

Company Number 774479

Serifos Aviation Leasing Designated Activity Company

**Directors' Report and
Audited Financial Statements**

**For the financial period 24 October 2024 (date of incorporation) to
31 March 2025**



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Serifos Aviation Leasing Designated Activity Company

Directors and Other Information

Directors	Aisling Clarke (Irish) (appointed 24 October 2024) Rebecca Murphy (Irish) (appointed 24 October 2024, resigned 26 May 2025) Joanna Taylor (Irish) (appointed 26 May 2025)
Company Secretary, Corporate Service Provider and Registered Office	Walkers Corporate Services (Ireland) Limited 5 th Floor The Exchange George's Dock IFSC Dublin 1 Ireland
Company Number	774479
Independent Auditor	EisnerAmper Audit Limited Chartered Accountants and Statutory Audit Firm 6 The Courtyard Building Carmanhall Road Sandyford Dublin 18 Ireland
Servicer	Avisoma Aircraft Spare Parts Trading L.L.C. Business Park 4 Dubai Hills Dubai United Arab Emirates
Bankers	Allied Irish Banks, p.l.c. Main Street Ashbourne County Meath Ireland

Directors' Report

The directors present their first annual report together with the audited financial statements for Serifos Aviation Leasing Designated Activity Company (the "Company") for the financial period 24 October 2024 (date of incorporation) to 31 March 2025.

The financial statements are presented in United States Dollars ("US\$"), the functional currency of the Company. These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

Principal activities, business review and future developments

The Company was incorporated in Ireland on 24 October 2024 with registration number 774479. The Company is a wholly owned subsidiary of ALS Aircraft Financing Designated Activity Company.

The principal activity of the Company is to carry on the business of acquiring, financing, owning and leasing of engines. As at 31 March 2025, the Company owned 2 engines.

The directors expect the principal activities to continue for the foreseeable future and will continue to review and seek business opportunities for the Company.

Results and dividends

The Company's financial performance is presented in the Statement of Profit or Loss and Other Comprehensive Income. The total profit and comprehensive income after taxation of the Company for the financial period was US\$nil.

At the financial period end, the Company had engines and related components of US\$12,637,438 and debt in issue of US\$12,358,181.

The directors do not recommend payment of a dividend for the financial period ended 31 March 2025.

Directors and secretary and their interests

The names of the persons who were directors at any time during the financial period ended 31 March 2025 and subsequently are set out on page 3.

Walkers Corporate Services (Ireland) Limited was appointed as secretary of the Company on 24 October 2024.

The directors and their immediate relatives and the Company Secretary did not hold any direct or beneficial interest in the shares or debentures of the Company as at 31 March 2025 or at any time during or since the financial period end.

Key performance indicators

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

- Profit on ordinary activities before taxation of US\$nil;
- 2 engines were acquired by the Company during the financial period;
- No disposals of engines occurred during the financial period;
- No impairment losses were recognised on engines during the financial period;
- No lease terminations occurred during the financial period;
- All engines were on lease as at the financial period end; and
- No lessee defaults occurred during the financial period. All lease payments were received in accordance with contractual terms.

Directors' Report (continued)

Going concern

The directors have a reasonable expectation based on the below that the Company has adequate resources to continue in operation for at least the next 12 months from the approval of the financial statements and that the going concern basis of preparation remains appropriate.

For the financial period end 31 March 2025, the Company recognised a profit before taxation of US\$nil.

As a supplier to and partner of the aviation industry, the Company is exposed to the financial condition of the aviation industry. In turn, the Company's ability to service its own obligations (including those to the investors) is dependent on the continued receipt of rental and other payments from its lessee customers.

The directors monitor geopolitical events, such as tariffs and foreign economic policies, and assess the potential impact on the Company.

The Notes issued by the Company are structured as standardised limited recourse and non-petition whereby the Noteholders are limited to such net proceeds and the Company will not be liable for the payment of any shortfall, and any unpaid debt of the Company shall be extinguished and shall not thereafter revive.

The directors have a reasonable expectation that the Company will have adequate resources to continue in operation for the foreseeable future. On this basis, the financial statements have been prepared on a going concern basis and the directors have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern.

Subsequent events

See note 19 for the events since the financial period end.

Principal risks and uncertainties

The Company, in the course of its business activities, is exposed to the below risks and uncertainties:

- Credit risk;
- Concentration risk;
- Market risk (including currency risk and interest rate risk);
- Liquidity risk;
- Operational risk;
- Technical, maintenance and environmental risk;
- Geopolitical risk;
- Exposure to commercial airline industry; and
- Public liability risk.

The directors have overall responsibility for the establishment and oversight of the Company's risk management framework. Further details on these risks and exposures, and the risk management policies employed by the Company are discussed in note 16.

Transactions involving directors

There were no contracts or arrangements in the financial period of any significance in relation to the business of the Company in which the directors had any interest at any time during the financial period to 31 March 2025.

Employees

The Company had no employees during the financial period. Administrative services are outsourced to Walkers Corporate Services (Ireland) Limited.

Directors' Report (continued)

Accounting records

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements of the Company are prepared in accordance with applicable accounting framework. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regards to the keeping of accounting records by employing accounting personnel with appropriate experience and by providing adequate resources to the financial function. The Company's accounting records are maintained at 5th Floor, The Exchange, George's Dock, IFSC, Dublin 1, Ireland.

Issue of shares

The authorised share capital of the Company is US\$1,000 divided into 1,000 shares of US\$1 each. The direct shareholder of the Company is ALS Aircraft Financing Designated Activity Company.

Political donations

The Electoral Act 1997 (as amended by the Electoral Amendment Policy Funding Act 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial period. The directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial period ended 31 March 2025.

Statement on relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

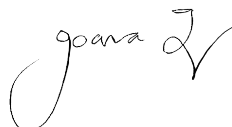
Independent auditor

EisnerAmper Audit Limited was appointed as auditor of the Company in accordance with Section 383 (1) of the Companies Act 2014.

On behalf of the Board of Directors



Aisling Clarke
Director
23 March 2026



Joanna Taylor
Director
23 March 2026

Statement of Directors' Responsibilities in respect of the Directors' Report and Financial Statements

The directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulation.

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

In preparing the financial statements, the directors are required to:

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

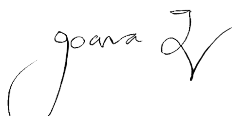
The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

On behalf of the Board of Directors



Aisling Clarke
Director
23 March 2026



Joanna Taylor
Director
23 March 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SERIFOS AVIATION LEASING DESIGNATED ACTIVITY COMPANY**Report on the audit of the financial statements****Opinion**

We have audited the financial statements of Serifos Aviation Leasing DAC (the 'Company') for the period ended 31 March 2025 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including a summary of material accounting policies set out in note 3. 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.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2025 and of its result for the period then ended; and
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and the requirements of the Companies Act 2014.

Basis for opinion

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SERIFOS AVIATION LEASING DESIGNATED ACTIVITY COMPANY (continued)

Other information (continued)

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

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

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

Matters on which we are required to report by exception

Based on our 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 requirements of any of the 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.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 7 of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SERIFOS AVIATION LEASING DESIGNATED ACTIVITY COMPANY (continued)

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 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://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

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

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

Siobhan Vickers
For and on behalf of EisnerAmper Audit Limited
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 23 March 2026

Serifos Aviation Leasing Designated Activity Company

Statement of Profit or Loss and Other Comprehensive Income

For the financial period ended 31 March 2025

	Note	Financial period ended 31-Mar-25 US\$
Operating income		
Lease rental income	4	246,464
Total income		<u>246,464</u>
Expenses		
Depreciation and amortisation charge	8	(232,562)
Administrative expenses	5	(242,581)
Total expenses		<u>(475,143)</u>
Operating loss		<u>(228,679)</u>
Finance expenses/income		
Interest expense and similar charges	6	(283,140)
Modification adjustment in the value of debt in issue	12	511,819
Net finance income		<u>228,679</u>
Profit on ordinary activities before taxation		<u>-</u>
Tax charge	7	-
Profit on ordinary activities after taxation		-
Other comprehensive income		-
Total comprehensive income		<u><u>-</u></u>

All items dealt with in arriving at the results for the financial period ended 31 March 2025 relate to continuing operations. The Company had no recognised gains or losses in the financial period other than those dealt with in the profit or loss account. All profits and total comprehensive income for the current financial period are attributable to the owners of the Company.

The notes to the financial statements on pages 15 to 35 form an integral part of the financial statements.

Serifos Aviation Leasing Designated Activity Company


Statement of Financial Position

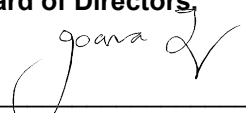
As at 31 March 2025

	Note	31-Mar-25 US\$
Assets		
<i>Non-current assets</i>		
Engines and related components	8	12,637,438
Total non-current assets		<u>12,637,438</u>
<i>Current assets</i>		
Cash and cash equivalents	9	228,250
Trade and other receivables	10	151,965
Total current assets		<u>380,215</u>
Total assets		<u><u>13,017,653</u></u>
Liabilities		
<i>Non-current liabilities</i>		
Debt in issue	12	(12,358,181)
Security deposits payable	11	(126,000)
Total non-current liabilities		<u>(12,484,181)</u>
<i>Current liabilities</i>		
Trade and other payables	13	(533,471)
Total current liabilities		<u>(533,471)</u>
Total liabilities		<u><u>(13,017,652)</u></u>
Equity		
Called up share capital	14	(1)
Retained earnings		-
Total equity		<u><u>(1)</u></u>
Total liabilities and equity		<u><u>(13,017,653)</u></u>

The notes to the financial statements on pages 15 to 35 form an integral part of the financial statements.

Approved and authorised for issue by the Board of Directors


Aisling Clarke
Director
23 March 2026


Joanna Taylor
Director
23 March 2026

Serifos Aviation Leasing Designated Activity Company

Statement of Changes in Equity

For the financial period ended 31 March 2025

	Called up share capital	Retained earnings	Total equity
	US\$	US\$	US\$
Balance as at 24 October 2024	-	-	-
Issuance of called up share capital	1	-	1
Total comprehensive profit	-	-	-
Balance as at 31 March 2025	1	-	1

The notes to the financial statements on pages 15 to 35 form an integral part of the financial statements.

Statement of Cash Flows

For the financial period ended 31 March 2025

	Note	Financial period ended 31-Mar-25 US\$
Cash flows from operating activities		
Profit for the financial period		-
<i>Adjustments for:</i>		
Interest expense on the Notes	6	283,140
Depreciation and amortisation charge	8	232,562
Modification adjustment in the value of debt in issue	12	(511,819)
<i>Changes in:</i>		
Increase in security deposits payable	11	126,000
(Increase) in trade and other receivables	10	(151,964)
Increase in trade and other payables	13	250,331
Net cash flows generated from operating activities		<u>228,250</u>
Cash flows from investing activities		
Acquisition of engines and related components	8	<u>(12,225,000)*</u>
Net cash flows used in investing activities		<u>(12,225,000)</u>
Cash flows from financing activities		
Drawdowns on the Notes	12	<u>12,225,000*</u>
Net cash flows generated from financing activities		<u>12,225,000</u>
Net increase in cash and cash equivalents		228,250
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period		<u><u>228,250</u></u>

*During the financial period, US\$645,000 was paid directly by the Noteholder for the acquisition of engines. In consideration for this amount, the Company issued Notes for this amount. See further details in notes 8 and 12. These payments were non-cash transactions.

The notes to the financial statements on pages 15 to 35 form an integral part of the financial statements.

Notes to the Financial Statements

1. General information

The Company was incorporated in Ireland on 24 October 2024 with registration number 774479. The Company is a wholly owned subsidiary of ALS Aircraft Financing Designated Activity Company.

The principal activity of the Company is to carry on the business of acquiring, financing, owning and leasing of engines. As at 31 March 2025, the Company owned 2 engines.

Avisoma Aircraft Spare Parts Trading L.L.C. (the "Servicer") acts as Servicer to the Company.

2. Basis of preparation and measurement

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and in accordance with the Companies Act 2014.

The accounting policies set out in this note have been applied consistently in preparing the financial statements for the financial period ended 31 March 2025.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention.

(c) Functional and presentation currency

These financial statements are presented in United States Dollars ("US\$") which is the functional currency of the Company and the presentation currency of the Company. All financial information presented in US\$ has been rounded to the nearest dollar. The directors of the Company believe that US\$ most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Critical accounting estimates and judgements

The preparation of the financial statements in accordance with IFRS requires the directors to make judgements, estimates and assumptions adjusted to take account of the current environment that can affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about assumptions, estimates and judgements at the financial period end that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial period is included in the following notes:

- Recoverable amount of engines and related components (note 8);
- Expected credit loss (note 10); and
- Measurement of the debt in issue (note 12).

Notes to the Financial Statements

2. Basis of preparation and measurement (continued)

(d) Critical accounting estimates and judgements (continued)

Recoverable amount of engines and related components

As discussed in the accounting policy in note 3(d), the engines and related components are evaluated for impairment each reporting period or when there are indicators of impairment. This process involves the use of judgements and estimates. Estimates are utilised in determining the recoverable amount and fair value. Specifically, the Company estimates the maintenance cash flows, estimated down time, discount rate, future base values, and current market values.

The estimates and assumptions used are based on historical market trends as well as future expectations. For some of these estimates, the Company utilises the services of independent appraisers to determine the appropriate values.

Judgements:

The Company has utilised judgement in evaluating whether there are indicators of impairment. In this regard, the directors rely on market conditions and the operational performance of the leased assets. The estimated residual values are based on estimates received from the Servicer or management's view when supporting transaction data exists. Changes in global and regional economic and political conditions, government regulations, technological changes and other factors could cause the Company to revise the residual value assumptions. The Company evaluates the appropriateness of these judgements and assessments each reporting period.

Expected credit loss ("ECL")

As discussed in the accounting policy in note 3(k), the Company measures loss allowances for trade receivables at an amount equal to 12-month ECLs. 12-month ECLs are ECLs that result from possible default events within the 12 months after the reporting date. Some of the factors considered in estimating the recoverability of trade receivables, both qualitative and quantitative are but not limited to: liquidity to revenues, security deposits held, debt to capital ratios, market position of the lessee, level of support available to the lessee, and market competition. These factors as well as others are reviewed in determining the credit risk rating for lessee which is used to determine the level of ECL to be applied. Forward looking information has also been considered in determining the level of ECL to be applied.

Judgements:

IFRS 9 *Financial Instruments* ("IFRS 9") details the impairment requirements for the Company's ECLs on its financial assets and commitments to extend credit. In determining the impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward looking information in the measurement of ECL.

Measurement of the debt in issue

As discussed in the accounting policy in note 3(k), the Notes issued are structured as standardised limited recourse and non-petition whereby the Noteholders are limited to such net proceeds and the Company will not be liable for the payment of any shortfall, and any unpaid debt of the Company shall be extinguished and shall not thereafter revive.

Judgements:

The Notes are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost, less any impairment losses; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the financial period of borrowings using the effective interest rate ("EIR") method.

Notes to the Financial Statements

2. Basis of preparation and measurement (continued)

(d) Critical accounting estimates and judgements (continued)

The Noteholders' recourse is limited to the Company's available assets. Available assets are assets remaining after all indebtedness of the Company, that is senior to the debt in issue, have been satisfied in full. Profit in the financial period increases the amount owing to the Noteholder and losses in the financial period decrease the amount owing to the Noteholder. The Company recognises a modification adjustment in the carrying amount of the debt in issue to reflect the amount owed to the Noteholder based on the available assets at the financial period end.

(e) Going concern

The directors have a reasonable expectation based on the below that the Company has adequate resources to continue in operation for at least the next 12 months from the approval of the financial statements and that the going concern basis of preparation remains appropriate.

For the financial period end 31 March 2025, the Company recognised a profit before taxation of US\$nil.

As a supplier to and partner of the aviation industry, the Company is exposed to the financial condition of the aviation industry. In turn, the Company's ability to service its own obligations (including those to the investors) is dependent on the continued receipt of rental and other payments from its lessee customers.

The directors monitor geopolitical events, such as tariffs and foreign economic policies, and assess the potential impact on the Company.

The Notes issued by the Company are structured as standardised limited recourse and non-petition whereby the Noteholders are limited to such net proceeds and the Company will not be liable for the payment of any shortfall, and any unpaid debt of the Company shall be extinguished and shall not thereafter revive.

The directors have a reasonable expectation that the Company will have adequate resources to continue in operation for the foreseeable future. On this basis, the financial statements have been prepared on a going concern basis and the directors have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern.

Notes to the Financial Statements**3. Material accounting policies**

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

(a) Adoption of new and revised accounting standards

The directors have considered the new standards, amendments and interpretations as detailed in the below table and do not plan early adoption of these standards. The application of all of these standards, amendments or interpretations will be considered in detail in advance of the confirmed effective date.

Description	Effective Date (period beginning)
Annual Improvements Volume 11 (issued on 18 July 2024)	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024)	1 January 2026
<i>Contracts Referencing Nature-dependent Electricity</i> – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> (issued on 9 April 2024)	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> (issued on 9 May 2024)	1 January 2027*
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency</i> (issued on 13 November 2025)	1 January 2027*
Amendments to IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> (issued on 21 August 2025)	1 January 2027*

* Not yet endorsed by the EU.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to US\$ at exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within administrative expenses.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position. There are no restrictions on cash and cash equivalents.

Notes to the Financial Statements

3. Material accounting policies (continued)

(d) Engines and related components

Engines are stated at cost less accumulated depreciation and impairment losses, if any. The costs of the assets are made up of the purchase price of the assets plus any costs directly attributable to bringing the assets into working condition for its intended use. Depreciation is calculated on a straight-line basis to the engine's estimated residual value over the estimated useful economic life of the engine, which is the number of remaining cycles as estimated by the Servicer. Useful lives and residual values are reassessed at each reporting date. The Company determines its residual value of engines based on the estimated disposal value at the end of the useful life.

Engines acquired on lease are assessed for the existence of lease premiums or discounts. To the extent that these exist, lease premiums or discounts are amortised over the remaining lease term.

Lease premium

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 recorded as a component of depreciation and amortisation in the Statement of Profit or Loss and Other Comprehensive Income.

Lease discount

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 amortised on a straight-line basis over the remaining term of the related lease and recorded as a component of depreciation and amortisation in the Statement of Profit or Loss and Other Comprehensive Income.

Impairment

An impairment is charged through the Statement of Profit or Loss and Other Comprehensive Income to reduce the carrying value of engines to the recoverable amount where impairment is considered to have occurred in accordance with IAS 36 *Impairment of Assets* ("IAS 36"). An impairment review is carried out annually and/or when there has been an indication of impairment, usually on the basis of independent appraisals and indications of market demand. Where the recoverable amount is greater than the carrying value, no impairment is required. Recoverable amount is the higher of the fair value less costs to sell and value in use.

Fair value less costs to sell is the price that would be received to sell an asset in an orderly transaction between market participants less any directly attributable selling costs. Fair value is based on independent appraisers' valuation.

Value in use is the present value of future cash flows expected to be obtained as a result of an asset's continued use, including those from contracted lease rentals and estimated ultimate disposal proceeds. These cash flows are discounted at the weighted average cost of capital. The factors considered in estimating the future cash flows are impacted by changes in contracted lease rates, estimated downtime, estimated residual values, economic conditions, technology and demand for particular aircraft types.

The review for recoverability has a level of subjectivity and requires the use of judgement in the assessment of estimated future cash flows associated with the use of an engine to its scheduled lease expiry and ultimate sale.

Disposal

Any gain or loss on disposal of an engine is recognised in profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. The gain or loss on disposal of an engine is calculated as the difference between the disposal proceeds and the net book value of the engine.

Notes to the Financial Statements

3. Material accounting policies (continued)

(e) Maintenance

In the engine lease contracts that the Company holds, the lessee has the obligation to make periodic payments which are calculated with reference to the utilisation of engines during the lease. In such contracts, there is no obligation to reimburse the lessee for maintenance costs. Therefore, this income is recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

(f) Revenue recognition

At inception of a contract, the Company assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the remaining economic life of the asset, transfer of ownership to the lessee by the end of the lease term, and purchase option of the aircraft or engine.

Finance lease income, which includes the amortisation of the investment in the lease, is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

For past due rentals on all leases, an impairment provision may be established on the basis of management's assessment of collectability and to the extent such past due rentals exceed security deposit. Such provisions for bad debts for lease receivables are expensed through profit or loss and included in operating expenses.

Rentals received but unearned under operating lease agreement are recorded as deferred income within trade and other payables on the Statement of Financial Position until earned.

Lease modifications on an operating lease are accounted for as a new lease from the effective date of the modification. As part of the lease payments for the new lease, it considers any prepaid or accrued lease payments relating to the original lease. A rental deferral which does not result in overall change in the consideration for the lease, is not accounted for as a lease modification. The Company continues to recognise operating lease income on a straight-line basis, which is representative of the pattern in which the Company benefits from use of the underlying asset is diminished.

(g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost using the EIR less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. A provision for impairment of trade receivables is recognised in accordance with IFRS 9 as disclosed in note 3(k). Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The Company measures loss allowances for trade receivables at an amount equal to 12-month ECLs.

(h) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method.

Notes to the Financial Statements

3. Material accounting policies (continued)

(i) Security deposits

As part of its lease arrangements, the Company assesses the creditworthiness of lessees to determine whether a security deposit is required. Based on this assessment, security deposits may be provided either in cash or in the form of a letter of credit.

Cash security deposits on leased engines are generally paid by the lessee on the execution of the lease and are non-refundable during the term of the lease. The amounts are held as security for the timely and faithful performance by the lessee of its obligations during the lease and are included on the Statement of Financial Position. Security deposits are refundable to the lessees at the end of the lease, based on the terms of the various lease agreements.

(j) Administrative expenses

All administrative expenses are accounted for on an accruals basis.

(k) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

For the financial period presented, the Company's financial assets include trade and other receivables, which consist of lease rental receivable and other receivables which are carried at amortised cost.

Notes to the Financial Statements

3. Material accounting policies (continued)

(k) Financial instruments (continued)

Expected credit loss

In line with the requirements of IFRS 9, the Company recognises loss allowances for estimated credit loss ("ECL") on financial assets measured at amortised cost.

When assessing the need to recognise an allowance for ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Factors such as length of maturity of the exposures, current credit risk based on external credit ratings of the counterparties, and fluctuations in the credit risk based on the risk of default occurring over the expected life of the asset are considered.

Loss allowances, if any, are deducted from the gross carrying amount of the assets.

Given the short-term maturities and low credit risk of cash and cash equivalents and the trade and other receivables, the Company has measured the loss allowance for the financial year on a 12-month expected loss basis. For the financial period ended 31 March 2025 there are no ECLs recorded.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which either:

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Classification and subsequent measurement of financial liabilities

Issued financial instruments or their components will be classified as liabilities where the substance of the contractual arrangement results in the Company having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavourable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash for a fixed number of equity shares.

Financial liabilities are subsequently measured at amortised cost, with any difference between the proceeds net of transaction costs and the redemption value recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

The Notes have been classified as financial liabilities, due to the contractual obligation to make payments whenever the appropriate cash is available. The Notes issued are structured as standardised limited recourse and non-petition whereby the Noteholders are limited to such net proceeds and the Company will not be liable for the payment of any shortfall, and any unpaid debt of the Company shall be extinguished and shall not thereafter revive.

The Notes are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost, less any impairment losses; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the financial period of borrowings using the EIR method.

Notes to the Financial Statements

3. Material accounting policies (continued)

(k) Financial instruments (continued)

Classification and subsequent measurement of financial liabilities (continued)

The Noteholders' recourse is limited to the Company's available assets. Available assets are assets remaining after all indebtedness of the Company, that is senior to the debt in issue, have been satisfied in full. Profit in the financial period increases amount owing to the Noteholder and losses in the financial period decrease the amount owing to the Noteholder. The Company recognises a modification adjustment in the carrying amount of the debt in issue to reflect the amount owed to the Noteholder based on the available assets at the financial period end.

Trade and other payables are initially measured at fair value. They are subsequently measured to amortised cost.

For the financial period presented, the Company's financial liabilities include trade and other payables, which consist of interest payable and accrued expenses which are carried at amortised cost.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired, or subject to a substantial modification of terms.

(l) Finance income and finance expense

Finance income comprises interest income on funds invested. Interest income accrues through the Statement of Profit or Loss and Other Comprehensive Income, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs accrue through the Statement of Profit or Loss and Other Comprehensive Income, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating the interest expense over the relevant financial period. The EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument.

The application of the method has the effect of recognising income receivable on the asset and expenses payable on the liability evenly in proportion to the amount outstanding over the financial period to maturity or repayment.

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

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

Notes to the Financial Statements

3. Material accounting policies (continued)

(m) Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the financial period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets against current tax liabilities and when current taxes relate to the same fiscal authority.

Deferred tax

Deferred tax is recognised in respect of timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible timing differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when deferred taxes relate to the same fiscal authority.

(n) Called up 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 effect. Dividends are recognised as a liability in the financial period in which they are approved.

(o) Fair value hierarchy

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to the Financial Statements**4. Lease rental income**

	Financial period ended 31-Mar-25 US\$
Lease rental income	246,464
	<u>246,464</u>

Lease rental income represents the total income from operating leases during the financial period. The distribution of lease rental income by country, based on location of the lessee, is as follows:

	Financial period ended 31-Mar-25	US\$
The Netherlands	100%	246,464
	<u>100%</u>	<u>246,464</u>

As at 31 March 2025, 2 engines were on lease to 1 lessee in The Netherlands. There were no contingent rents recognised as income in the financial period.

The following is a schedule of contracted future rentals receivable, by year, on operating leases.

	Financial period ended 31-Mar-25 US\$
Within one year	1,533,000
One to two years	1,533,000
Two to three years	1,276,800
Three to four years	-
Four to five years	-
More than five years	-
	<u>4,342,800</u>

5. Administrative expenses

	Financial period ended 31-Mar-25 US\$
Corporate Service Provider fees	(11,594)
Legal fees	(210,834)
Servicer fees	(7,394)
Audit fees	(8,652)
Tax compliance fees	(3,785)
Other expenses	(322)
	<u>(242,581)</u>

Notes to the Financial Statements

5. Administrative expenses (continued)

The Company is administered by Walkers Corporate Services (Ireland) Limited and has no employees. The terms of the corporate services agreement in place between the Company and the Corporate Service Provider provide for a single fee for the provision of corporate administration services including the making available of individuals to act as directors of the Company. As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals, who are employees of the service provider and who act as directors, do not and will not, in their personal capacity or any other capacity, receive any fee for acting or having acted as a director of the Company. Pursuant to Section 305A (1) (a) of the Companies Act 2014 (as amended), the third party corporate service provider received US\$2,072 as consideration for the making available of individuals to act as directors of the Company. This is incorporated as part of the corporate service provider fee charged by Walkers Corporate Services (Ireland) Limited.

The Company had no employees during the financial period.

Auditor's remuneration (ex. VAT)

	Financial period ended 31-Mar-25 US\$
Audit fee	8,652
Tax compliance fee	3,785
	<u>12,437</u>

6. Interest expense and similar charges

	Financial period ended 31-Mar-25 US\$
Interest expense and similar charges	<u>(283,140)</u>
	<u>(283,140)</u>

The Series 1 A Note bears interest at a fixed rate of 8%, while the Series 1 B Note is non-interest bearing and participate in the distributable profits.

Please refer to note 12 for further details in relation to the debt in issue of the Company.

Serifos Aviation Leasing Designated Activity Company

Notes to the Financial Statements

7. Taxation

	Financial period ended 31-Mar-25 US\$
Corporation tax for the financial period	-
	-
Profit on ordinary activities before tax	-
Corporation tax at the standard of 12.5% rate for the financial period	-
Effects of:	
Higher rate tax applicable under Section 110 TCA, 1997 of 12.5%	-
Current tax charge for the financial period	-

8. Engines and related components

At 31 March 2025, the Company owned 2 engines.

	Engine US\$	Lease component US\$	Total US\$
Cost			
Balance at 24-Oct-2024	-	-	-
Acquisitions during the financial period	12,870,000	-	12,870,000
Balance at 31-Mar-2025	<u>12,870,000</u>	<u>-</u>	<u>12,870,000</u>
Depreciation/amortisation			
Balance at 24-Oct-2024	-	-	-
Charge for financial period	232,562	-	232,562
Balance at 31-Mar-2025	<u>232,562</u>	<u>-</u>	<u>232,562</u>
Net book value			
Balance at 24-Oct-2024	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31-Mar-2025	<u>12,637,438</u>	<u>-</u>	<u>12,637,438</u>

Engines and related components are assessed for recoverability at each reporting date or whenever events or changes in circumstances indicates that their carrying value may not be recoverable. For the purposes of measuring an impairment loss, the engines and related components are tested in line with the policy set out in note 3(d). An assessment was completed in accordance with the policy and no impairment loss was recognised for the current financial period.

During the financial period, the Company acquired 2 engines. A portion of the funding amounting to US\$645,000 was provided through a non-cash transaction. As consideration, a portion of the Series 1 A Note amounting to US\$580,650 and Series 1 B Note amounting to US\$64,350 was issued. Payments were made directly by the Noteholder.

Serifos Aviation Leasing Designated Activity Company

Notes to the Financial Statements

8. Engines and related components (continued)

The Company's engines were on lease to a lessee in the following country:

		31-Mar-25
	%	US\$
The Netherlands	100%	12,637,438
	100%	<u>12,637,438</u>

9. Cash and cash equivalents

	31-Mar-25
	US\$
Cash available on demand	228,250
	<u>228,250</u>

The cash available on demand of the Company is held with Allied Irish Banks, p.l.c. which has a S&P short-term rating of A-2.

10. Trade and other receivables

	31-Mar-25
	US\$
Lease rental receivable	151,964
Other receivables	<u>1</u>
	<u>151,965</u>

All receivables are due within one year and are non-interest bearing. The Company considers all trade receivables over 30 days as past due. The impact of IFRS 9 and the impairment of trade receivables using ECL is outlined in note 3(k).

11. Security deposits payable

	31-Mar-25
	US\$
Balance at the beginning of the financial period	-
Security deposits received	<u>(126,000)</u>
Balance at the end of the financial period	<u>(126,000)</u>
Current security deposits	-
Non-current security deposits	<u>(126,000)</u>
	<u>(126,000)</u>

Security deposits are classified based on the maturity of the underlying lease.

Serifos Aviation Leasing Designated Activity Company

Notes to the Financial Statements

12. Debt in issue

The following table outlines nominal and carrying value of the debt in issue.

	31-Mar-25 US\$
Balance at the beginning of the financial period	-
Drawdowns on the Notes	(12,870,000)
Modification adjustment in the value of debt in issue	511,819
Balance at the end of the financial period	<u>(12,358,181)</u>
Current debt in issue	-
Non-current debt in issue	(12,358,181)
	<u>(12,358,181)</u>

	Maturity Date	Interest Rate	Balance 31-Mar-25 US\$
Series 1 A Note	19-Dec-27	8%	11,583,000
Series 1 B Note	19-Dec-27	Profit participating	1,287,000
Modification adjustment in the value of debt in issue			(511,819)
Total debt in issue			<u>12,358,181</u>

The Notes issued by the Company constitute direct obligations of the Company.

These Notes issued are structured as standardised limited recourse and non-petition whereby the Noteholders are limited to such net proceeds and the Company will not be liable for the payment of any shortfall, and any unpaid debt of the Company shall be extinguished and shall not thereafter revive.

During the financial period, US\$645,000 was paid directly by the Noteholder for the acquisition of engines. In consideration for this amount, the Company issued A Note and B Note of equivalent value.

On 22 March 2025, the Company amended the A Note and B Note, designating them as Series 1 A Note and Series 1 B Note, respectively.

The Series 1 B Note is measured at amortised cost using EIR. The application of the EIR method requires remeasurement of the Series 1 B Note at each reporting period end based on the then estimated future cash payments to occur through the expected life of the Series 1 B Note, discounted at the original EIR rate.

Notes to the Financial Statements

12. Debt in issue (continued)

Assessment techniques	Significant inputs	Relationship between significant inputs and potential remeasurement
Discounted cash flows: The remeasurement of the Series 1 B Note considers the discounted value of the cash outflows expected to be paid taking into account changes in contracted lease rates, net maintenance flows, downtime between leases, transition costs, estimated residual values, economic conditions and technological development. The expected cash outflows are discounted at the original EIR as determined at the issuance of the Series 1 B Note.	<ul style="list-style-type: none"> •Contracted lease rates reflect all concessions granted during the financial period. •The timing and the expected cost of maintenance events, residual value and use fee have been estimated based on the forecasts provided by the external maintenance evaluator. •EIR rate applied was 0%. 	<p>The remeasurement of the Series 1 B Note would increase/(decrease) if:</p> <ul style="list-style-type: none"> •Lease rates collected were lower/(higher) than currently contracted. •Timing of maintenance outflows are forecasted to be sooner/(later) than expected. •Residual value is (greater)/lesser than expected. •Use fee is (greater)/lesser than initially estimated.

Significant judgement is required when evaluating the inputs into the remeasurement of the Series 1 B Note. A sensitivity analysis was performed on the inputs used to calculate EIR. However, given the nature of the instrument and the resulting EIR of 0%, reasonable possible changes at the reporting date to one of the significant inputs, while holding others constant, had no effect on the EIR. Accordingly, the EIR remains at 0% across all tested scenarios.

13. Trade and other payables

	31-Mar-25
	US\$
Interest payable on the Notes	(283,140)
Accrued expenses	(249,831)
Other payables	(500)
	(533,471)

Accrued expenses consist of operational expenses incurred in the normal course of business.

14. Called up share capital

	31-Mar-25
	US\$
Authorised	
1,000 ordinary shares of US\$1.00 each	1,000
Allotted, called up and fully paid	
1 ordinary share of US\$1.00 each	1

Notes to the Financial Statements

14. Called up share capital (continued)

The share capital of the Company is US\$1,000 divided into 1,000 shares of a par value of US\$1.00 each. All of the issued shares of the Company were initially held by Walkers AV8 Shareholding Services Limited and were subsequently transferred to ALS Aircraft Financing Designated Activity Company (the "Parent Company") on 18 December 2024. The holders of the ordinary shares in the Company have all power and full voting rights as permitted under applicable company laws. The holders of the ordinary shares are entitled to receive dividends from time to time as declared at the discretion of the Company.

15. Related party transactions

The Company considers Walkers Corporate Services (Ireland) Limited, ALS Aircraft Financing Designated Activity Company and the Board of Directors as related parties.

The Corporate Service Provider is a related party as they provide directorship services to the Company at arm's length commercial rates, as part of their wider corporate services agreement. Fees for corporate provider services provided for the financial period were US\$11,594 with US\$11,594 outstanding as at 31 March 2025. Aisling Clarke, Rebecca Murphy and Joanna Taylor are employees of the Corporate Service Provider. They act as directors of the Company and do not and will not, in their personal capacity or any other capacity, receive any fee for acting or having acted as directors. For further details refer to Note 5.

All of the issued shares in the Company are held by ALS Aircraft Financing Designated Activity Company as at the financial period end.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity. Key management personnel for the Company are the Board of Directors and ALS Aircraft Financing Designated Activity Company. All directors of the Company also serve as directors of the Parent Company.

16. Financial risk management

The directors have overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management processes incorporate the regular and continuing analysis of trading operations and performance and the monitoring of capital adequacy and asset valuations. This note seeks to further describe the key business and financial instrument risks faced by the Company and the policies and procedures used to mitigate these risks.

The nature and extent of the financial instruments outstanding at the financial period end and the risk management policies employed by the Company are discussed below.

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

- Credit risk;
- Concentration risk;
- Market risk (including currency risk and interest rate risk);
- Liquidity risk;
- Operational risk;
- Technical, maintenance and environmental risk;
- Geopolitical risk;
- Exposure to commercial airline industry; and
- Public liability risk.

Notes to the Financial Statements

16. Financial risk management (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's lease rental receivable. The directors consider characteristics and other factors that may affect the Company's credit risk including the risk associated with the lessees, countries and/or geographic regions in which they operate.

The Company has processes in place to monitor the creditworthiness of existing and new lessee customers. The directors of the Company consider this information in their analysis of the Company. None of the lessees who leased engines from the Company went bankrupt or entered into administration (or similar arrangements) during the financial period.

The carrying amount of financial assets represents the Company's maximum credit exposure as follows:

	31-Mar-25
	US\$
Cash and cash equivalents	228,250
Trade and other receivables	151,965
	<u>380,215</u>

In accordance with IFRS 9 and the approach outlined in note 3(k), the Company has not recognised an ECL provision.

The Company manages its exposure to credit risk by placing cash and cash equivalents with recognised financial institutions. The S&P credit rating of Allied Irish Banks, p.l.c. for short term rating is A-2.

(b) Concentration risk

Concentration risk is the risk that a high percentage of assets are with a single counterparty or in a single region, resulting in the returns being less diverse and more correlated. Prudent risk management implies maintaining the exposure to various risks at a reasonable level.

As at the financial period end, the Company's engine lease contracts are held with 1 lessee. The Company plans to acquire additional engines and monitor the current lessee.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The Company is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect the Company through a reduced demand for engines and/or reduced market rates, higher incidences of lessee default and engine on the ground, all of which may require that the carrying value of the engine to be materially reduced.

Notes to the Financial Statements

16. Financial risk management (continued)

(c) Market risk (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The principal assets and liabilities of the Company are denominated in US\$, which is the functional currency of the Company. Therefore, the Company has limited currency risk exposure in the financial period end presented.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company pays interest on the debt in issue. The Series 1 A Note bears a fixed interest rate, while the Series 1 B Note is not fixed but instead is dependent on the underlying asset and related collections. As a result, no sensitivity analysis has been performed. The Company is not exposed to material interest rate risks as at 31 March 2025.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective when managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or damaging the Company's reputation. The Company has sought to match the cash inflows with the cash outflows.

The table below shows the undiscounted contractual cash flows of the Company's financial liabilities.

	Less than 1 year	1 to 5 years	Total contractual cash flows	Total carrying value
31-Mar-25				
Financial liabilities	US\$	US\$	US\$	US\$
Debt in issue	(926,640)	(13,225,212)	(14,151,852)	(12,358,181)
Security deposits payable	-	(126,000)	(126,000)	(126,000)
Trade and other payables	(533,471)	-	(533,471)	(533,471)
	<u>(1,460,111)</u>	<u>(13,351,212)</u>	<u>(14,811,323)</u>	<u>(13,017,652)</u>

(e) Operational risk

Operational risk is the risk of indirect or direct loss arising from a wide variety of causes associated with the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the Directors' Report. The Company's objective is to manage operational risk and does so primarily by outsourcing all servicing and administration functions to the Servicer and the Corporate Service Provider.

(f) Technical, maintenance and environmental risk

Technical, maintenance and environmental risk is the risk that a lessee undertakes responsibility for ensuring that the engines comply with current environmental, technical and maintenance regulations and statutory obligations as applicable. The directors monitor these risks in conjunction with the Servicer under a servicing agreement.

Notes to the Financial Statements

16. Financial risk management (continued)

(g) Geopolitical risk

The Company leases engine to customers in multiple jurisdictions exposing it to (i) many and varying economic, social, legal and geopolitical risks, (ii) instability in key markets and (iii) global health pandemics. The directors continue to monitor the development of geopolitical events and are continuing to assess the potential impact on the Company. Exposure to multiple jurisdictions may adversely affect the Company's future performance, position and growth potential. The adequacy and timeliness of the Company's response to emerging risks in these jurisdictions are of critical importance to the mitigation of their potential impact on the Company's results and financial position.

(h) Exposure to commercial airline industry

As a supplier to and partner of the airline industry, the Company is exposed to the financial condition of the airline industry as the Company leases all of its engine to commercial airline customers. The financial condition of the airline industry is affected by, among other things, geopolitical events, outbreaks of communicable pandemic diseases and natural disasters, fuel costs and the demand for air travel. To the extent that any of these factors adversely affect the airline industry they may result in (i) downward pressure on lease rates and engine values, (ii) higher incidences of lessee defaults, restructuring, and repossessions and (iii) inability to lease engine on commercially acceptable terms.

The directors are also considering the impact that climate change will have on residual values. The impact of this is too uncertain at the moment but the directors will continue to monitor its impact on the activities of the Company as the situation develops and facts become clearer.

(i) Public liability risk

Public liability risk is the risk that a lessee is responsible for ensuring that the engines have adequate insurance cover, and the directors have put appropriate monitoring systems in place, through the servicing agreement, to ensure that the lessees remain compliant.

17. Fair value estimation

Under IFRS 13 *Fair Value Measurement*, the fair value of a financial asset and liability is the price that would be received to sell an asset or paid to transfer a liability in an ordinary 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 the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy at the end of the financial year during which the change has occurred.

The financial instruments not measured at FVTPL are financial assets and financial liabilities whose carrying amounts approximate fair value.

- *Cash and cash equivalents, trade and other receivables/payables, and security deposits payable:*
The carrying amount approximates to fair value due to the short-term nature of these balances.

18. Ownership of the Company

All of the issued shares of the Company were initially held by Walkers AV8 Shareholding Services Limited and were subsequently transferred to ALS Aircraft Financing Designated Activity Company on 18 December 2024. The only shareholder of the Company is ALS Aircraft Financing Designated Activity Company.

ALS Aircraft Financing Designated Activity Company, being the parent of the Company, has prepared consolidated financial statements and copies of the financial statements are available on request from the Company's registered office.

Notes to the Financial Statements

19. Subsequent events

On 15 July 2025, Serifos issued Series 2 A Note and Series 2 B Note to fund the purchase of an engine with a net purchase price of US\$5,629,129. Serifos issued the Series 2 A Note with a nominal value of US\$5,435,929 and bears a fixed interest rate of 8% and Series 2 B Note with a nominal value of US\$603,993 which are non-interest bearing and participate in the distributable profits. The Series 2 A Note and Series 2 B note have a final maturity date of 1 December 2027. The Noteholders are the same for these notes as for the Series 1 A note and Series 1 B note.

There have been no other significant events since the financial period end date which require disclosure in these financial statements.

20. Approval of financial statements

The Board of Directors approved these financial statements on 23 March 2026.