

Azorra Eagle 2 DAC

Directors' report and financial statements

For the year ended 31 December 2024

Registered number: 662528

AZORRA EAGLE 2 DAC

Directors' report and financial statements

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AZORRA EAGLE 2 DAC

Directors and other information

Directors	Alan G. Stanford Jr. Thomas Schmid Becca Ni Mheilbhin (appointed 18 January 2024) Hasara Nanayakkara (appointed 5 October 2023, resigned 18 January 2024) John Levins (alternate appointed 25 September 2024)
Secretary	Alter Domus Secretarial (Ireland) Limited
Registered office	1st Floor, 118 Lower Baggot Street Dublin 2 Ireland
Independent auditor	Ernst and Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2 Ireland
Bankers	BNP Paribas Dublin Branch 5 Georges Dock IFSC Dublin 1 Ireland
Solicitors	Mason Hayes & Curran LLP Barrow Street Dublin 4 Ireland

AZORRA EAGLE 2 DAC

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 December 2024

The Board of Directors (the "directors") of Azorra Eagle 2 DAC ("Azorra Eagle 2" or the "Company") present their annual report together with the audited financial statements for the year ended 1 January 2024 to 31 December 2024. The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Principal activities

The principal activities of the Company are the ownership and leasing of aircraft. The directors plan to continue to maintain, develop and expand the activities and operations of the Company in the coming year, as market conditions allow.

Business review

The Company is financed by external secured debt and Subordinate Debt listed on the Vienna Stock Exchange. The Subordinate Debt is owed to Azorra Eagle Holdings DAC (the "Parent").

At 31 December 2024, the Company owned a portfolio of 3 aircraft (2023: 1). The company acquired two aircraft from a group company.

Principal risks and uncertainties

The directors consider that the following are the principal risk factors that could materially and adversely affect the Company's future operating profits or financial position:

Residual values and impairment of the aircraft

The Company bears the risk of re-leasing or selling aircraft in its fleet at the end of their lease terms. If demand for aircraft decreases or market lease rates decrease, these factors could affect the market value of the portfolio or re-lease rates achieved. Should these conditions continue for an extended period, it could affect the market value of the portfolio and may result in impairment charges in accordance with IAS 36. The Directors look to mitigate these risks by actively managing the portfolio, lease durations, maintenance return conditions and selectively marketing aircraft for sale.

Credit risk of lease counterparties

The Company operates as lessor to airlines. Its ability to succeed is partially dependent on the financial strength of its customers and their ability to compete effectively in the aviation market and manage in the competitive environment in which they operate. If airline customers experience financial difficulties, this may result in defaults or the early termination of leases. The Company continuously monitors and assesses its customer and credit exposure and the Directors look to mitigate risks by negotiating security deposits and maintenance reserve payments as appropriate.

Geopolitical and economic risks

The Company leases aircraft to customers that operate 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. 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.

Exposure to the 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 it leases all of its aircraft 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 aircraft values, (ii) higher incidences of lessee defaults, restructuring, and repossessions and (iii) inability to lease aircraft on commercially acceptable terms.

AZORRA EAGLE 2 DAC

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

Principal risks and uncertainties (continued)

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 aircraft and/or reduced market rates, higher incidences of lessee default and aircraft on the ground. The Company periodically performs reviews of its carrying value of aircraft and associated assets, receivable and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

Liquidity and financing risk

The Company continuously forecasts its liquidity requirements and continuously maintains contact with relevant credit institutions to maintain access to competitive financing. Appropriate action has been taken to ensure timely refinancing of short-term credit facilities. With the aim of managing the liquidity risk, the Company ensures that sufficient cash is available to meet payment obligations and to adhere to covenant compliance under the respective loan agreement.

Going concern

The Directors have considered the cash flows and resources available to Azorra Eagle Holdings DAC (the "Parent") in their use of the going concern basis of preparation in the context of the Company at the date of signing these financial statements by evaluating all cash inflows and outflows of the Group for a period of 12 months from the signing of the financial statements. Additionally, the Directors have considered that both the external secured debt and the Subordinated Loan are limited recourse in nature. The external secured debt is repaid limited to the receipts received from the leasing and disposal of the aircraft assets. The external secured debt is paid in priority to the Subordinated Loan. Payments are made on the Subordinated Loan to the extent there is available cash after repayment of the obligations under the external secured debt.

The estimated cash flows involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future years to differ materially from forecasted cash flows. The estimated cash flows include the future rental receipts from the aircraft, repayment of the debt and other inflows and outflows as contracted.

Based on this analysis, the adequacy of cash flows to cover the external secured debt repayments and all information available at present, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements under the Going Concern basis of preparation.

Key performance indicators

The principal key performance indicator, which was not met in the current year, used by management to monitor performance are as follows:

- Loss after tax - the Company made a loss after tax of USD 23,247 during the year. In 2023 the company made a profit of USD 6,872;
- Operating (loss)/profit - the Company made an operating loss of USD 17,215 during the year as compared to an operating profit of USD 634 in 2023;
- Net assets/liabilities – the Company has net liabilities of USD 119,639 as of current year-end which has increased from net liabilities of USD 96,392 as of 31 December 2023;
- Various measures in relation to capital expenditure, including acquisitions and disposals - there were two acquisitions during the year and no disposals during the year.
- Number of aircraft on the ground – there are no aircraft on the ground during the year (2023: nil).

AZORRA EAGLE 2 DAC

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

Future developments in the business

It is the intent of Azorra to manage the portfolio in order to maximize cash flows of the portfolio, repay the debt and earn a return on its investment.

Results for the year

The results for the year are set out in the statement of profit and loss account and other comprehensive income on page 14 and in the related notes.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2024 (2023: None).

Directors and secretary and their interests

In accordance with Section 329 of the Companies Act 2014, neither the directors nor secretary who held office at 31 December 2024 have any direct or indirect disclosable interest in the share capital, share options or debentures of the Company, or any group company at that date or during the financial year. The names of the persons who were directors during the year are set out on page 1. Except where indicated, they served as directors for the entire year.

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.

Political and charitable contributions

The Company made no political and charitable contributions or incurred any political expenditure during the year (2023: none).

Post balance sheet events

The directors consider the state of affairs of the Company to be satisfactory and there have been no material changes since the balance sheet date. The normal operations of the Company have continued.

Accounting records

The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to the adequate accounting records by engaging a service provider who employs accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at 1st Floor, 118 Lower Baggot Street, Dublin 2 Ireland.


AZORRA EAGLE 2 DAC

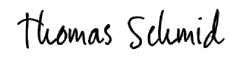
**DIRECTORS' REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 December 2024**

Independent auditor

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

This report was approved by the board of directors (the "Board") and authorised for issue and signed on its behalf by:

DocuSigned by:

BDC2C287B7D6493...
Alan G Stanford Jr
Director

DocuSigned by:

036608EED40E4CF...
Thomas Schmid
Director

AZORRA EAGLE 2 DAC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 December 2024

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

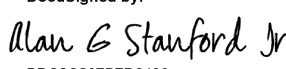
Company law requires the directors to prepare financial statements for each financial year. The Directors have elected to prepare the Financial Statements in accordance with Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland), including FRS 101 Reduced Disclosure Framework.

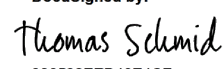
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

This report was approved by the board of directors (the "Board") and authorised for issue and signed on its behalf by:

DocuSigned by:

BDC2C287B7D0493...
Alan G Stanford Jr
Director

DocuSigned by:

936598EED40E4CF...
Thomas Schmid
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AZORRA EAGLE 2 DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Azorra Eagle 2 Designated Activity Company ('the Company') for the year ended 31 December 2024, which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including the material accounting policy information set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

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

Conclusions relating to going concern

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

- In conjunction with our walkthrough of the Company's financial close process, we confirmed our understanding of management's Going Concern assessment process.
- We obtained management's going concern assessment, including the cash forecast and covenant calculation for the going concern period which covers a year from the date of signing this audit opinion.
- We reviewed the sources of cash inflows and outflows applicable to the Company and performed a scenario analysis. We noted that in the most stressed scenario performed that the minimum cash requirement was still generated by the Group.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AZORRA EAGLE 2 DESIGNATED ACTIVITY COMPANY (CONTINUED)

- We considered the appropriateness of the methods used within the cashflow analysis and determined through inspection and testing of the methodology and calculations that the methods utilised were appropriate.
- We reviewed the Company going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Conclusion

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

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

Key audit matters

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

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF AZORRA EAGLE 2 DESIGNATED ACTIVITY COMPANY (CONTINUED)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Impairment of aircraft</p> <p>The carrying value of aircraft and related components represents the most significant asset in the financial statements of the Company. As at 31 December 2024, the carrying value of aircraft reported for the Company is USD 35.42 million (2023: USD 14.68 million), as detailed in Note 8 of the financial statements page 72.</p> <p>As per Note 1.5 Estimates and Judgements (page 24) and Note 1.10 (page 29), management need to apply judgement as part of their assessment for the recoverability of aircraft. For the purposes of measuring an impairment loss, each asset is tested individually by comparing its carrying amount to the higher of its value in use or fair value less cost to sell. We have determined that impairment of aircraft represents a risk because management could override controls on assumptions used in the impairment calculation of the value in use of the assets.</p> <p>The nature and size of these balances and their importance to the Company are such that we have identified this as a key audit matter.</p>	<p>In obtaining sufficient and appropriate audit evidence we:</p> <ul style="list-style-type: none"> • Obtained an understanding of the impairment process, performed a walkthrough of the process and evaluated the design and implementation of controls related to the fraud risk. We did not rely on controls in this area. • Assessed management’s impairment assumptions (discount rate, current market values, future projected lease rates and residual values) to evaluate the reasonableness of the key assumptions. • Assessed the calculations underpinning the impairment models by checking that the data and the assumptions input into the model agreed with those that we had evaluated. • Evaluated the competency and independence of the external appraisers as management experts for the external market appraisals provided. We obtained these external valuation reports to validate the market inputs to the impairment calculation. • Assessed the Weighted Average Cost of Capital used to discount the lease payment streams within the calculation and recalculated the discount rate. • Assessed the appropriateness of presentation and disclosure in the financial statements for compliance with the relevant accounting standards. 	<p>Our planned audit procedures were completed without material exception.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AZORRA EAGLE 2 DESIGNATED ACTIVITY COMPANY (CONTINUED)

Our application of materiality

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

Materiality

Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be USD 500,600 (2023: USD 158,000), which is 1% (2023: 1%) of total assets. We believe that total assets provides us with the most appropriate basis for materiality having considered the expectations of the users of the financial statements and the overall business environment.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely USD 250,300 (2023: USD 79,000). We have set performance materiality at this percentage based on our knowledge of the Company and industry, effectiveness of the control environment and our assessment of the risks associated with the engagement.

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of USD 25,030 (2023: USD 7,900), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

An overview of the scope of our audit report

Tailoring the scope

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AZORRA EAGLE 1 DESIGNATED ACTIVITY COMPANY (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Director's report and the Statement of Directors Responsibilities in Respect of the Directors' Report and the 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

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

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

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

Matters on which we are required to report by exception

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AZORRA EAGLE 1 DESIGNATED ACTIVITY COMPANY (CONTINUED)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors Responsibilities in Respect of the Directors' Report and the Financial Statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation to what extent the audit was considered capable of detecting irregularities, including fraud

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2014 and the tax legislation governed by Irish Revenue.
- We understood how Azorra Eagle 1 Designated Activity Company is complying with those frameworks by understanding the Company's entity level controls relevant to compliance with laws and regulations. Furthermore, we performed inquiries with management, those charged with governance, and external legal counsel. We inquired as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by holding discussions with senior management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AZORRA EAGLE 1 DESIGNATED ACTIVITY COMPANY (CONTINUED)

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiring with management, those charged with governance and internal legal counsel.

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

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

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



Séamus Feeney
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Office: Dublin

Date: 18 December 2025

AZORRA EAGLE 2 DAC**Statement of profit and loss and other comprehensive income
For the year ended 31 December 2024**

		Year ended 31 December 2024 USD'000	Year ended 31 December 2023 USD'000
	<i>Note</i>		
Turnover	2	2,333	1,262
Operating expenses	3	(1,184)	(628)
Fair value loss and impairment on financial assets	3	(16,602)	-
Depreciation	8	<u>(1,762)</u>	<u>-</u>
Operating profit		<u>(17,215)</u>	<u>634</u>
Interest income	5	2,145	-
Interest expense	6	<u>(8,177)</u>	<u>(7,507)</u>
Loss on ordinary activities before taxation		<u>(23,247)</u>	<u>(6,873)</u>
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(23,247)</u>	<u>(6,873)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss		<u><u>(23,247)</u></u>	<u><u>(6,873)</u></u>


The notes on pages 17 to 35 form an integral part of these financial statements.


AZORRA EAGLE 2 DAC**Statement of financial position
As at 31 December 2024**

		31 December 2024 USD'000	31 December 2023 USD'000
	<i>Note</i>		
Fixed assets			
Aircraft and related components	8	41,625	14,684
Debtors: amounts falling due after one year	9	1,096	7,153
Financial assets at fair value through profit and loss	11	2,750	-
Financial assets at amortised cost	11	6,289	-
Current assets			
Debtors: amounts falling due within one year	9	352	46
Restricted cash	10	506	1
Creditors: amounts falling due within one year	12	(4,695)	(5,743)
Net current liabilities		(3,837)	(5,696)
Total assets less current liabilities		47,923	16,141
Creditors: amounts falling due after one year	13	(167,562)	(112,533)
Net liabilities		(119,639)	(96,392)
Capital and reserves			
Share capital	16	-	-
Retained deficit		(119,639)	(96,392)
Shareholders' deficit		(119,639)	(96,392)

The notes on pages 17 to 35 form an integral part of these financial statements.

This report was approved by the board of directors (the "Board") and authorised for issue and signed on its behalf by:

DocuSigned by:

BDC2C287B7D0493
 Alan G Stanford Jr
 Director

DocuSigned by:

936598FFD40E4CF
 Thomas Schmid
 Director

AZORRA EAGLE 2 DAC**Statement of changes in equity
As at 31 December 2024**

	Share capital USD'000	Retained deficit USD'000	Shareholders' deficit USD'000
At 1 January 2024	-	(96,392)	(96,392)
Loss for the year	-	(23,247)	(23,247)
Total comprehensive loss	-	(23,247)	(23,247)
At 31 December 2024	-	(119,639)	(119,639)

For the financial year ended 31 December 2023

	Share capital USD'000	Retained deficit USD'000	Shareholders' deficit USD'000
At 1 January 2023	-	(89,519)	(89,519)
Profit for the year	-	(6,873)	(6,873)
Total comprehensive income	-	(6,873)	(6,873)
At 31 December 2023	-	(96,392)	(96,392)

The notes on pages 17 to 35 form an integral part of these financial statements.

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024****1. General information and material accounting policies**

Azorra Eagle 2 DAC (the "Company"), with a company registration number of 662528 is domiciled in Ireland. The Company's registered office is 1st Floor, 118 Lower Baggot Street, Dublin 2 Ireland. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and as applied in accordance with Companies Act 2014. The Company has no employees (2023: None). Management and administration services are contracted from a related party and third parties. See Note 4 for further details.

The principal activities of the Company are the ownership and leasing of aircraft. The directors plan to continue to maintain, develop and expand the activities and operations of the Company in the coming year, as market conditions allow.

The Company is financed by external secured debt and Subordinate Debt listed on the Vienna Stock Exchange. The Subordinate Debt is owed to Azorra Eagle Holdings DAC (the "Parent"). At 31 December 2024, the Company owned a portfolio of 3 aircraft (2023: 1). The company acquired two aircraft from a group company.

1.1. Basis of preparation

The Company meets the definition of a qualifying entity under FRS 101 issued by the Financial Reporting Council. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary, in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. Due to the nature of the Company's business and the type of transactions the Company is engaged in, the directors have adapted the profit and loss account to suit the circumstances of the business in accordance with Schedule 3, Part II, Section A, 4 (5) of the Companies Act 2014. These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Azorra Eagle Holdings DAC as at 31 December 2024, the Company's "Parent". The consolidated financial statements of Azorra Eagle Holdings DAC as at 31 December 2024 are prepared in accordance with Adopted IFRSs and are available to the public and may be obtained from 1st Floor, 118 Lower Baggot Street, Dublin, Ireland. The Company's ultimate holding undertaking is Azorra Aviation Holdings LLC. Azorra Aviation Holdings LLC is controlled by Oaktree Capital Group Holdings GP, LLC.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of IFRS 7 Financial Instruments: Disclosure;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- The requirements of paragraphs 52, 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
- 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 Share Capital;
 - the requirements of IAS 7 Statement of Cash Flows;
 - the requirement in paragraphs 10 and 111 of IAS 1 Presentation of Financial Statements to present Cash Flow statement information;
- 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 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- the requirements of paragraphs 30 and 31 of IAS 8 to disclose new and amended standards issued, but not yet adopted; and
- Capital management disclosure requirements of IAS 1

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****1. General information and material accounting policies (continued)****1.1. Basis of preparation (continued)**

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

New accounting pronouncements and amended standards adopted by the Company

The company has adopted all new standards that have come into effect for annual periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Company. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Description	Effective date (year beginning)
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024

1.2. Measurement convention

The consolidated financial statements have been prepared on the historical cost basis as modified to include fair valuation of certain financial instruments applied in accordance with the Companies Act 2014. .

1.3. Going concern

The Directors have considered the cash flows and resources available to Azorra Eagle Holdings DAC (the "Parent") in their use of the going concern basis of preparation in the context of the Company at the date of signing these financial statements by evaluating all cash inflows and outflows of the Group for a period of 12 months from the signing of the financial statements. Additionally, the Directors have considered that both the external secured debt and the Subordinated Loan are limited recourse in nature. The external secured debt is repaid limited to the receipts received from the leasing and disposal of the aircraft assets. The external secured debt is paid in priority to the Subordinated Loan. Payments are made on the Subordinated Loan to the extent there is available cash after repayment of the obligations under the external secured debt.

The estimated cash flows involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future years to differ materially from forecasted cash flows. The estimated cash flows include the future rental receipts from the aircraft, repayment of the debt and other inflows and outflows as contracted.

Based on this analysis, the adequacy of cash flows to cover the external secured debt repayments and all information available at present, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements under the Going Concern basis of preparation.

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****1. General information and material accounting policies (continued)****1.4. Functional and presentation currency**

The financial statements are expressed in US Dollars ("USD"), as this is the Company's functional currency, being the currency of the primary economic environment in which the Company operates. All financial information presented in USD has been rounded to the nearest thousand USD unless otherwise stated.

1.5. Estimates and judgements

The preparation of the financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, the judgements and assumptions involved in the Company's accounting policies which have the most significant effect on the amounts recognised in the financial statements are as follows:

Note 2 – Supplemental rent: The Company records supplemental amounts that are not expected to be reimbursed during the lease as lease revenue when the Company has reliable information that it will not be required to make reimbursements of the amounts collected based on utilisation and a maintenance forecasting model that estimates the maintenance inflows and outflows through lease expiration date.

Note 8 – Aircraft: In accounting for property, plant and equipment, the Company makes estimates about the expected useful lives and the estimated residual value of aircraft. In determining these estimates, management relies upon actual industry experience supported by estimates received from independent appraisers and considers anticipated utilisation of the aircraft.

In accordance with IAS 16 – Property, Plant and Equipment, the Company's owned and leased aircraft are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the aircraft may not be recoverable. An impairment review involves consideration as to whether the carrying value of an aircraft is not recoverable and is in excess of its fair value. In such circumstances, an impairment charge is recognised as a write-down of the carrying value of the aircraft to the higher of value in use or fair value less cost to sell.

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 item of property, plant and equipment and its eventual disposition. Future cash flows are assumed to occur under current market conditions and assume adequate time for a sale between a willing buyer and a willing seller. Expected future lease rates are based upon all relevant information available, including the existing lease, current contracted rates for similar aircraft, appraisal data and industry trends.

Factors considered in estimating the future cash flows are impacted by changes in contracted lease payments, future projected lease payments, transition costs, estimated downtime and estimated residual values.

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****1. General information and material accounting policies (continued)****1.5. Estimates and judgements (continued)**

Note 9 – Trade and other receivables: Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost using the effective interest rate less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. The Company assesses its trade and other receivables balance by comparing historical receivable loss patterns with current and future forecasted credit conditions. When determining whether the credit risk of trade and other receivables has increased significantly since initial recognition and when estimating expected credit losses, 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.

Note 11 – Notes receivable: Notes receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Notes receivable are discounted when the time value of money is considered material.

The Company assesses the recoverability of notes receivable by considering historical credit performance, current conditions, and forward-looking information. When determining whether credit risk has increased significantly since initial recognition and when estimating expected credit losses, the Company uses reasonable and supportable information available without undue cost or effort. This includes both quantitative and qualitative factors such as payment history, financial condition of the counterparty, and macroeconomic indicators.

Expected credit losses are measured on a probability-weighted basis, reflecting the Company's best estimate of cash shortfalls over the life of the instrument. Judgement is applied in selecting assumptions and models, including discount rates and credit risk premiums, and changes in these assumptions could materially affect the impairment provision.

Note 7 – Deferred tax: Deferred tax assets and liabilities are measured using enacted tax rates and laws expected to be in effect in the years in which those temporary differences are expected to be recovered or settled. Any change in the timing or level of future changes in tax rates can result in substantial differences between the tax charge in the statement of profit and loss and tax payments.

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

1.6. Foreign currency translation

Transactions in foreign currencies are translated to USD at exchange rates prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into USD at the exchange rate prevailing at the reporting date with differences arising recognised as profit or loss in the statement of profit or loss and other comprehensive income.

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****1. General information and material accounting policies (continued)****1.7. Lease rental income**

The Company leases aircraft principally under operating leases and records rental income on a straight-line basis over the life of the lease as it is earned. In some cases, leases provide for rentals based on aircraft usage which may be calculated based on hours or on cycles operated. The Company accounts for lease rentals under such leases on a basis that represents the time pattern in which the revenue is earned.

Most of the Company's leases require lease rental payments to be paid in advance. Rentals received but unearned at the reporting date are recorded as deferred income.

1.8. Taxation

Tax for the year comprises current tax and changes in deferred tax for the year, including changes as a result of a change in the tax rate. The tax expense relating to the profit or loss for the year is recognised in the statement of profit and loss and the tax expense relating to items recognised in other comprehensive income is recognised in other comprehensive income. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the reporting date. Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to the statement of profit and loss except when it relates to items charged or credited directly to equity, in which case the deferred tax effect is recorded to equity.

1.9. Aircraft

Aircraft are recorded at cost. Major improvements and modifications that are required to get acquired aircraft ready for initial service are capitalised and depreciated over the remaining useful life.

Depreciation is charged so as to expense the cost or valuation of assets less residual values over their estimated useful lives using the straight-line method on the following bases:

- Jet aircraft – 25 years from the date of manufacture assuming an estimated residual value of the greater of 15% of cost and USD 2 million.
- Turboprop aircraft – 30 years from the date of manufacture assuming an estimated residual value of the greater of 15% of cost and USD 1.5 million.

The basis for depreciation is calculated as the net book value less the residual value of the asset and impairment losses, if any. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on the depreciation is recognised prospectively as a change in accounting estimate. Depreciation and impairment is recognised in the statement of profit and loss.

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****1. General information and material accounting policies (continued)**

Aircraft are assessed for recoverability in accordance with IAS 36 – Impairment of Assets whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Notwithstanding the results of this review, in certain circumstances management also considers the carrying amounts of specific aircraft where indicators of a diminution in value have been identified based on aircraft specific sale and technical information

For the purposes of measuring an impairment loss, each aircraft is tested individually by comparing its carrying amount to the higher of value in use and fair value less cost to sell. The residual values, useful lives and depreciation methods are revised and adjusted if appropriate, at each reporting date. Residual value of aircraft is based on their estimated scrap value for turboprop aircraft and an assumed residual value of jet aircraft. The gain or loss arising on the disposal of aircraft is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss and other comprehensive income.

The gain or loss arising on disposal or retirement of other items of property, plant and equipment is recognised under revenue.

1.9. Lessee security deposits

Some of the Company's leases require the lessee to pay a security deposit. These deposits are refundable to the lessee upon expiration of the lease. Such deposits received are recorded as a liability in the balance sheet.

1.10. Financial assets and liabilities measured at amortized cost

Non-derivative financial instruments comprise trade and other receivables, restricted cash, loans and borrowings and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost using the effective interest rate method.

Restricted cash

Restricted cash comprises cash held by the Company, but which is ring-fenced or used as security for specific financing arrangements and to which the Company does not have unfettered access. Restricted cash is measured at amortized cost.

Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as profit or loss in the statement of profit or loss and other comprehensive income over the year of borrowings using the effective interest rate. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least one year after the reporting date.

Trade and other payables

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

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****1. General information and material accounting policies (continued)****1.12. Financial instruments (continued)***Classification and measurement of financial assets and financial liabilities*

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or Fair value through profit or loss ("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. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

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.

A financial asset is measured at amortized 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;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- How the managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. All financial assets meet the requirements above and are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses, and impairment are amortized in profit or loss. Any gain or loss on derecognition is amortized in profit or loss.

Trade and other receivables are stated at their net recoverable amount.

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****1. General information and material accounting policies (continued)****1.12. Financial instruments (continued)**

Cash and cash equivalents are held for the purpose of meeting short term cash commitments. There are no cash and cash equivalents held at the Company level.

Restricted cash comprises cash held by the Company, but which is ring-fenced or used as security for specific financing arrangements and to which the Company does not have unfettered access.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- i. It is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and
- ii. Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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

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

All the Company's financial assets are measured at amortized cost.

The financial assets held by the Company are trade and other receivables and restricted cash.

The fair value of trade and other receivables and cash is equal to their carrying value.

Financial liabilities are classified at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative, or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expenses, are amortized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are amortized in profit or loss. Any gain or loss on derecognition is also amortized in profit or loss.

1.13. Impairment of financial assets

The Company has elected to measure loss allowances for trade receivables at an amount equal to lifetime Expected Credit Losses ("ECLs").

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating 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.

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****1. General information and material accounting policies (continued)****1.13. Impairment of financial assets (continued)**

The Company considers a financial asset to be in default when the lessee is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

The Company has prepared an analysis of each lessee based on past performance and some publicly available information without any input from the servicer to estimate a credit rating. This risk rating was used to assign an expected credit loss percentage based on monthly rental and supplemental rent income and any outstanding balances at year end.

In accordance with Section B5.5.55 of IFRS 9, security deposits received have been treated as credit enhancement and included in the measurement of the expected credit loss due to the credit enhancement being integral to the contractual terms of the lease and not being required under IFRS standards to be amortized separately.

The Company has a customer ranking model which calculates a ranking score based on the customer's payment behaviour, financial strength and jurisdiction. The score translates into a 6-level ranking of the customers, with each level being designated a default risk percentage for the receivable amount.

The Company has used the risk percentage at year end when calculating the impact of IFRS 9 on the financial statements. Trade and other receivables depicts the expected credit loss arising from trade receivables including consideration for the security held for each aircraft.

Impairment losses related to trade and other receivables are presented under "administrative expenses", similar to the presentation under IAS 39, but due to materiality considerations they are presented separately in the statement of profit or loss.

1.14. Derecognition

The Company derecognizes a financial asset when the contractual rights to collect cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is amortized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is amortized in profit or loss.

1.15. Maintenance reserves

In many aircraft operating leases, the lessee has the obligation to make periodic payments which are calculated based on the utilization of airframes, engines and other major life-limited components (supplemental amounts). In such leases, upon the lessee presenting invoices evidencing the completion of qualifying maintenance on the aircraft, the Company reimburses the lessee for the cost of the maintenance, up to a maximum of the supplemental amounts received with respect to such work unless otherwise indicated in the lease.

AZORRA EAGLE 2 DAC

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

Upon the acquisition of an aircraft with a lease, the provision is recorded at fair value and is subsequently reassessed in line with the Company's maintenance forecasting model.

Such maintenance reserves received in cash from lessees are recognized as maintenance reserves in the statement of financial position in recognition of the contractual commitment to either refund such receipts or to hold them for future scheduled maintenance work to be performed thereafter.

1.16. Equity

Dividends

Proposed dividends are recognised as a liability at the date they are adopted by the directors.

Share capital

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

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****2. Turnover**

Operating income arises from the leasing of aircraft under operating leases. Operating income is derived from activities carried out in Ireland, with the source of the income being North America and Europe.

	Year ended 31 December 2024	Year ended 31 December 2023
	USD'000	USD'000
Turnover comprises		
Operating lease revenue fixed	1,732	1,200
Straight line rent	28	28
Supplemental rent income (Note 14)	573	34
Total turnover	2,333	1,262

Operating lease revenue amount includes lease incentive amortisation of USD 418k (2023: USD Nil) Supplemental rent income represents the release of supplemental rents which were determined will not be required to be refunded to the respective lessee.

By geographical market	Year ended 31 December 2024	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2023
	USD'000	%	USD'000	%
North America	538	23	1,262	100
Europe	1,795	77	-	-
	2,333	100	1,262	100

Future minimum contracted lease rentals	Year ended 31 December 2024	Year ended 31 December 2023
	USD'000	USD'000
Not later than one year	3,480	1,200
Due between 1 and 2 years	3,480	1,200
Due between 2 and 3 years	3,540	1,200
Due between 3 and 4 years	3,540	1,260
Due between 4 and 5 years	2,780	1,260
Due after 5 years	2,730	3,885
	19,550	10,005

3. Operating expenses

	Year ended 31 December 2024	Year ended 31 December 2023
	USD'000	USD'000
Included in profit/loss are the following:		
Administration expenses	1,184	43
Total	1,184	43

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****Significant transactions during the year**

	Year ended 31 December 2024 USD'000	Year ended 31 December 2023 USD'000
<i>Included in profit/loss are the following:</i>		
Fair value loss and impairment on financial assets (Note 11)	16,602	-
Total	16,602	0

The fair value loss and impairment on financial assets relates to amounts written down in respect of Preferred Stock and Notes Receivable. See note 11.

Directors Remuneration for the year amounted to USD Nil (2023: USD Nil). The Company have not paid any fees or other remuneration to the executive directors related to the directorship role they provided to the Company. An amount of USD Nil (2023: USD Nil) is the estimated allocation of the emoluments paid or payable by Azorra Eagle Holdings DAC to those individuals in relation to their management role. The Company is availing of the exemption under Section 322 (5) (c) of the Companies Act 2014 from disclosing the breakdown of auditor's remuneration as it is a subsidiary of Azorra Eagle Holdings DAC which prepares financial statements and makes the necessary disclosures on auditor's remuneration. The Company is availing of the exemption under Section 322 (5) (c) of the Companies Act 2014 from disclosing the breakdown of auditor's remuneration as it is a subsidiary of Azorra Eagle Holdings DAC which prepares group financial statements and makes the necessary disclosures on auditor's remuneration.

4. Staff numbers and costs

The Company did not have employees during the financial year. The Company's administrative activities are outsourced to related companies, namely Azorra Eagle Holdings DAC. The directors did not receive remuneration in 2024 (2023: USD Nil).

5. Interest income

	Year ended 31 December 2024 USD'000	Year ended 31 December 2023 USD'000
Interest income on investment	2,124	-
Other interest income	21	-
Total	2,145	-

6. Interest expense

	Year ended 31 December 2024 USD'000	Year ended 31 December 2023 USD'000
Interest expense on external secured debt	5,386	4,585
Interest expense on subordinated debt	2,791	2,917
Other bank fees	-	5
Total	8,177	7,507

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****7. Taxation**

	Year ended 31 December 2024	Year ended 31 December 2023
	USD'000	USD'000
Recognised in profit and loss account		
Current tax		
Irish corporation tax	-	-
Deferred tax	-	-
Tax credit on ordinary activities	-	-
	<u> </u>	<u> </u>
Reconciliation of tax on ordinary activities		
	Year ended 31 December 2024	Year ended 31 December 2023
	USD'000	USD'000
Profit/(Loss) on ordinary activities before tax	(23,247)	(6,873)
Current tax at 12.5%	(2,906)	(859)
Effects of:		
Subordinated debt interest restriction	192	164
Group relief	34	14
Impairment on Azul Notes	2,076	-
Income taxable at a different rate	203	-
Valuation allowance	401	681
Total tax credit	<u> </u>	<u> </u>

The Company recognised deferred tax assets of USD1.1m (2023: USD1.1 million) to the extent that future taxable profits will be available to utilise the asset. The Company has unused tax losses of \$74 million (2023: \$72 million) for which no deferred tax assets have been recognised. The Company has not recognised a net deferred tax asset in the current year of \$9.3 million (2023: \$9 million) which arises due to \$1 million (2023: \$0.7 million) in respect excess of capital allowance over depreciation and \$10.3 million (2023: \$10 million) in respect of trading losses.

	Year ended 31 December 2024	Year ended 31 December 2023
	USD'000	USD'000
Opening balance	(1,096)	(1,096)
Deferred tax credit	-	-
Deferred tax asset	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****8. Aircraft and components**

	As at 31 December 2024 USD'000	As at 31 December 2024 USD'000	As at 31 December 2024 USD'000
Cost	Aircraft	Lease Incentive	Total
At beginning of year	19,491	7	19,498
Additions	27,472	6,612	34,084
Disposals	(5,627)	-	(5,627)
At end of year	41,336	6,619	47,955
Depreciation			
At beginning of year	(4,814)	-	(4,814)
Depreciation	(1,762)	(418)	(2,180)
Disposals	663	-	663
At end of year	(5,913)	(418)	(6,330)
Net book value at beginning of year	14,677	7	14,684
Net book value at end of year	35,423	6,202	41,625
	As at	As at	As at
	31 December 2023 USD'000	31 December 2023 USD'000	31 December 2023 USD'000
Cost	Aircraft	Lease Incentive	Total
At beginning of year	19,491	-	14,491
Additions	-	7	7
At end of year	19,491	7	14,498
Depreciation			
At beginning of year	(4,229)	-	(4,229)
Depreciation expense	(585)	-	(585)
At end of year	(4,814)	-	(4,814)
Net book value at beginning of year	15,263	-	15,263
Net book value at end of year	14,677	7	14,684

Cost of aircraft represents the cost of the aircraft acquired by the Company. During 2024, the Company acquired 2 aircraft (2023: no aircraft). No aircraft was disposed of during the year (2023: no aircraft). In accordance with the relevant accounting policy, as disclosed in Note 1 to the financial statements, the Directors have undertaken a review to determine whether an impairment provision is required in respect of the Company's aircraft. The Directors of the Company have assessed the carrying value of the fleet at 31 December 2024 and have determined that there is no impairment. The carrying value of the Aircraft held as collateral for the external secured debt amounting to USD35,422,353 (2023: \$14,677,313).

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****9. Debtors**

	As at 31 December 2024 USD'000	As at 31 December 2023 USD'000
<i>Amounts falling due after one year</i>		
Amounts due from group companies	-	6,057
Deferred tax asset	1,096	1,096
	<u>1,096</u>	<u>7,153</u>
<i>Amounts falling due within one year</i>		
Trade and other receivables	289	44
Other assets	63	2
	<u>352</u>	<u>46</u>
Total	<u><u>1,448</u></u>	<u><u>7,199</u></u>

10. Restricted cash

	As at 31 December 2024 USD'000	As at 31 December 2023 USD'000
Restricted cash balances	506	1
	<u>506</u>	<u>1</u>

11. Other Assets

	As at 31 December 2024 USD'000	As at 31 December 2023 USD'000
Notes receivable	6,289	
Azul Preferred Stock	2,750	-
	<u>9,039</u>	<u>-</u>

During the year ended 31 December 2024 (“FY24”), Azorra Aviation Holdings LLC (“Azorra” or “the Company”) and Azul Brazilian Airlines (“Azul”) agreed to alter the terms of certain financial instruments originally entered into as part of a debt restructuring arrangement in FY23.

Preferred Stock Settlement – Azul settled a portion of its outstanding debt early by issuing equity instruments (Preferred Stock) to Azorra Eagle 2 DAC in lieu of cash.

Accordingly, the financial instruments for Azorra Eagle 2 DAC are classified and presented as follows:

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****Instruments at fair value through profit or loss (FVTPL) – Preferred stock**

	As at 31 December 2024 USD'000
Opening Balance	-
Additions during the year	15,288
<i>Fair value loss recognised in FY2024 (Note 3)</i>	(12,538)
	<u>2,750</u>

Instruments at amortised cost – Notes receivable

	As at 31 December 2024 USD'000
Opening Balance	-
Additions during the year	10,353
<i>Impairment recognised in FY2024 (Note 3)</i>	(4,064)
	<u>6,289</u>

12. Creditors: amounts falling due within one year

	As at 31 December 2024 USD'000	As at 31 December 2023 USD'000
External secured debt (Note 15)	2,498	3,921
Maintenance reserve (Note 14)	-	403
Deferred income	-	330
Trade and other payables	460	-
Subordinated debt	1,737	1,089
	<u>4,695</u>	<u>5,743</u>

Amounts owed to group companies except for the subordinated debt are non-interest bearing and unsecured.

13. Creditors: amounts falling due after one year

	As at 31 December 2024 USD'000	As at 31 December 2023 USD'000
External secured debt (note 15)	71,196	70,197
Subordinated debt	17,205	18,762
Security deposits	535	155
Maintenance reserves (note 14)	2,491	1,588
Intercompany liability	76,135	21,831
	<u>167,562</u>	<u>112,533</u>

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)**

Security deposits relate to cash security received with respect to aircraft. Deposits are refundable at the end of the lease term after all lease obligations have been met by the lessee.

The Subordinated Debt is payable to the Parent amounting to USD 18.9m (2023: \$19.85 million), of which USD 1.7 million (2023: \$1.09 million) falls due within one year as of 31 December 2024 (2023: \$2.07) while \$17.2 million (2023: \$18.8) falls due after one year (note 12). The subordinated debt is funded at 14% interest rate which has a final maturity date of 2032. The subordinated debt is limited in recourse and only payable to the extent of cashflows received. Under the priority of payments, the external secured debt is payable in priority to the amounts owed to group undertakings. The debt is listed on the Vienna Stock Exchange.

Amounts owed to group companies except for the subordinated debt are non-interest bearing and unsecured.

14. Maintenance reserves

	As at 31 December 2024 USD'000	As at 31 December 2023 USD'000
Analysed as:		
Non-current	2,491	1,588
Current	-	403
	2,491	1,991
	As at 31 December 2024 USD'000	As at 31 December 2023 USD'000
Opening Balance	1,991	1,183
Supplemental rental billings	1,073	842
Maintenance Claims	-	-
Supplemental rent income (Note 2)	(573)	(34)
	2,491	1,991

In many aircraft operating leases, the lessee has the obligation to make periodic payments based on the usage of the aircraft in order to protect the lessor against the exposure related to the maintenance condition of the aircraft. These payments are made in arrears. The Company operates an accrue-to-expected-cost method in relation to maintenance reserves and supplemental rent income. This requires the Company to estimate future costs that will be required to be reimbursed to the lessees under the leases based on the historical experience and knowledge of the Company. Any amounts that are required to be reimbursed are retained on the balance sheet as a maintenance reserves provision. When the balance that is required to be reimbursed is reached, any excess amounts over this are recognised as supplemental rent income – see Note 2 Turnover. Based on the expected timing of estimated future reimbursement of maintenance cost, the maintenance reserves provision is divided into non-current and current provisions. Current maintenance reserves include expected reimbursement of cost within twelve months whereas non-current maintenance reserves include reimbursement of cost later than twelve months.

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****15. External secured debt**

	31 December 2024	31 December 2023
	USD'000	USD'000
Balance at beginning of the financial year	74,119	74,968
Principal repayments during the financial year	(5,006)	(2,796)
Capitalised debt costs	2,292	-
Amortization	2,289	1,947
At end of financial year	73,694	74,119

The Company received external secured debt from a lender group led by BNP Paribas. The secured debt is funded at interest rates of 2.75% (Tranche A) and 3.25% (Tranche B). The discount rate used for Tranche A was 6.81% and for Tranche B it was 5.53%. The external secured debt has a final maturity date of 2030 (Tranche A) and 2032 (Tranche B).

The external secured debt has a carrying amount of USD73.6 million as of 31 December 2024 (2023: \$74.1 million), is limited in recourse and only payable to the extent of cashflows received.

	2024	2023
	\$'000	\$'000
Less than one year	2,498	3,921
Between one and five years	2,725	3,345
More than five years	68,471	66,853
	73,694	74,119

16. Share Capital

	As at 31 December 2024	As at 31 December 2023
	USD	USD
Authorised		
100,000 ordinary shares of \$1 each	100,000	100,000
Allotted, called up and fully paid		
1 ordinary share of \$1 each	1	1

On incorporation 1 ordinary share was issued, called up and fully paid. The share is held by Azorra Eagle Holdings DAC.

AZORRA EAGLE 2 DAC**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****17. Investment in subsidiaries**

The Company had the following subsidiary companies as at 31 December 2024 which is fully impaired. The Company has availed of the exemption in Section 315 of the Companies Act 2014 not to disclose the net assets and profit/loss of its subsidiary companies and undertakings in which it holds more than 20%.

Company/entity name	Country of incorporation	Principal activity	% of shares held
Tiradentes Portfolio A Ltd	Ireland	Aircraft Leasing	100%
Tiradentes Portfolio B Ltd	Ireland	Aircraft Leasing	100%
Tiradentes Portfolio C Ltd	Ireland	Aircraft Leasing	100%
Tiradentes Portfolio D Ltd	Ireland	Aircraft Leasing	100%

The registered offices of the above Irish subsidiaries is at 1st Floor, 118 Lower Baggot Street, Dublin 2.

18. Related party transactions

Under FRS 101 the Company is exempt from the requirement to disclose related party transactions with other group companies on the grounds that it is a wholly owned subsidiary of Azorra Aviation Holdings, LLC, which prepares consolidated financial statements that are available to the public.

19. Post balance sheet events

The directors consider the state of affairs of the Company to be satisfactory and there have been no material changes since the balance sheet date. The normal operations of the Company have continued.

20. Approval of financial statements

The Directors approved these financial statements on 12 December 2025.