

FLY ALADDIN FUNDING LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

FLY ALADDIN FUNDING LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | Ciana Casey Marcus Miller Robert Korn (USA) William Hoffman (USA) Aimee Powderly (Alternate director) (Resigned 6 June 2024) Rory Coughlan (Alternate director) (Resigned 6 June 2024) |
| Company secretary | HMP Secretarial Limited |
| Registered number | 621583 |
| Registered office | 28/29 Sir John Rogerson's Quay Dublin 2 D02 EY80 |
| Independent auditors | Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm 29 Earlsfort Terrace Dublin 2 D02 AY28 |
| Bankers | Wilmington Trust 520 Madison Ave Rm 3300, New York, NY 10022 USA BNP Paribas 787 7 th Avenue New York NY 10019 USA |
| Solicitors | A&L Goodbody LLP 25 North Wall Quay Dublin 1 D01 H104 |

FLY ALADDIN FUNDING LIMITED

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FLY ALADDIN FUNDING LIMITED

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Directors present their annual report and the audited financial statements for the financial year ended 31 December 2024.

Principal activities and business activities and future activities

Fly Aladdin Funding Limited (“the Company”) is a private company limited by shares, which was incorporated and domiciled in the Republic of Ireland on 21 February 2018 under the registration number 621583. The Company is a Section 110 Company as set out under the Taxes Consolidation Act 1997.

The Company is engaged in acquiring, financing, leasing and selling commercial jet aircraft, directly or indirectly. The Directors expect these activities to continue for the foreseeable future. The Directors continue to review and seek business opportunities for the Company.

In June 2023, the Company repaid in full the remaining balance of the external loan using the proceeds of the new intra-group loans with Fly Leasing Limited drawn down in the same month. The intercompany loan was subject to a fixed rate and was fully repaid during the financial year through the new shareholder loan agreement. The shareholder loan agreement is subject to a fixed rate with maturity date of ten years. On 10 November 2023, the Company has further refinanced the new intra-group loan by entering into a US\$71.0 million Senior Secured Credit Agreement with BNP Paribas (Singapore branch) and Deutsche Bank (Singapore branch) (the “Senior Secured Credit Facility”). The maturity dates of each of the loans granted under the Senior Secured Credit Facility fall between May 2027 and November 2029. The loans granted under the Fly Aladdin Senior Secured Credit Facility accrue interest on a quarterly basis using the daily non-cumulative compounded RFR Rate plus a margin of 3.5%. Additionally, the Fly Aladdin Senior Secured Credit Facility contains covenants that require the borrower to enter into interest rate swaps to limit the exposure to adverse movements in interest rates in relation to the Fly Aladdin Senior Secured Credit Facility.

In January 2024, the Company drew down from a Tranche B loan which was used to settle the existing loans receivable from group undertakings. The Tranche B loan is subject to a fixed interest rate of 9.12% with a maturity date of ten years.

Results and dividends

The Statement of Comprehensive Income for the financial year ended 31 December 2024 and the Statement of Financial Position at that date are set out on pages 8 and 9.

The profit on ordinary activities for the financial year before taxation amounted to US\$625,941 (2023: Loss of US\$169,202). Shareholders' funds at 31 December 2024 amounted to US\$1,730,045 (2023: US\$1,104,104).

The above results are considered key indicators of the performance of the Company and are reviewed by the directors on an annual basis. The Directors recommended the payment of a dividend of US\$Nil during the financial year (2023: US\$Nil).

Issue of shares

The authorised share capital of the Company is 1 share of €1 each. The issued share capital of the Company is 1 share of €1. No shares were issued during the financial year (2023: Nil). Fly Aladdin Holdings Limited (“Fly Aladdin Holdings”) holds 100% of the issued share capital of the Company.

Directors, Company Secretary and their interests

The Directors who served during the financial year were:

Ciana Casey
Marcus Miller
Robert Korn (USA)
William Hoffman (USA)
Aimee Powderly Powderly (Alternate director) (Resigned 6 June 2024)
Rory Coughlan Powderly (Alternate director) (Resigned 6 June 2024)

FLY ALADDIN FUNDING LIMITED

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

Directors, Company Secretary and their interests(continued)

In accordance with the Articles of Association, the Directors are not required to retire by rotation. Neither the Directors nor the Company Secretary, who held office at 31 December 2024, had interests in shares in, or debentures of, the Company, or other group company, at 31 December 2024 or 31 December 2023, requiring disclosure in the directors' report pursuant to section 329 of the Companies Act 2014.

Political contributions

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

Principal risks and uncertainties

The Company is subject to the various risks and uncertainties mentioned below which mainly relates to the financial instruments held at year end. The Directors ensure that risks are identified and management in accordance with the objectives of the Company.

Asset risk

In circumstances where an aircraft is held at the end of the financial year, the aircraft is leased to a customer who assumes responsibility for its operation and maintenance. When the contracted lease term ends, the Company bears the risk of re-leasing or selling the aircraft. The Directors mitigate these risks by collecting maintenance reserves and/or collecting security deposits where appropriate, and, where possible remarketing the aircraft. If demand for aircraft decreases, market lease rates may fall. Should this condition continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge.

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 receivables from airline customers. The Company operates as a supplier to airlines. The airline industry is cyclical, economically sensitive and highly competitive. A key determinant of the Company's success is the financial strength of its customers and their ability to react to and cope with the competitive environment in which they operate. If a customer experiences financial difficulties this may result in default or the early termination of the lease. The Directors mitigate this risk by performing comprehensive credit reviews of customers both prior to and during the course of a lease.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages its liquidity requirements by monitoring the cash outflows due in its day-to-day business, including the servicing of financial obligations. The Company ensures that sufficient cash is available to meet payment obligations. In addition, the Company has access to a credit facility within the group and has received commitment from Fly Leasing Limited ("Fly") to continue to provide financial support to the Company.

Geopolitical risk

In circumstances where an aircraft is not held at the end of the financial year, the risks are still relevant as they relate to the nature of the Company's business and underlying business plans. In circumstances where an aircraft is held at the end of the financial year, geopolitical risk is the risk that ongoing global conflicts and tariff discussions could negatively impact the Company's performance. The conflicts will have short and long-term consequences on the aviation industry.

FLY ALADDIN FUNDING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
Geopolitical risk (continued)**

They have led to increased fuel prices, inflation, interest rate increases, supply chain concerns, and rerouting of flights because of restrictions on the use of airspace, which will all place additional pressure on airlines. Prolonged unrest, additional military activities, expansion of hostilities, or additional broad-based sanctions, could also have a material adverse effect on the operations and business outlook of the Company. The specific impacts on the Company may include the inability of airline customers to meet their lease obligations because of reduced cash flow, which in turn may lead to an increase in lease defaults and related repossessions.

Going concern

Having considered the Company's financial position, future business plans, cash flow projections and aviation environment as well as the continued financial support from Fly, the Directors confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months subsequent to the date of approval by the Board of Directors of the Financial Statements for the financial year ended 31 December 2024. Fly has access to sufficient liquidity should the Company require funding. The Company has received a letter of support from Fly confirming that it will continue to support the Company. Given the financial support from Fly, the Directors are satisfied that the Company is adequately resourced to continue in existence for the foreseeable future and that the financial statements have been properly prepared on a going concern basis.

Events since the end of the year

There have been no significant events affecting the Company since the financial year end that would require adjustment or disclosure in the financial statements.

Accounting records

The measures taken by the Directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare, V14 FW97, Ireland and at the Company's registered office.

Statement on relevant audit information

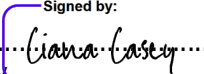
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

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

Auditors

The auditors, Deloitte Ireland LLP, have expressed their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

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

Signed by:


 Ciana Casey
 Director
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Signed by:


 Marcus Miller
 Director
 9DE5BF7480F34E2.....

Date: 18 December 2025 | 4:20 PM GMT

Date: 18 December 2025 | 3:10 PM GMT

FLY ALADDIN FUNDING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

Irish company law requires the Directors to prepare the financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLY ALADDIN FUNDING LIMITED

Report on the audit of the financial statements

Opinion on the financial statements of Fly Aladdin Funding Limited ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2024 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 19, including material accounting policy information as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 101 'Reduced Disclosure Framework' issued by the Financial Reporting Council ("the relevant financial reporting framework").

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 described below 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 issued by the Irish Auditing and Accounting Supervisory Authority, 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 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 other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Financial Statements. 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLY ALADDIN FUNDING LIMITED

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, 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.

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 IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

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.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLY ALADDIN FUNDING LIMITED

Use of our report

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.



David McCaffrey
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

18 December 2025

FLY ALADDIN FUNDING LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

| | Note | 2024 US\$ | 2023 US\$ |
|--|------|---------------------|--------------|
| Operating expenses | 4 | (738,180) | (244,859) |
| Operating loss | | (738,180) | (244,859) |
| Interest receivable and similar income | 7 | 12,452,929 | 11,671,129 |
| Interest payable and similar expenses | 8 | (11,471,126) | (13,890,830) |
| Other finance income | 9 | 382,318 | 2,295,358 |
| Profit/(loss) before taxation | | 625,941 | (169,202) |
| Tax on profit/(loss) | 10 | - | - |
| Profit/(loss) for the financial year | | 625,941 | (169,202) |
| Gain on interest rate hedges | 11 | - | 998,396 |
| Total comprehensive income for the financial year | | 625,941 | 829,194 |

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

The notes on pages 11 to 22 form part of these financial statements.

FLY ALADDIN FUNDING LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

| | Note | 2024 US\$ | 2024 US\$ | 2023 US\$ | 2023 US\$ |
|---|------|----------------------|-------------------------|----------------------|-------------------------|
| Non-current assets | | | | | |
| Debtors: amounts falling due after more than one year | 11 | | 46,237,935 | | 59,282,070 |
| Current assets | | | | | |
| Debtors: amounts falling due within one year | 11 | 135,799,985 | | 347,451,398 | |
| Cash and cash equivalents | 12 | 11,888,023 | | 9,891,536 | |
| | | <u>147,688,008</u> | | <u>357,342,934</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 13 | <u>(160,363,572)</u> | | <u>(356,238,830)</u> | |
| Net current (liabilities)/assets | | | (12,675,564) | | 1,104,104 |
| Non current liabilities | | | | | |
| Creditors: amounts falling due after more than one year | 14 | | (31,832,326) | | (59,282,070) |
| Net assets | | | <u>1,730,045</u> | | <u>1,104,104</u> |
| Capital and reserves | | | | | |
| Called up share capital presented as equity | 15 | | 1 | | 1 |
| Retained earnings | | | <u>1,730,044</u> | | <u>1,104,103</u> |
| Shareholders' funds | | | <u>1,730,045</u> | | <u>1,104,104</u> |

The financial statements were approved and authorised for issue by the board:


Signed by:

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 Ciana Casey

Director

Date: 18 December 2025 | 4:20 PM GMT

Signed by:

 9DE5BF7460F34E2...

 Marcus Miller

Director

18 December 2025 | 3:10 PM GMT

The notes on pages 11 to 22 form part of these financial statements.

FLY ALADDIN FUNDING LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

| | Called up share capital | Cash flow hedge reserves | Retained earnings | Total equity |
|-------------------------------|----------------------------|--------------------------------|----------------------|------------------|
| | US\$ | US\$ | US\$ | US\$ |
| At 1 January 2023 | 1 | (998,396) | 1,273,305 | 274,910 |
| Loss for the financial year | - | - | (169,202) | (169,202) |
| Gain on interest rate hedges | - | 998,396 | - | 998,396 |
| At 1 January 2024 | 1 | - | 1,104,103 | 1,104,104 |
| Profit for the financial year | - | - | 625,941 | 625,941 |
| Gain on interest rate hedges | - | - | - | - |
| At 31 December 2024 | 1 | - | 1,730,044 | 1,730,045 |

The notes on pages 11 to 22 form part of these financial statements.

FLY ALADDIN FUNDING LIMITED

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

1. General information

Fly Aladdin Funding Limited (“the Company”) is a private company limited by shares, which was incorporated and domiciled in the Republic of Ireland on 21 February 2018 under the registration number 621583. The Company is a Section 110 Company as set out under the Taxes Consolidation Act 1997. On 6 June 2024, the Company’s registered office address changed to 28/29 Sir John Rogerson’s Quay, Dublin 2 from Connaught House, 1 Burlington Road, Dublin 4. The Company is engaged in acquiring, financing, leasing and selling commercial jet aircraft, directly or indirectly.

2. Material accounting policies

2.1 Basis of preparation of financial statements

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council (FRC). The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 101 ‘Reduced Disclosure Framework’ as issued by the FRC and with the statute comprising of the Companies Act 2014. The accounting policies of the Company have been consistently applied over both the current and preceding period, notwithstanding the adoption of standards noted in note 2.4.

The financial statements of the Company are included in the consolidated financial statements of Fly, the intermediate parent undertaking. The consolidated financial statements of Fly are publicly available at its registered office (see note 18).

The Company’s functional and presentational currency is US dollars (US\$).

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies (see note 3).

The following material accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows

FLY ALADDIN FUNDING LIMITED

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

2. Material accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 74A(b) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- to disclose new and amended standards issued, but not yet effective.

2.3 Going concern

Having considered the Company's financial position, future business plans, cash flow projections and aviation environment as well as the continued financial support from Fly, the Directors confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months subsequent to the date of approval by the Board of Directors of the Financial Statements for the financial year ended 31 December 2024. Fly has access to sufficient liquidity should the Company require funding. The Company has received a letter of support from Fly confirming that it will continue to support the Company. Given the financial support from Fly, the Directors are satisfied that the Company is adequately resources to continue in existence for the foreseeable future and that the financial statements have been properly prepared on a going concern basis.

2.4 Impact of new international reporting standards, amendments and interpretations

The below lists the recent changes to IFRS that are required to be applied for annual periods beginning on or after 1 January 2024. The Company applied such standards where relevant from their effective date.

| Effective date | New standard or guidance |
|----------------|---|
| 1 January 2024 | Amendments to IAS 1 Classification of Liabilities as Current or Non-current |
| 1 January 2024 | Lease Liabilities in a Sale and Leaseback – Amendments to IFRS 16 |
| 1 January 2024 | Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 |

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.5 Operating expenses

Expenses are recognised in profit or loss upon utilisation of goods or services or at the date they are incurred. All costs are reported in profit or loss on an accrual basis.

FLY ALADDIN FUNDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****2. Material accounting policies (continued)****2.6 Interest receivable and similar income**

Interest income is recognised in profit or loss using the effective interest method.

2.7 Interest payable and similar expenses

Interest expenses are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Current and deferred taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment (see note 2.12). Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

FLY ALADDIN FUNDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****2. Material accounting policies (continued)****2.12 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.12 Hedge accounting

The Company uses variable to fixed interest rate swaps to manage its exposure to cash flow risk on its financial liabilities. These derivatives are designated as hedging instruments and are measured at fair value at each reporting date. To the extent the cash flow hedge is effective, movements in the fair value of hedging instruments are recognised in other comprehensive income and presented in a separate cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. Any ineffective portions of those movements are recognised immediately in profit or loss for the financial year.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. The transfer does not affect other comprehensive income. Furthermore, if the Company expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

FLY ALADDIN FUNDING LIMITED

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

2. Material accounting policies (continued) 2.12 Hedge accounting (continued)

The Company discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. For discontinued fair value hedges, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date. For discontinued cash flow hedges, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.13 Equity

Share capital represents the nominal (par) value of shares that have been issued.

Capital contribution represents funds contributed to the Company by the shareholder for working capital purposes. The capital contribution is non-refundable and is non-interest bearing.

Retained earnings/(deficit) represent all current and prior period profit or loss, reduced by the amounts of dividends declared. Equity dividends are recognised when they become legally payable.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimate for allowance for ECL

The Company applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all its debtors. Details about the ECL on the Company's debtors are disclosed in note 2.12.

Recognition of deferred tax asset

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

FLY ALADDIN FUNDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****4. Operating expenses**

| | 2024 | 2023 |
|-------------------------------|----------------|---------|
| | US\$ | US\$ |
| Legal and professional | 618,180 | 124,859 |
| Management and servicing fees | 120,000 | 120,000 |
| | 738,180 | 244,859 |

5. Statutory information

| | 2024 | 2023 |
|------------------------|--------------|-------|
| | US\$ | US\$ |
| Auditors' remuneration | 8,642 | 8,345 |

Auditors' remuneration for the current and prior financial year is borne by Fly.

6. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2023 - US\$NIL).

7. Interest receivable and similar income

| | 2024 | 2023 |
|--|-------------------|------------|
| | US\$ | US\$ |
| Interest receivable from group companies | 12,451,207 | 11,353,314 |
| Bank interest | 1,722 | 317,815 |
| | 12,452,929 | 11,671,129 |

FLY ALADDIN FUNDING LIMITED

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

8. Interest payable and similar expenses

| | 2024 US\$ | 2023 US\$ |
|---|----------------------|--------------|
| Interest expense on external loans | 5,787,136 | 2,974,063 |
| Interest expense on loans payable to group undertakings | 5,177,319 | 7,854,135 |
| Loan costs and discount amortisation | 506,671 | 241,328 |
| Swap interest expense | - | 2,821,304 |
| | 11,471,126 | 13,890,830 |

9. Other finance income

| | 2024 US\$ | 2023 US\$ |
|--------------------------------|----------------------|--------------|
| Swap fair value gains/(losses) | 87,077 | (944,216) |
| Swap interest income | 295,241 | 3,239,574 |
| | 382,318 | 2,295,358 |

FLY ALADDIN FUNDING LIMITED

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

10. Taxation

| | 2024 US\$ | 2023 US\$ |
|---|----------------------|--------------|
| Current tax | | |
| Current tax for the financial year | - | - |
| Deferred tax | | |
| Origination and reversal of timing differences | - | - |
| Taxation on profit/(loss) on ordinary activities | <u>-</u> | <u>-</u> |

Factors affecting tax charge/(credit) for the financial year

The Company is taxed at a rate of 25% in accordance with the provisions of the Section 110 Taxes Consolidations Act 1997.

The tax assessed for the financial year is lower than (2023 - higher than) the standard rate of corporation tax in Ireland of 25% (2023 – 25%). The differences are explained below:

| | 2024 US\$ | 2023 US\$ |
|--|----------------------|--------------|
| Profit/(loss) on ordinary activities before tax | 625,941 | (169,202) |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in Ireland of 25% (2023 - 25%) | 156,485 | (42,301) |
| Effects of: | | |
| Deferred tax not recognised | - | 42,301 |
| Utilisation of tax losses carried forward | (156,485) | - |
| Total tax charge/(credit) for the financial year | <u>-</u> | <u>-</u> |

Factors that may affect 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 is expected to remain at its current rate of 25%. The deferred tax not recognised for the financial year ended 31 December 2024 is US\$Nil (2023: US\$42,301). The cumulative deferred tax asset not recognised at 31 December 2024 was US\$1,487,262 (2023: US\$1,621,978).

FLY ALADDIN FUNDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****11. Debtors**

| | 2024 | 2023 |
|--|--------------------|-------------|
| | US\$ | US\$ |
| Due after more than one year | | |
| Loans receivable from group undertakings | 46,237,935 | 59,282,070 |
| | 46,237,935 | 59,282,070 |
| | 2024 | 2023 |
| | US\$ | US\$ |
| Due within one year | | |
| Amounts owed by group undertakings | - | 210,487,022 |
| Loans receivable from group undertakings | 82,984,069 | 89,656,872 |
| Accrued interest | 52,376,654 | 46,955,319 |
| Derivative assets | 407,853 | 320,776 |
| Other debtors | 31,409 | 31,409 |
| | 135,799,985 | 347,451,398 |

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

In November 2023, additional Tranche A loans had been issued to group undertakings following the refinancing of the external loan. Tranche A intercompany loans are subject to a variable rate and repayable up to November 2029. As at 31 December 2024, a portion of the loans amounting to US\$18,949,207 (2023: US\$11,073,739) is classified as current asset. In January 2024, the Company drew down from the Tranche B loan which was used to repay an existing intercompany loan. The Tranche B intercompany loan is subject to a fixed rate and repayable up to November 2029.

There is a further US\$64,034,860 (2023: US\$64,034,860) of loans receivable from group undertakings which are subject to market rate, have no fixed repayment terms and are repayable on demand.

Derivatives:

The Company entered into interest rate swap contracts to hedge variable interest payments due on loans payable. The fixed notional amount of these interest rate swaps at 31 December 2024 amounted to US\$71,000,000 (2023: US\$71,000,000).

During the financial year ended 31 December 2024, the Company recognised a net fair value gain of US\$Nil in other comprehensive income. During the financial year ended 31 December 2023, the Company recognised a net fair value gain of US\$998,396 in other comprehensive income and had then fully realised to profit and loss the remaining balance of the cash flow hedge reserve as a result of the full repayment of the external loan in June 2023. At 31 December 2024, the fair value of the interest rate swap asset, net of the intercompany interest rate swap liability, is US\$407,853 (2023: US\$320,776) and the reserves is US\$Nil (2023: US\$Nil).

As at 31 December 2024, the remaining derivative assets are not designated in a hedge relationship and are measured at fair value.

FLY ALADDIN FUNDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****12. Cash and cash equivalents**

| | 2024 | 2023 |
|--------------------------|--------------------------|------------------|
| | US\$ | US\$ |
| Cash at bank and in hand | 11,888,023 | 9,891,536 |
| | <u>11,888,023</u> | <u>9,891,536</u> |

13. Creditors: Amounts falling due within one year

| | 2024 | 2023 |
|-------------------------------------|---------------------------|--------------------|
| | US\$ | US\$ |
| External loans payable | 19,125,138 | 11,073,739 |
| Debt issuance costs | (175,931) | (308,557) |
| Loans payable to group undertakings | 65,462,360 | 67,556,656 |
| Amounts owed to group undertakings | 39,267,205 | 252,061,928 |
| Accrued interest | 30,675,561 | 25,713,207 |
| Other accruals and payable | 6,009,237 | 141,857 |
| | <u>160,363,572</u> | <u>356,238,830</u> |

In June 2023, the Company repaid in full the remaining balance of the external loan using the proceeds of the new intra-group loans with Fly Leasing Limited drawn down in the same month. As at 31 December 2024, the remaining outstanding balance of this loan amounted to US\$Nil (2023: US\$2,094,297). The intercompany loan was subject to a fixed rate and was fully repaid during the financial year through the drawdown from new shareholder loan agreement in January 2024. The shareholder loan agreement is subject to a fixed rate with no fixed repayment date. In November 2023, the Company has substantially refinanced the new intra-group loan by entering into a US\$71.0 million Senior Secured Credit Agreement with BNP Paribas (Singapore branch) and Deutsche Bank (Singapore branch) and incurred US\$994,000 of debt issuance costs in relation to the drawdown of this facility, see Note 14 below for further details.

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand. Loans payable to group undertakings classified as current liabilities are subject to market rate, have no fixed repayment terms and are repayable on demand.

FLY ALADDIN FUNDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****14. Creditors: Amounts falling due after more than one year**

| | 2024 | 2023 |
|-------------------------------------|--------------------------|-------------------|
| | US\$ | US\$ |
| External loans payable | 29,990,045 | 59,926,261 |
| Debt issuance costs | (270,147) | (644,191) |
| Loans payable to group undertakings | 2,112,428 | - |
| | <u>31,832,326</u> | <u>59,282,070</u> |

On 10 November 2023, the Company entered into a US\$71.0 million Senior Secured Credit Agreement with BNP Paribas (Singapore branch) and Deutsche Bank (Singapore branch) (the "Senior Secured Credit Facility"). The final maturity dates of each of the loans granted under the Senior Secured Credit Facility fall between May 2027 and November 2029. The loans granted under the Fly Aladdin Senior Secured Credit Facility accrue interest on a quarterly basis using the daily non-cumulative compounded RFR Rate plus a margin of 3.5%. Additionally, the Fly Aladdin Senior Secured Credit Facility contains covenants that require the borrower to enter into interest rate swaps to limit the exposure to adverse movements in interest rates in relation to the Fly Aladdin Senior Secured Credit Facility. The Company incurred debt issuance costs of US\$994,000 in relation to the drawdown of the Senior Secured Credit Facility and these costs are being amortised over the term of the loan. As of December 31, 2024, the Company had US\$49.1 million (2023: US\$71.0 million) principal amount outstanding under the Fly Aladdin Senior Secured Credit Facility.

In January 2024, the Company obtained a loan draw down of US\$2,112,428 from another group company. This loan is subject to a fixed interest rate of 9.12% with a maturity date of ten years.

15. Share capital

| | 2024 | 2023 |
|--|-----------------|----------|
| | US\$ | US\$ |
| Authorised, allotted, issued and fully paid | | |
| 1 (2023 - 1) Ordinary share of €1.00 | 1 | 1 |
| | <u>1</u> | <u>1</u> |

16. Related party transactions

The Company has availed of the exemption in FRS 101 in respect of transactions with other companies which are wholly owned within the group. The financial statements do not contain disclosure of transactions with entities wholly owned by Fly Leasing Limited.

At 31 December 2024, the Company had an outstanding balance of US\$5,809,676 payable to Fly 2012 Aircraft Holdings Limited. The balance arose in the ordinary course of business and is unsecured, non-interest bearing and repayable on demand.

17. Events since the end of the financial year

There have been no significant events affecting the Company since the financial year end that would require adjustment or disclosure in the financial statements.

FLY ALADDIN FUNDING LIMITED

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

18. Controlling party

The immediate parent undertaking is Fly Aladdin Holdings Limited, a company incorporated in the Republic of Ireland and having its registered office at 28/29 Sir John Rogerson's Quay, Dublin 2.

The ultimate parent undertaking and controlling party is SASOF International Master Fund V LP, a limited partnership registered in the Cayman Islands and having its registered address at George Town, Grand Cayman, KY1-1108 Cayman Islands.

Fly is the smallest and largest group in which the financial statements of the Company are consolidated into. The consolidated financial statements are publicly available at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

19. Approval of financial statements

The board of Directors approved these financial statements for issue on 18 December 2025.