabilities, current	5,991,842	12,895,908
Maintenance payment liabilities, non-current	29,208,103	12,366,873
	<u>35,199,945</u>	<u>25,262,781</u>
	<u><u>35,199,945</u></u>	<u><u>25,262,781</u></u>

20. Security deposits

	2024	2023
	US\$	US\$
Group		
Security deposits, current	1,110,000	1,500,000
Security deposits, non-current	6,893,961	5,833,641
	<u>8,003,961</u>	<u>7,333,641</u>
	<u><u>8,003,961</u></u>	<u><u>7,333,641</u></u>

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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21. Deferred operating lease rental income

	2024	2023
	US\$	US\$
Group		
Unearned rental income	3,499,871	2,281,077
	<u>3,499,871</u>	<u>2,281,077</u>

22. Other liabilities

	2024	2023
	US\$	US\$
Group		
Accrued operating expenses, current	1,195,177	1,500,048
Future lease discount, non-current (Note 14)	21,890,012	27,040,603
Other liabilities, non-current	869,364	-
	<u>23,954,553</u>	<u>28,540,651</u>

	2024	2023
	US\$	US\$
Company		
Accrued operating expenses, current	71,498	81,427
Future lease discount, non-current (Note 14)	21,890,012	27,040,603
Other liabilities, non-current	431,759	-
	<u>22,393,269</u>	<u>27,122,030</u>

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

23. Share capital

Authorised

	2024	2024	2023	2023
	Number	€	Number	€
Shares treated as equity				
100,000 ordinary shares of €1.00 each	100,000	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	<u><u>100,000</u></u>	<u><u>100,000</u></u>	<u><u>100,000</u></u>	<u><u>100,000</u></u>

Issued and fully paid

	2024	2024	2023	2023
	Number	€	Number	€
1 ordinary share of €1.00 each				
At 1 January and 31 December	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>	<u><u>1</u></u>	<u><u>1</u></u>

24. Capital contributions and distributions

During the financial year, the Company did not receive a capital contribution (2023: US\$Nil) from its immediate parent undertaking.

During the financial year, the Company did not make any non-cash distributions (2023: US\$1.6 million) to its subsidiary to eliminate its retained deficit.

25. Fair value

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

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

25. Fair value (continued)

a) Fair value of financial assets and financial liabilities

The carrying amount of the Group's cash and cash equivalents, restricted cash, amounts due from and due to related party undertakings, rent receivable, other assets (excluding flight equipment deposits) and other liabilities (excluding future lease discounts), maintenance payment liabilities and security deposits approximate their fair values. The fair value of the derivative assets and liabilities are classified as Level 2. The valuation of interest rate swaps is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. Notes payable to affiliates and secured borrowings are recorded at amortised cost and are classified as Level 3 on the fair value hierarchy.

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

At 31 December 2024	Derivatives designated as hedging instruments US\$	Fair Value through Profit & Loss US\$	Amortised Cost US\$	Carrying Amount US\$	Fair Value US\$
Group					
Derivative asset	182,877	-	-	182,877	182,877
Derivative liabilities	380,005	-	-	380,005	380,005
Notes payable to affiliates	-	-	441,817,643	441,817,643	181,547,469
Secured borrowings	-	-	264,756,188	264,756,188	251,787,743
	<u>380,005</u>	<u>-</u>	<u>706,573,831</u>	<u>706,953,836</u>	<u>433,715,217</u>
At 31 December 2023					
	Derivatives designated as hedging instruments US\$	Fair Value through Profit & Loss US\$	Amortised Cost US\$	Carrying Amount US\$	Fair Value US\$
Group					
Derivative liabilities	1,542,597	-	-	1,542,597	1,542,597
Notes payable to affiliates	-	-	364,138,524	364,138,524	175,121,366
Secured borrowings	-	-	147,167,540	147,167,540	147,167,540
	<u>1,542,597</u>	<u>-</u>	<u>511,306,064</u>	<u>512,848,661</u>	<u>323,831,503</u>

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

25. Fair value (continued)

b) Fair value valuation techniques

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative assets and liabilities	Discounted cash flow method: The fair values are determined based on the contractual terms of the derivatives and interest rate curves.	Not applicable	Not applicable
			In 2023, the carrying amount of secured borrowings approximated fair value.
			In 2024, the carrying amount of secured borrowings relating to Aladdin Leasing Credit Facilities 1-4 approximates fair value.
Notes payable to affiliates and secured borrowings	Discounted cash flow method	Discount rate, the debt rate using the average weighted credit facility rate for other similar borrowings and the contractual principal repayment amounts extended to the maturity of the instruments.	For secured borrowings relating to the Aladdin Credit Facility, a 1% increase/(decrease) in the discount rate would have resulted in a (decrease)/increase in the fair value of US\$(1.8) million and US\$1.8 million, respectively.
			For notes payable to affiliates, a 1% increase/(decrease) in the discount rate would have resulted in a (decrease)/increase in the fair value of US\$(21.8) million (2023: US\$(13.4) million) and US\$25.2 million (2023: US\$15.6 million), respectively.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26. Statutory and other information

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

	2024	2023
	US\$	US\$
Group		
Directors' remuneration	-	-
Auditor's remuneration:		
- Audit fees	210,634	206,357
- Tax advisory services	38,437	29,355
	249,071	235,712
	249,071	235,712
	2024	2023
	US\$	US\$
Company		
Directors' remuneration	-	-
Auditor's remuneration:		
- Audit fees	56,767	69,581
- Tax advisory services	2,552	4,918
	59,319	74,499
	59,319	74,499

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

27. Employees

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

28. Ultimate and immediate parent undertaking

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

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29. Related party transactions

The Group has notes payable to affiliates as described in Note 18. Details on transactions with related party undertakings are disclosed below.

Amounts due from or due to related party undertakings are outstanding balances receivable from or payable to related entities consolidated under Incline B Aviation Limited Partnership (“Incline B”). The balances consist of transactions associated with the operations of the Group and primarily consist of the following:

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

	2024	2023
	US\$	US\$
Group:		
Amounts due from related party undertakings		
Ultimate parent:		
Incline B Aviation Limited Partnership	314,619	111,245
Immediate parent:		
Incline B Aviation Aladdin (Cayman) Holdings Limited Partnership	21,624,133	21,602,406
Affiliates:		
Incline Aladdin Holdings SARL	293,662	147,386
Other related parties:		
Incline Aviation Funding Limited	-	28,926
Incline A Aviation Limited Partnership	-	50,258
Incline Aviation 2 Limited	1,547	-
Incline Aviation 4 Limited	-	306
Incline Aviation 5 Limited	-	709
Incline Aviation 7 Limited	1,772	1,015
Incline Aviation 9 Limited	1,772	-
Incline Aviation 15 Limited	1,772	-
Incline Aviation 16 Limited	1,772	-
Incline B Aviation LLC	-	9,560
Incline B Aviation (Cayman) 2 Limited Partnership	-	9,560
Incline B Aviation Aladdin Co-Investment Limited Partnership	-	9,845
Incline II B Shannon 22 Limited	-	348
Incline II B Shannon 26 Limited	-	348
Incline II B Shannon 31 Limited	-	348
	22,241,049	21,972,260
	22,241,049	21,972,260

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29. Related party transactions (continued)

	2024	2023
	US\$	US\$
Group:		
Amounts due to related party undertakings		
Ultimate parent:		
Incline B Aviation Limited Partnership	128,805	147,092
Affiliates:		
Incline B Aviation Aladdin (Cayman) Co., Ltd.	16,923,253	16,923,253
Other related parties:		
Incline B IrishCo One Limited	65,875	3,783
Incline B IrishCo Three Limited	34,867	38,170
Incline Aviation Holdings DAC	354,992	385,691
Incline Aviation Funding Limited	285,177	3,960
Incline II B Shannon Holdings Co., Ltd.	-	1,458
Incline II B Shannon 12 Limited	9,648	-
	17,802,617	17,503,407
	17,802,617	17,503,407

In addition, the Group recorded total interest expense of US\$37.9 million (2023: US\$29.6 million) due to related parties.

During the financial year, the Group paid fees to BBAM ASL for management and consulting services totaling US\$9.1 million (2023: US\$9.1 million), including the provision of Directors, for a fee of US\$2,000 (2023: US\$2,000). An amount of US\$Nil (2023: US\$Nil) is payable at year end.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29. Related party transactions (continued)

Company:

Amounts due from related party undertakings

Parent:		
Incline B Aviation Aladdin (Cayman) Holdings Limited Partnership	-	21,745,384
Subsidiaries:		
Incline Aladdin MaltaCo Limited	-	-
Incline Aladdin Engine Funding DAC	-	11,856,141
Merah Aircraft 4 Limited	-	2,602,173
Incline Aladdin 1 Leasing Limited	54,982	-
Incline Aladdin 2 Leasing Limited	451,936	-
Incline Aladdin 3 Leasing Limited	30,976	-
Incline Aladdin 4 Leasing Limited	10,476	-
Affiliates:		
Incline B Aladdin Holdings SARL	281,662	141,385
Other related parties:		
Incline B Aviation Limited Partnership	209,142	95,327
Incline B IrishCo One Limited	-	3,405
Incline Aviation 4 Limited	-	306
Incline Aviation 5 Limited	-	709
Incline Aviation 7 Limited	-	1,015
Incline B Aviation LLC	-	9,560
Incline B Aviation (Cayman) 2 Limited Partnership	-	9,560
Incline B Avia Aladdin Co-Investment Limited Partnership	-	9,845
Incline II B Shannon 22 Limited	-	348
Incline II B Shannon 26 Limited	-	348
Incline II B Shannon 31 Limited	-	348
	<u>1,039,174</u>	<u>36,475,854</u>

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

29. Related party transactions (continued)

	2024	2023
	US\$	US\$
Company:		
Amounts due to related party undertakings		
Parent:		
Incline B Aviation Aladdin (Cayman) Holdings Limited Partnership	25,326,377	-
Subsidiaries:		
Incline Aladdin Funding DAC	-	57,765,460
Red Aircraft Holdings 2 Co., Ltd.	-	99,207,441
Incline Aladdin MaltaCo Limited	-	16,270
Other related parties:		
Incline B IrishCo Three Limited	-	1,966
Incline II B Shannon Holdings Co., Ltd.	-	1,458
	25,326,377	156,992,595

30. Capital management

The primary objective of the Group in terms of capital management is to ensure that appropriate capital ratios are maintained in order to support the business. At 31 December 2024, Group capital comprises of secured borrowings measured at US\$264.8 million (2023: US\$147.2 million), notes payable to affiliates at US\$441.8 million (2023: US\$364.1 million), and issued share capital, capital contributions and retained deficit, measured at a total surplus of US\$31.6 million (2023: US\$49.3 million).

At 31 December 2024, Company capital comprises of issued share capital, capital contributions and retained (deficit)/earnings and is measured at a total surplus of US\$72.8 million (2023: US\$85.5 million).

The Group manages its capital base and makes adjustments to it in light of changes in economic conditions. There have been no changes in the objectives, policies or processes relating to capital management during the current and prior financial year.

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

31. Risks and uncertainties

a) Asset risk

The Group's primary business is the leasing of flight equipment. The Group bears the risk of re-leasing or selling the flight equipment. Should demand for flight equipment decrease significantly for an extended period, and/or the value of the flight equipment in the fleet reduces, the Group may incur impairment charges.

This risk is mitigated by the Group's strategy of investing in modern and fuel-efficient flight equipment in operation with significant numbers of established operators. These assets have the most stable values. In addition, the Group and BBAM ASL have significant experience of managing similar portfolios of aviation assets. The Group and BBAM ASL have in-house capability and experience in remarketing and selling flight equipment as may be required.

The risk is mitigated by the approach to asset risk management which includes proprietary analytical tools and active fleet management. The Group and BBAM ASL undertake a periodic review of the carrying values, focusing on both residual values and impairment.

b) Market risk

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

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

A significant deterioration in the financial condition of or bankruptcy by a lessee could impair their ability to comply with their lease payment obligations to the Group and expose the Group to significant financial loss. The Group and BBAM ASL periodically perform reviews of its carrying values of aircraft, rent receivables, and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

c) Liquidity risk

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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31. Risks and uncertainties (continued)

c) Liquidity risk (continued)

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

Group	Carrying Amount	Total	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
As at 31 December 2024	US\$	US\$	US\$	US\$	US\$	US\$
Amount due to related party undertakings	17,802,617	17,802,617	-	17,802,617	-	-
Secured borrowings	264,756,188	268,652,482	8,811,246	25,269,402	234,571,834	-
Security deposits	8,003,961	8,003,961	450,000	660,000	3,327,891	3,566,070
Maintenance payment liabilities	35,199,945	35,199,945	-	5,991,842	-	29,208,103
Notes payable to affiliates	441,817,643	441,817,643	19,340,430	-	-	422,477,213
Derivative liabilities	380,005	380,005	23,826	70,829	285,350	-
Other liabilities	2,064,541	2,064,541	-	1,195,177	-	869,364
Other future interest	-	23,574,843	4,776,034	13,112,372	4,878,937	807,500
Total	770,024,900	797,496,037	33,401,536	64,102,239	243,064,012	456,928,250

Group	Carrying Amount	Total	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
As at 31 December 2023	US\$	US\$	US\$	US\$	US\$	US\$
Amount due to related party undertakings	17,503,407	17,503,407	17,503,407	-	-	-
Secured borrowings	147,167,540	150,358,789	6,115,273	17,839,046	97,334,604	29,069,866
Security deposits	7,333,641	7,333,641	1,050,000	450,000	4,675,237	1,158,404
Maintenance payment liabilities	25,262,781	25,262,781	-	12,895,908	12,366,873	-
Notes payable to affiliates	364,138,524	364,138,524	81,550,296	-	-	282,588,228
Derivative liabilities	1,542,597	1,937,686	78,808	229,893	1,254,359	374,626
Other liabilities	1,500,048	1,500,048	-	1,500,048	-	-
Other future interest	-	395,320,279	8,938,857	24,901,557	115,157,751	246,322,114
Total	564,448,538	963,355,155	115,236,641	57,816,452	230,788,824	559,513,238

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

31. Risks and uncertainties (continued)

c) Liquidity risk (continued)

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

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

Company As at 31 December 2024	Carrying Amount	Total	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
	US\$	US\$	US\$	US\$	US\$	US\$
Amounts due to related party undertakings	25,326,377	25,326,377	-	25,326,377	-	-
Notes payable to affiliates	93,238,312	93,238,312	-	-	-	93,238,312
Other liabilities	503,257	503,257	-	71,498	-	431,759
Other future interest	-	149,515	2,199	6,596	35,180	105,540
Total	119,067,946	119,217,461	2,199	25,404,471	35,180	93,775,611

Company As at 31 December 2023	Carrying Amount	Total	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
	US\$	US\$	US\$	US\$	US\$	US\$
Amount due to related party undertakings	156,991,071	156,991,071	156,991,071	-	-	-
Other liabilities	81,427	81,427	-	81,427	-	-
Total	157,072,498	157,072,498	156,991,071	81,427	-	-

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

31. Risks and uncertainties (continued)

d) Credit risk

The Group is subject to the credit risk of its lessees as to collection of rental and maintenance payments under its operating leases. In 2024, two (2023: three) of the Group's lessees are part of the AirAsia Group, one lessee is an Indian low-cost airline (2023: one) and one lessee is a European legacy airline (2023: None). The maximum exposure to credit risk at the reporting date in relation to the Group's financial assets was:

<i>Group exposure to credit risk</i>	31 December 2024 US\$	31 December 2023 US\$
Cash and cash equivalents	26,779,417	9,588,263
Restricted cash	3,348,643	2,748,722
Rent receivable	43,441,789	64,197,424
Amounts due from related party undertakings	22,241,049	21,972,261
Derivative asset	182,877	-
Other receivables	374,663	865,961

<i>Company exposure to credit risk</i>	31 December 2024 US\$	31 December 2023 US\$
Cash and cash equivalents	1,282,355	2,347,632
Amounts due from related party undertakings	1,039,174	36,475,854
Other receivables	345,463	815,790

Credit risk is defined as an unexpected loss in cash and earnings if the counterparty is unable to pay its obligations in due time. The Group's objective in managing credit risk is to minimize potential losses incurred due to non-payment by lessees. The effective monitoring and controlling of airline customer credit risk is a competency of BBAM ASL as part of the financial risk policy the Group has entered into. The creditworthiness of each new customer is assessed and the Group seeks security deposits in the form of cash or Letters of Credit to mitigate overall financial exposure to its lessees. Based on past performance of the lessees and judgment exercised about the financial strength and condition of the lessees and the current economic and regulatory conditions of the lessees' operating environments, the Group has determined that credit risk has been sufficiently assessed. The assessment process takes into account qualitative and quantitative information about the customer such as business activities, financial resources and performance or business risks, to the extent that this information is publicly available or otherwise disclosed to the Group.

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

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

31. Risks and uncertainties (continued)

d) Credit risk (continued)

Impairment of financial assets

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

- Cash and cash equivalents and restricted cash;
- Rent receivable;
- Amounts due from related party undertakings; and
- Other receivables.

Cash and cash equivalents and restricted cash

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

Rent receivable

The Group's rent receivable is from four airlines, all of which are considered to have low credit risk (2023: one airline was considered to have high credit risk). The Group received security deposits which can be applied if the lessees do not fulfill their obligations under the leases. The Group has assessed the potential impairment of its rent receivable through a credit assessment of the probability of default of the counterparty. The identified impairment loss related to three lessees (2023: three lessees) was assessed to be lower and therefore the Group has recognised a reversal of a loss allowance of US\$1.5 million in respect of its rent receivable during the financial year ended 31 December 2024 (2023: reversal of loss allowance of US\$5.2 million).

Amounts due from related party undertakings

The Group's and Company's amounts due from related party undertakings are all due from group companies and considered to have low credit risk. The Group and the Company have assessed the potential impairment of their total receivable balances of US\$22.2 million (2023: US\$22.0 million) and US\$1.0 million (2023: US\$36.5 million), respectively, through a credit assessment of the probability of default of the counterparty. The identified impairment loss was immaterial and therefore the Group has not recognised any loss allowance in respect of its amounts due from related party undertakings during the financial year ended 31 December 2024 and 2023.

Other receivables

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

e) Foreign currency risk

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

f) Interest rate risk

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

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

31. Risks and uncertainties (continued)

f) Interest rate risk (continued)

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

Group:	Carrying	Interest-bearing		Non-interest
	Amount	Fixed	Variable	bearing
As at 31 December 2024	US\$	US\$	US\$	US\$
Financial assets:				
Cash and cash equivalents	26,779,417	-	26,779,417	-
Restricted cash	3,348,643	-	3,348,643	-
Rent receivable	43,441,789	26,133,521	-	17,308,268
Amounts due from related party undertakings	22,241,049	-	-	22,241,049
Derivative asset	182,877	-	182,877	-
Other assets	1,317,489	-	-	1,317,489
Total	97,311,264	26,133,521	30,310,937	40,866,806
Financial liabilities:				
Amount due to related party undertakings	17,802,617	-	-	17,802,617
Secured borrowings	264,756,188	-	264,157,798	598,390
Security deposits	8,003,961	-	-	8,003,961
Maintenance payment liabilities	35,199,945	-	-	35,199,945
Notes payable to affiliates	441,817,643	422,477,213	-	19,340,430
Derivative liabilities	380,005	-	380,005	-
Other liabilities	2,064,541	-	-	2,064,541
Total	770,024,900	422,477,213	264,537,803	83,009,884

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

31. Risks and uncertainties (continued)

f) Interest rate risk (continued)

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

Company:	Carrying	Interest-bearing		Non-interest
As at 31 December 2024	Amount	Fixed	Variable	bearing
	US\$	US\$	US\$	US\$
Financial assets:				
Cash and cash equivalents	1,282,355	-	1,282,355	-
Amounts due from related party undertakings	1,039,174	-	-	1,039,174
Other assets	345,463	-	-	345,463
Total	2,666,992	-	1,282,355	1,384,637
Financial liabilities:				
Amounts due to related party undertakings	25,326,377	-	-	25,326,377
Notes payable to affiliates	93,238,312	-	93,238,312	-
Other liabilities	503,257	-	-	503,257
Total	119,067,946	-	93,238,312	25,829,634

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

31. Risks and uncertainties (continued)

f) Interest rate risk (continued)

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

Group:	Carrying	Interest-bearing		Non-interest
As at 31 December 2023	Amount	Fixed	Variable	bearing
	US\$	US\$	US\$	US\$
Financial assets:				
Cash and cash equivalents	9,588,263	-	9,588,263	-
Restricted cash	2,748,722	-	702,832	2,045,890
Rent receivable	64,197,424	31,667,809	-	32,529,615
Amounts due from related party undertakings	21,972,260	-	-	21,972,260
Other assets	2,098,226	-	-	2,098,226
Total	100,604,895	31,667,809	10,291,095	58,645,991
Financial liabilities:				
Amount due to related party undertakings	17,503,407	-	-	17,503,407
Secured borrowings	147,167,540	-	146,819,484	348,056
Security deposits	7,333,641	-	-	7,333,641
Notes payable to affiliates	364,138,524	282,588,228	-	81,550,296
Maintenance payment liabilities	25,262,781	-	-	25,262,781
Other liabilities	1,500,048	-	-	1,500,048
Total	562,905,941	282,588,228	146,819,484	133,498,229

INCLINE ALADDIN HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

31. Risks and uncertainties (continued)

f) Interest rate risk (continued)

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

Company:

As at 31 December 2023	Carrying	Interest-bearing		Non-interest
	Amount US\$	Fixed US\$	Variable US\$	bearing US\$
Financial assets:				
Cash and cash equivalents	2,347,632	-	2,347,632	-
Amounts due from related party undertakings	36,475,854	-	-	36,475,854
Other assets	815,790	-	-	815,790
Total	39,639,276	-	2,347,632	37,291,644
Financial liabilities:				
Amount due to related party undertakings	156,991,071	-	-	156,991,071
Other liabilities	81,427	-	-	81,427
Total	157,072,498	-	-	157,072,498

32. Events after the reporting period

Subsequent to 31 December 2024, the Company sold one Airbus A320 aircraft that was off lease as well as two CFM56 type engines, both of which were off-lease and realised a gain on sale on these transactions.

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

33. Approval of consolidated financial statements

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