



Financial Statements

Strategic Alliance of Regional Airlines Limited

For the financial year ended 31 December 2024

Registered number: 732010

Strategic Alliance of Regional Airlines Limited

Company Information

Directors	Carlos Bertomeu Martinez Miguel Angel Falcon Martin José Adrián Bueno Margaix Patrick Byrne Jonathan Atkeson
Company secretary	Flynn O'Driscoll Secretarial Limited
Registered number	732010
Registered office	No.1 Grants Row Lower Mount Street Dublin 2 Ireland
Independent auditor	Grant Thornton Chartered Accountants & Statutory Audit Firm 13 - 18 City Quay Dublin 2
Bankers	Barclays Bank Ireland Plc One Molesworth Street Dublin 2 Ireland
Solicitors	Flynn O'Driscoll No. 1 Grants Row Lower Mount Street Dublin 2 Ireland
Administrator	Air Nostrum Global Services Avenida Comarcas del País Valenciano, 2 46930 Quart de Poblet Valencia Spain

Strategic Alliance of Regional Airlines Limited

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Strategic Alliance of Regional Airlines 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, business review and future developments

Strategic Alliance of Regional Airlines Limited ("the Company") is a private company limited by shares which was incorporated in Republic of Ireland on 19th December 2022 whose principal activity is to act as holding company and to provide consulting and investment services in relation to air transportation to its subsidiaries.

On 26 September 2023, Air Nostrum has completed the launch of Strategic Alliance of Regional Airlines Limited, creating Europe's largest independent regional aviation group.

The Company is controlled by Air Nostrum's current shareholders through an investment vehicle called Air Investment Valencia.

The Company, through its subsidiaries, has a combined fleet of 74 aircraft and is the Europe's largest regional aviation platform made up of three airlines - an aircraft maintenance company, a crew training centre and four other companies related to providing services to the Aviation industry.

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

Results and dividends

The loss for the financial year, after taxation, amounted to €6,018,716 (2023: €66).

Shareholders' equity at 31 December 2024 amounted to a surplus of €26,239,363 (2023: surplus €25,806,451).

Directors and secretary and their interests

The directors who served during the financial year were:

Carlos Bertomeu Martínez
Miguel Angel Falcon Martin
José Adrián Bueno Margaix
Patrick Byrne
Jonathan Atkeson

Political contributions

During the financial year ended 31 December 2024, the Company made no donations for political purposes (2023: €Nil).

Charitable donations

During the financial year ended 31 December 2024, the Company made no donations for charitable purposes (2023: €Nil).

Strategic Alliance of Regional Airlines Limited

Directors' report (continued)

For the financial year ended 31 December 2024

Going concern

The Company incurred a loss of €6,018,716 for financial year ended 31 December 2024 (2023: €66) and at the balance sheet date has net assets of €26,239,363 (2023: €25,806,451).

The Directors have a reasonable expectation that the Company will have adequate liquidity and financial resources to continue in operation for at least the next 12 months and that the going concern base at preparation remains appropriate. The financial statements do not contain any amendments or adjustments that may be required should the Company not be considered a going concern.

Principal risks and uncertainties

The Company, in the course of its business activities, is exposed to various risks. The key risk factors facing the Company are as follows:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's cash flow planning is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

Market risk

Market risk is the potential change in the value caused by the movements in foreign exchange, in the interest rates or market prices of the financial instruments. The Company is exposed to the market risk. The Company has the capacity to enter into interest rate hedge transactions in order to mitigate such interest rate mismatches from time to time, subject to receipt in each case of rating agency confirmation in respect thereof.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations. Corporate services are outsourced to Air Nostrum Global Services and Air Nostrum to mitigate the operational risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

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 outsourced and maintained by Air Nostrum Global Services at their registered office Avenida Comarcas del País Valenciano 2 46930 Quart de Poblet Valencia, Spain.

Directors' report (continued)

For the financial year ended 31 December 2024

Events since the end of the financial year

On the 8th of May 2025 CityJet Designated Activity Company ("CityJet DAC"), in which the Company is the sole shareholder, went into examinership due to ongoing financial difficulties. While on 23 October 2025 the High Court of Ireland confirmed the examinership rescue plan and scheme of arrangement for CityJet DAC the Company is not in support of that plan and has effectively decided its investment in CityJet DAC is worthless. As this provides further evidence of conditions existing at the reporting date, the Company has treated the outcome as an adjusting subsequent event under IAS 10. The financial statements have been updated to reflect the impact on the carrying value of the Company's investment in CityJet DAC and related creditor exposures.

On 3 December 2025, the company entered into an agreement which formally extinguished a future financial obligation created by a previous agreement entered into in 2023 linked to the Company's shareholding in CityJet DAC. This event occurred after the reporting date and does not provide evidence of conditions that existed at that date. Accordingly, the future financial obligation is technically deemed to still be in place at 31 December 2024. However, the Directors have assessed the underlying assumptions underpinning the original net present value calculation of that future obligation had fundamentally changed as at 31 December 2024. Accordingly the net present value of the future obligation has been assessed to be Nil at 31 December 2024 and the financial statements reflect the necessary adjustments.

There have been no other significant events from the financial year end until the date of signing this report that would require adjustment to or disclosure in the financial statements.

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, Grant Thornton, continues 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.



Carlos Bertomeu Martinez
Director



José Adrián Bueno Margaix
Director

Date: 22/12/2025

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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the 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 for the Company's financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



Carlos Bertomeu Martinez
Director



José Adrián Bueno Margaix
Director

Date: 22/12/2025



Independent auditor's report to the members of Strategic Alliance of Regional Airlines Limited

Opinion

We have audited the financial statements of Strategic Alliance of Regional Airlines Limited (the 'Company') which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial year ended 31 December 2024, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland) (the "relevant accounting framework").

In our opinion, Strategic Alliance of Regional Airlines Limited's 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 profit or loss for the financial year then ended;
- have been properly prepared in accordance with the relevant accounting framework; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the '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 financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 12 months from the date when the financial statements are authorised for issue.

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



Independent auditor's report to the members of Strategic Alliance of Regional Airlines Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on the matters prescribed by the Companies Act 2014

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

In our opinion:

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

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

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

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

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

Matters on which we are required to report by exception

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



Independent auditor's report to the members of Strategic Alliance of Regional Airlines Limited (continued)

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

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Dan Holland
for and on behalf of
Grant Thornton
Chartered Accountants &
Statutory Audit Firm
13 - 18 City Quay
Dublin 2

Date: 22/12/2015

Strategic Alliance of Regional Airlines Limited

Statement of comprehensive income

For the financial year ended 31 December 2024

	Note	2024 €	2023 €
Turnover	4	1,479,314	-
Gross profit		<u>1,479,314</u>	<u>-</u>
Operating expenses	5	(1,194,194)	(75)
Exceptional items	8	(6,461,817)	-
Operating loss		<u>(6,176,697)</u>	<u>(75)</u>
Tax on loss	7	157,981	9
Loss for the financial year/period		<u><u>(6,018,716)</u></u>	<u><u>(66)</u></u>

There was no other comprehensive income for 2024 (2023:€NIL).

All amounts relate to continuing operations.

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

Strategic Alliance of Regional Airlines Limited

Statement of financial position

As at 31 December 2024

	Note	2024 €	2023 €
Fixed assets			
Financial assets	9	25,796,329	67,303,242
		<u>25,796,329</u>	<u>67,303,242</u>
Current assets			
Debtors: amounts falling due after more than one year	10	157,990	9
Debtors: amounts falling due within one year	10	226,727	14
Cash at bank and in hand		265,226	-
		<u>649,943</u>	<u>23</u>
Current liabilities			
Creditors: amounts falling due within one year		(206,909)	(89)
		<u>443,034</u>	<u>(66)</u>
Net current assets			
Provision	13	-	(41,496,725)
		<u>26,239,363</u>	<u>25,806,451</u>
Net assets			
Capital and reserves			
Share capital	14	100,000	100,000
Share premium		32,158,145	25,706,517
Profit and loss account		(6,018,782)	(66)
Total equity		<u>26,239,363</u>	<u>25,806,451</u>

These financial statements have been prepared in accordance with the small companies regime.

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


Carlos Bertomeu Martinez
 Director


José Adrián Bueno Margaix
 Director

Date: 22/12/2025

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

Strategic Alliance of Regional Airlines Limited

Statement of changes in equity

For the financial year ended 31 December 2024

	Share capital	Capital reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2024	100,000	25,706,517	(66)	25,806,451
Loss for the financial year	-	-	(6,018,716)	(6,018,716)
Reversal of provision of CityJet share premium	-	6,451,628	-	6,451,628
At 31 December 2024	100,000	32,158,145	(6,018,782)	26,239,363

Statement of changes in equity

For the financial period ended 31 December 2023

	Called up share capital	Capital reserves	Profit and loss account	Total equity
	€	€	€	€
At 19 December 2022	-	-	-	-
Loss for the financial period	-	-	(66)	(66)
Share transfer	-	25,706,517	-	25,706,517
Shares issued during the financial period	100,000	-	-	100,000
At 31 December 2023	100,000	25,706,517	(66)	25,806,451

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

Notes to the financial statements

For the financial year ended 31 December 2024

1. General information

The Company is a private company limited by shares which was incorporated in Republic of Ireland on 19th December 2022 whose principal activity is acting as a holding company.

The Company, through its subsidiaries, operates Europe's largest regional aviation platform made up of three airlines, an aircraft maintenance company, a crew training centre and four other companies related to providing services to the Aviation industry.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 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 financial statements are presented in Euros (€).

FRS 102 includes some disclosure exemptions for meeting certain conditions in the accounts. The Company availed the following exemptions:

- preparation of a cash flow statement;
- disclosure of related party transactions with and between wholly-owned subsidiaries;
- disclosures relating to financial instruments.

The following principal accounting policies have been applied:

2.2 Operating expenses

All operating expenses are accounted for on an accrual basis.

2.3 Other receivables

Other receivables are initially recorded at cost, which is the equivalent of the fair value, and are generally received within 30 days of becoming due and receivable. At the end of each reporting period, the carrying amounts of other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the Income Statement.

2.4 Other payables

Other payables represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments, within 12 months from balance sheet date, in respect of the purchase of these goods and services.

Notes to the financial statements

For the financial year ended 31 December 2024

2. Accounting policies (continued)

2.5 Going concern

The Company incurred a loss of €6,018,716 for financial year ended 31 December 2024 (2023: €66) and at the balance sheet date has net assets of €26,239,363 (2023: €25,806,451).

The Directors have a reasonable expectation that the Company will have adequate liquidity and financial resources to continue in operation for at least the next 12 months and that the going concern basis at preparation remains appropriate. The financial statements do not contain any amendments or adjustments that may be required should the Company not be considered a going concern.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Notes to the financial statements

For the financial year ended 31 December 2024

2. Accounting policies (continued)

2.8 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 is recognised in respect of all temporary differences that have originated but not reversed at the end of the reporting year where transactions or events have occurred at that date will result in an obligation to pay more or right to pay less tax. Provision is made at the rates expected to apply when the temporary differences reverse based on legislation substantively enacted at the end of the reporting year.

Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

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

2.9 Share capital

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

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.11 Investment in subsidiaries

The financial statements incorporate the financial statements of the Company and its subsidiaries, including special purpose entities) controlled by the group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the financial year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent.

Investments in subsidiaries are accounted for at cost less impairment.

Notes to the financial statements

For the financial year ended 31 December 2024

2. Accounting policies (continued)

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, inclusive of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 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.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, inclusive of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right shorterterm loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Notes to the financial statements

For the financial year ended 31 December 2024

2. Accounting policies (continued)

2.16 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes denominated in euro that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost under the effective interest rate method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is classified to equity and no gain or loss is recognised.

3. Judgments in applying accounting policies

The preparation of the financial statements in conformity with FRS 102 requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

These estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from them. Nevertheless, these estimates and judgments are related with real provisions regarding audit and taxes. For instance, reports regarding on this field do not have any more special mention in here.

Strategic Alliance of Regional Airlines Limited

Notes to the financial statements

For the financial year ended 31 December 2024

4. Turnover

An analysis of turnover by class of business is as follows:

	2024 €	2023 €
Service fee income	<u>1,479,314</u>	<u>-</u>

5. Operating expenses

	2024 €	2023 €
Staff salaries	445,000	-
Staff national insurance	31,010	-
Legal and professional	700,416	61
Other expenses	90	14
Lease rental	16,826	-
Insurances	409	-
Bank charges	443	-
	<u>1,194,194</u>	<u>75</u>

6. Employees

Staff costs were as follows:

	2024 €	2023 €
Wages and salaries	445,000	-
Social insurance costs	31,010	-
	<u>476,010</u>	<u>-</u>

The average monthly number of employees, including the directors, during the financial year was as follows:

	2024 No.	2023 No.
Employees	<u>2</u>	<u>-</u>

Notes to the financial statements

For the financial year ended 31 December 2024

7. Taxation

	2024 €	2023 €
Deferred tax		
Tax credit	(157,981)	(9)
Tax on loss	<u>(157,981)</u>	<u>(9)</u>

Factors affecting tax charge for the financial year/period

The tax assessed for the financial year/period is the same as (2023 - the same as) the standard rate of corporation tax in Ireland of 12.5% (2023 - 12.5%) as set out below:

	2024 €	2023 €
Loss on ordinary activities before tax	<u>(6,176,697)</u>	<u>(75)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2023 - 12.5%)	(772,087)	(9)
Effects of:		
Non-taxable income	<u>614,106</u>	<u>-</u>
Total tax charge for the financial year/period	<u>(157,981)</u>	<u>(9)</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Strategic Alliance of Regional Airlines Limited

Notes to the financial statements

For the financial year ended 31 December 2024

8. Exceptional items

	2024 €	2023 €
Impairment of CityJet and Hibernian investment	38,281,098	-
Adjustment on Provision - NPV Reassessment	(31,819,281)	-
	<u>6,461,817</u>	<u>-</u>

Subsequent to the year end CityJet DAC entered into examinership, as a result of this the Company has fully impaired its investment in CityJet DAC by €38,270,910 based on their assesment of the recoverability of their investment in Cityjet DAC. Hibernian Airlines Limited also entered into examinership post year end and an impairment of €10,188 has been included.

On 26 September 2023, a shareholder agreement was executed among the Company, Air Investment Valencia, S.L. (AIV) and CityJet Holdings Limited (CHL). The shareholder agreement created a compound financial instrument with the net present value of the associated future financial commitment initially calculated to be €41,496,725. As at 31 December 2024 the Directors have assessed the underlying assumptions for the original net present value calculation of that future commitment had fundamentally changed. Accordingly the net present value at the balance sheet dates has been assessed to be Nil and the financial statements reflect the necessary adjustments.

9. Financial assets

	Investments in subsidiary companies €
Cost or valuation	
At 1 January 2024	67,303,242
Reversal of the provision of preference shares in Cityjet	6,451,628
Disposal - 10% preference shares	(9,677,443)
At 31 December 2024	<u>64,077,427</u>
Impairment	
Charge for the period	38,281,098
At 31 December 2024	<u>38,281,098</u>
Net book value	
At 31 December 2024	<u>25,796,329</u>
At 31 December 2023	<u>67,303,242</u>

Notes to the financial statements

For the financial year ended 31 December 2024

9. Financial assets (continued)

In the opinion of the directors, the shares in the Company's subsidiaries are worth at least the amounts they are stated at in the Company's statement of financial position.

During the year Hibernian Airlines Limited entered into liquidation as a result the Company has included an impairment of €10,187 (2023: Nil).

Subsequent to the year end CityJet DAC which is a subsidiary of the Company entered into examinership, the Company continue to assess the ongoing process and have recognized a full provision for impairment of €38,270,910 on its investment in Cityjet DAC (2023: Nil).

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Hibernian Airlines Limited	No. 1 Grants Row, Lower Mount Street, Dublin 2, Ireland	Airlines	Ordinary, preference	100%
Air Nostrum LAM, S.A.U	Avenida Comarcas del País Valenciano 2 46930 Quart de Poblet Valencia, Spain	Airlines	Ordinary, preference	100%
Aer Resources Agency Services Limited	No. 1 Grants Row, Lower Mount Street, Dublin 2, Ireland	Activities aimed at supporting air activities	Ordinary, preference	100%
Ard Aer Commerical Limited	No. 1 Grants Row, Lower Mount Street, Dublin 2, Ireland	Activities aimed at supporting air activities	Ordinary, preference	100%
Air Nostrum Global Services S.L.U	Avenida Comarcas del País Valenciano 2 46930 Quart de Poblet Valencia, Spain	Consulting	Ordinary, preference	100%
Air Nostrum Engineering and Maintenance Operations	Avenida Comarcas del País Valenciano 2 46930 Quart de Poblet Valencia, Spain	Aircraft maintenance	Ordinary, preference	100%
Air Nostrum Training Operations S.L.U	Avenida Comarcas del País Valenciano 2 46930 Quart de Poblet Valencia, Spain	Activities aimed at supporting air activities	Ordinary, preference	100%
CityJet Designed Activity Company (DAC)	Imbus House, Dublin Airport, Dublin, Ireland	Activities aimed at supporting air activities	Ordinary, preference	100%

Notes to the financial statements

For the financial year ended 31 December 2024

10. Debtors

	2024 €	2023 €
Due after more than one year		
Deferred tax asset	157,990	9
	<u>157,990</u>	<u>9</u>
Due within one year		
Amounts owed by group undertakings	184,800	-
Other debtors	41,927	14
	<u>226,727</u>	<u>14</u>

11. Cash and cash equivalents

	2024 €	2023 €
Cash at bank and in hand	265,226	-
	<u>265,226</u>	<u>-</u>

The Company holds both a Euro and USD bank accounts with Barclays Bank Ireland Plc.

12. Creditors: Amounts falling due within one year

	2024 €	2023 €
Amounts owed to group undertakings	7,500	-
Other creditors	199,409	89
	<u>206,909</u>	<u>89</u>

Trade and other creditors, including accruals are payable of various dates over the coming months in accordance with suppliers usual customary credit terms.

Notes to the financial statements

For the financial year ended 31 December 2024

13. Provisions

	Other provision €
At 1 January 2024	41,496,725
Adjustment on Provision - NPV Reassessment	(31,819,281)
Movement - CityJet preference shares	(9,677,444)
At 31 December 2024	-

On 26 September 2023, a shareholder agreement was executed among the Company, Air Investment Valencia, S.L. (AIV) and CityJet Holdings Limited (CHL).

The shareholder agreement created a compound financial instrument with the net present value of the associated future financial commitment initially calculated to be €41,496,725. As at 31 December 2024 the Directors have assessed the underlying assumptions for the original net present value calculation of that future commitment had fundamentally changed. Accordingly the net present value at the balance sheet date has been assessed to be Nil and the financial statements reflect the necessary adjustments.

14. Share capital

	2024 €	2023 €
Authorised		
100,000,000 (2023 - 100,000,000) Ordinary shares of €0.001 each	100,000	100,000
100,000 (2023 - 100,000) Preference shares of €0.001 each	100	100
	<u>100,100</u>	<u>100,100</u>
Allotted, called up and fully paid		
100,000,000 (2023 - 100,000,000) Ordinary shares of €0.001 each	<u>100,000</u>	<u>100,000</u>

At the financial period end date, the Company is controlled by Air Nostrum's current shareholders through an investment vehicle called Air Investment Valencia.

15. Share premium

Share premium represent the cost of investment in subsidiaries.

Notes to the financial statements

For the financial year ended 31 December 2024

16. Events since the end of the financial year

On the 8th of May 2025 CityJet Designated Activity Company (“CityJet DAC”), in which the Company is the sole shareholder, went into examinership due to ongoing financial difficulties. While on 23 October 2025 the High Court of Ireland confirmed the examinership rescue plan and scheme of arrangement for CityJet DAC the Company is not in support of that plan and has effectively decided its investment in CityJet DAC is worthless. As this provides further evidence of conditions existing at the reporting date, the Company has treated the outcome as an adjusting subsequent event under IAS 10. The financial statements have been updated to reflect the impact on the carrying value of the Company’s investment in CityJet DAC and related creditor exposures.

On 3 December 2025, the company entered into an agreement which formally extinguished a future financial obligation created by a previous agreement entered into in 2023 linked to the Company’s shareholding in CityJet DAC. This event occurred after the reporting date and does not provide evidence of conditions that existed at that date. Accordingly, the future financial obligation is technically deemed to still be in place at 31 December 2024. However, the Directors have assessed the underlying assumptions underpinning the original net present value calculation of that future obligation had fundamentally changed as at 31 December 2024. Accordingly the net present value of the future obligation has been assessed to be Nil at 31 December 2024 and the financial statements reflect the necessary adjustments.

There have been no other significant events from the financial year end until the date of signing this report that would require adjustment to or disclosure in the financial statements.

17. Controlling party

As at the date of approval of these financial statements, the Company’s immediate parent undertaking and controlling party is Air Investment Valencia S.L. The Company’s ultimate controlling party is Befemar Global Management, S.L, a Spanish registered company, with a registered office in Madrid, Spain. The consolidated financial statements of Befemar may be obtained from the Commercial Registry of Madrid, Spain.

The Company, in accordance with Section 280B of the Companies Act 2014, does not prepare consolidated financial statements as it meets the size exemption criteria for a group.

18. Approval of financial statements

The board of directors approved these financial statements for issue on 23/12/2025