

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

COMPANY INFORMATION

Directors	Ciana Casey Marcus Miller Robert Korn (USA) William Hoffman (USA) Aimee Powderly (resigned as alternate director on 6 June 2024) Rory Coughlan (resigned as alternate director on 6 June 2024)
Company secretary	HMP Secretarial Limited Riverside 1 Sir John Rogerson's Quay Dublin 2 D02 X576
Registered number	558992
Registered office	28/29 Sir John Rogerson's Quay Dublin 2 Ireland D02 EY80
Independent auditors	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm 29 Earlsfort Terrace Dublin 2 D02 AY28
Solicitors	A&L Goodbody 25 North Wall Quay Dublin 1 D01 H104

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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FLY AIRCRAFT HOLDINGS THIRTY-TWO 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 activities

Fly Aircraft Holdings Thirty-Two Limited ("the Company") is a private company limited by shares, which was incorporated and domiciled in the Republic of Ireland on 13 March 2015 under the registration number 558992.

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

Results and dividends

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

The loss on ordinary activities for the financial year before taxation amounted to US\$2,160,481 (2023: US\$1,554,231). Shareholders' deficit at 31 December 2024 amounted to US\$2,632,813 (2023: US\$456,483).

The above results are considered key indicators of the performance of the Company and are reviewed by the Directors on an annual basis.

The Directors recommended the payment of a dividend of US\$Nil during the financial year (2023: US\$Nil).

Issue of Shares

The authorized share capital of the Company is 1 share of €1. The issued share capital of the Company is 1 share of €1. No shares were issued during the financial year (2023: Nil). Fly Leasing Limited holds 100% of the issued share capital of the Company (2023: Fly Peridot Holdings Limited).

Directors, Company Secretary and their interests

The Directors who served during the financial year were:

Ciana Casey
Marcus Miller
Robert Korn (USA)
William Hoffman (USA)
Aimee Powderly (resigned as alternate director on 6 June 2024)
Rory Coughlan (resigned as alternate director on 6 June 2024)

In accordance with the Articles of Association, the Directors are not required to retire by rotation.

Neither the Directors nor the Company Secretary, who held office at 31 December 2024, had interests in shares in, or debentures of, the Company, or other group company, at 31 December 2024 or 31 December 2023, requiring disclosure in the directors' report pursuant to section 329 of the Companies Act 2014.

Political contributions

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

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties

Asset risk

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

Credit risk

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

Liquidity risk

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

Geopolitical risk

In circumstances where an aircraft is not held at the end of the financial year, the risks are still relevant as they relate to the nature of the Company's business and underlying business plans. In circumstances where an aircraft is held at the end of the financial year, geopolitical risk is the risk that ongoing global conflicts and tariff discussions could negatively impact the Company's performance. Geopolitical conflicts will have short and long-term consequences on the aviation industry. They have led to increased fuel prices, inflation, interest rate increases, supply chain concerns, and rerouting of flights because of restrictions on the use of airspace, which will all place additional pressure on airlines. Prolonged unrest, additional military activities, expansion of hostilities, or additional broad-based sanctions, could also have a material adverse effect on the operations and business outlook of the Company.

The specific impacts on the Company may include the inability of airline customers to meet their lease obligations because of reduced cash flow, which in turn may lead to an increase in lease defaults and related repossessions.

Going concern

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

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****Going concern (continued)**

the Directors are satisfied that the Company is adequately resources to continue in existence for the foreseeable future and that the financial statements have been properly prepared on a going concern basis.

Accounting records

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

Events since the end of the year

In April 2025 the lease of the Company's aircraft was terminated. In October and November 2025, the Company sold the airframe and two engines to third parties. There have been no other significant events affecting the Company since the financial year end that would require adjustment or disclosure in the financial statements.

Statement on relevant audit information

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

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

Auditors

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

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

Signed by:

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.....
Ciana Casey
Director

Date: 01 December 2025 | 3:50 PM GMT

Signed by:

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.....
Marcus Miller
Director

Date: 27 November 2025 | 12:14 PM GMT

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

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

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

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company for the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

Report on the audit of the financial statements

Opinion on the financial statements of Fly Aircraft Holdings Thirty-Two Limited ("the company")

In our opinion the financial statements:

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

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 21, including material accounting policy information as set out in note 2.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

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

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

Matters on which we are required to report by exception

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

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

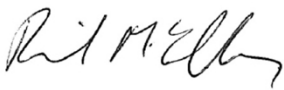
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

Use of our report

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



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

02 December 2025

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 US\$	2023 US\$
Operating lease income	4	1,318,853	1,319,970
Operating expenses	5	(2,554,228)	(1,852,577)
Operating loss		(1,235,375)	(532,607)
Interest payable and similar expenses	8	(922,434)	(1,015,099)
Other finance expense	9	(2,672)	(6,525)
Loss before taxation		(2,160,481)	(1,554,231)
Tax (charge)/credit	10	(15,849)	214,848
Loss for the financial year		<u>(2,176,330)</u>	<u>(1,339,383)</u>

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

There was no other comprehensive income for 2024 (2023:US\$Nil).

The notes on pages 11 to 24 form part of these financial statements.

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 US\$	2024 US\$	2023 US\$	2023 US\$
Non current assets					
Aircraft under operating lease	11		8,320,248		10,750,517
			<u>8,320,248</u>		<u>10,750,517</u>
Current assets					
Deferred tax	12,15	689,255		705,104	
Debtors: amounts falling due within one year	12	1,984,022		3,495,287	
		<u>2,673,277</u>		<u>4,200,391</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(10,407,436)		(1,156,189)	
		<u>(10,407,436)</u>		<u>(1,156,189)</u>	
Net current assets			(7,734,159)		3,044,202
Non current liabilities					
Creditors: amounts falling due after more than one year	14		(3,218,902)		(14,251,202)
			<u>(3,218,902)</u>		<u>(14,251,202)</u>
Net liabilities			<u>(2,632,813)</u>		<u>(456,483)</u>
Capital and reserves					
Called up share capital presented as equity	16		1		1
Capital contribution			4,306,184		4,306,184
Retained deficit			(6,938,998)		(4,762,668)
			<u>(6,938,998)</u>		<u>(4,762,668)</u>
Shareholders' (deficit)			<u>(2,632,813)</u>		<u>(456,483)</u>

The notes on pages 11 to 24 form part of these financial statements.

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

Signed by:

 01C5A87800EA4B8...

 Ciana Casey
 Director

Date: 01 December 2025 | 3:50 PM GMT

Signed by:

 9DE5BF7460F34E2...

 Marcus Miller
 Director

Date: 27 November 2025 | 12:14 PM GMT

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Called up share capital	Capital contribution	Retained deficit	Total equity
	US\$	US\$	US\$	US\$
At 1 January 2023	1	4,306,184	(3,423,285)	882,900
Loss for the financial year	-	-	(1,339,383)	(1,339,383)
At 1 January 2024	1	4,306,184	(4,762,668)	(456,483)
Loss for the financial year	-	-	(2,176,330)	(2,176,330)
At 31 December 2024	1	4,306,184	(6,938,998)	(2,632,813)

The notes on pages 11 to 24 form part of these financial statements.

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

1. General information

Fly Aircraft Holdings Thirty-Two Limited ("the Company") is a private company limited by shares, which was incorporated and domiciled in the Republic of Ireland on 13 March 2015 under the registration number 558992. On 6 June 2024, the Company's registered office address changed to 28/29 Sir John Rogerson's Quay, Dublin 2 from Connaught House, 1 Burlington Road, Dublin 4. The Company is engaged in acquiring, financing, leasing and selling commercial jet aircraft, directly or indirectly.

2. Material accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements of the Company are included in the consolidated financial statements of Fly, the intermediate parent undertaking. The consolidated financial statements of Fly are publicly available at its registered office (see note 20).

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

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- to disclose new and amended standards issued, but not yet effective;
- the requirements of paragraph 74A(b) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****2. Material accounting policies (continued)****2.2 Financial Reporting Standard 101 - reduced disclosure exemptions (continued)**

- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

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

2.4 Impact of new international reporting standards, amendments and interpretations

The below lists the recent changes to IFRS that are required to be applied for annual periods beginning on or after 1 January 2024. The Company applied such standards where relevant from their effective date without material impact.

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

There are no other standards, amendments to standards or interpretations that are effective that have a material effect on the Company's financial statements.

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

2. Material accounting policies (continued)

2.5 Leases

The Company as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company accounts for a modification to an operating lease as a new lease from the effective date of the modification, including any prepaid or accrued lease payments relating to the original lease in the lease payments for the new lease.

Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.6 Operating lease income: the Company as lessor

Income from operating leases is credited to profit or loss on a straight line basis over the term of the relevant lease.

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

The Company's leases may contain provisions which require it to contribute a portion of the lessee's costs for heavy maintenance, overhaul or replacement of certain high-value components. The Company accounts for these expected payments as lease incentive assets, which are amortised as a reduction of operating lease income over the life of the lease. A corresponding lessor contribution liability is released when the obligation is settled or no longer required.

2.7 Operating expenses

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

2.8 Interest receivable and similar income

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

2.9 Interest payable and similar expenses

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

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

2. Material accounting policies (continued)

2.10 Current and deferred taxation

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

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

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

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

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

2.11 Aircraft under operating lease

Aircraft under operating lease are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the aircraft into working condition for its intended use.

The depreciable amount of the asset, comprised of the aircraft's cost less its estimated salvage value, is allocated on a systematic basis over the asset's useful life, which was determined taking into consideration the service potential and maintenance condition of the asset. The useful life of the aircraft is assessed to be 25 years from the date of manufacture unless conversion has been undertaken on the equipment. Aircraft that have undergone conversion are assigned a 15-year life from the date being placed into service after the conversion is completed. The depreciation methodology was determined taking into consideration the pattern in which the asset's economic benefits are consumed by the Company.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

At each reporting date the company assesses whether there is any indication of impairment. Impairment indicators include, but are not limited to, recent transactions for similar aircraft, adverse changes in market conditions for specific aircraft types, third party appraisals of specific aircraft, published values for similar aircraft, any occurrences of adverse changes in the aviation industry and the overall market conditions that could impact the fair value of the aircraft.

If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised in the profit and loss where the carrying amount exceeds the recoverable amount.

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

2. Material accounting policies (continued)

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment (see note 2.17). Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Creditors

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

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

2.14 Maintenance reserves

The Company's operating lease contract requires the lessee to perform maintenance on the leased aircraft. As such, the Company does not control the timing of these maintenance events and is not responsible for the associated costs.

Under certain leases, the Company receives supplemental rental payments, based upon the utilisation of the aircraft, which are reimbursed to the lessee upon performance of certain specified maintenance work. Supplemental rentals are recorded on the Statement of Financial Position as maintenance reserves during the term of the lease; with reimbursements being charged against this liability as qualifying maintenance work is performed. At the end of the lease and where the Company is released from the obligation to make any further reimbursements in relation to the aircraft, the remaining balance of maintenance reserves, if any, may be released to income.

2.15 Lessor contributions and lease incentives

A lessor contribution is established at the commencement of the lease, or at acquisition of an aircraft on lease, representing the best estimate of the contractually obligated contribution. In addition, a lease incentive asset is recognised for this amount, and it is amortised over the life of the associated lease as a charge against lease revenue.

Lessor contributions represent contractual obligations on the part of the Company to contribute to the lessee's cost of the next planned major maintenance events, expected to occur during the lease.

The Company regularly reviews the level of lessor contributions under current lease contracts and makes adjustments as necessary. When aircraft are sold the portion of the accrued liability not specifically assigned to the buyer is derecognised from the statement of financial position as part of the gain or loss on disposal of the aircraft.

2.16 Security deposits

The Company's lease requires the lessee to pay a security deposit, either in cash or in the form of a letter of credit. These deposits are refundable to the lessee upon expiration of the lease and where such deposits are received in cash, they are recorded in the statement of financial position as a liability.

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

2. Material accounting policies (continued)

2.17 Financial instruments

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

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

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

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

Financial assets

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

Impairment of financial assets

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

Financial liabilities

At amortised cost

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

2.18 Equity

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

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

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

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****3. Judgments in applying accounting policies and key sources of estimation uncertainty**

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

The principal uses of judgement and sources of estimation uncertainty arise with respect to the following:

Valuation of aircraft

In accounting for the aircraft, the Company made estimates about the expected useful lives and the estimated residual value of aircraft. Aircraft are evaluated for impairment in each reporting period, or when there are indicators of impairment. Estimates and judgement are used in determining the value in use and fair value of aircraft. The Company estimates future lease cash flows, remaining useful life, discount rate, residual value and current and future fair values. The estimates and assumptions used are based on historical trends as well as future expectations. For some of these estimates, the Company utilises the services of independent valuation firms to determine the appropriate inputs.

Estimate for allowance for ECL

The Company applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all its debtors. Details about the ECL on the Company's debtors are disclosed in note 2.17.

Recognition of deferred tax asset

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

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****4. Operating lease income**

	2024	2023
	US\$	US\$
Operating lease income	1,319,970	1,319,970
Lease cost amortisation	(1,117)	-
	<u>1,318,853</u>	<u>1,319,970</u>

Operating lease income represents income from the lease of aircraft located in Asia which is recognised in the profit or loss on a straight-line basis over the lease term. The operating lease commenced on 10 August 2021 and expires on 29 October 2026.

5. Operating expenses

	2024	2023
	US\$	US\$
Legal and professional	11,203	26,239
Management and servicing fees	45,564	44,200
Depreciation	2,430,269	1,764,681
Technical expenses	67,192	15,039
Other expenses	-	2,418
	<u>2,554,228</u>	<u>1,852,577</u>

6. Loss on ordinary activities before taxation

The operating loss is stated after charging:

	2024	2023
	US\$	US\$
Depreciation	2,430,269	1,764,681
Auditor's remuneration	<u>8,642</u>	<u>8,464</u>

7. Employees

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

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

8. Interest payable and similar expenses

	2024 US\$	2023 US\$
Loan cost and discount amortisation	49,301	49,322
Interest on loans from group undertakings	873,133	956,784
Interest expense on interest rate hedges	-	8,993
	<u>922,434</u>	<u>1,015,099</u>

9. Other finance expense

	2024 US\$	2023 US\$
Financing facility fees	(2,672)	14
(Loss) on interest rate hedges	-	(6,539)
	<u>(2,672)</u>	<u>(6,525)</u>

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

10. Taxation

	2024 US\$	2023 US\$
Corporate Tax		
Current tax for the financial year	-	-
Deferred tax		
Origination and reversal of timing differences	15,849	(214,848)
Taxation on loss on ordinary activities	<u>15,849</u>	<u>(214,848)</u>
Factors affecting tax charge/(credit) for the financial year		
The tax assessed for the financial year is lower than (2023 – higher than) the standard rate of corporation tax in Ireland of 12.5% (2023 - 12.5%). The differences are explained below:		
	2024 US\$	2023 US\$
Loss on ordinary activities before tax	<u>(2,160,481)</u>	<u>(1,554,231)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2023 - 12.5%)	(270,060)	(194,279)
Effects of:		
Utilisation of unabsorbed tax losses	-	(20,569)
Group relief surrendered	285,909	-
Total tax charge/(credit) for the financial year	<u>15,849</u>	<u>(214,848)</u>

Factors that may affect future tax charges

Tax is chargeable in future periods unless group relief is available. To the extent losses are incurred in the future, these can be carried forward. From 1 January 2025, the corporation tax rate is expected to remain at its current rate of 12.5%.

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****11. Aircraft under operating lease**

	Aircraft under operating lease US\$
Cost or valuation	
At 1 January 2024	17,383,700
At 31 December 2024	<u>17,383,700</u>
Accumulated depreciation	
At 1 January 2023	4,868,502
Charge for the financial year on owned assets	1,764,681
At 1 January 2024	6,633,183
Charge for the financial year on owned assets	2,430,269
At 31 December 2024	<u>9,063,452</u>
Net book value	
At 31 December 2024	<u>8,320,248</u>
At 31 December 2023	<u>10,750,517</u>

The Directors of the Company undertake a review to determine whether there is an indication that an asset may be impaired as required by IAS 36 'Impairment of Assets'. If such indicators exist, the Directors will estimate the recoverable amount of such asset by utilising current market values from third party appraisers and internal data to assess current market value and to assess value-in-use. No impairment charge was recognised as of 31 December 2024 (2023: \$Nil).

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED

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

12. Debtors

	2024 US\$	2023 US\$
Due after more than one year		
Deferred tax asset	689,255	705,104
	<u>689,255</u>	<u>705,104</u>
Due within one year		
Lease cost	6,294	7,411
Amounts owed by group undertakings	1,974,968	3,485,114
Other debtors	2,760	2,762
	<u>1,984,022</u>	<u>3,495,287</u>

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

13. Creditors: Amounts falling due within one year

	2024 US\$	2023 US\$
Loan payable to group undertakings (see note 14)	347,033	804,353
Amounts owed to group undertakings	9,801,078	23,965
Corporation tax	305	305
Accrued interest	112,279	224,267
Other accruals	146,741	103,299
	<u>10,407,436</u>	<u>1,156,189</u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand. Loans payable to group undertakings are subject to fixed rate and fixed rate plus SOFR and are repayable on demand. During the financial year, the Company fully repaid its loans and interest due to Fly Funding II Sarl.

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****14. Creditors: Amounts falling due after more than one year**

	2024 US\$	2023 US\$
Loans payable to group undertakings	-	12,167,952
Security deposit	345,000	345,000
Maintenance reserves	2,873,902	1,738,250
	<u>3,218,902</u>	<u>14,251,202</u>

Loans payable to group undertaking are subject to either fixed rate or fixed rate plus SOFR and are repayable on demand. During the financial year, the Company fully repaid its loans and interest due to Fly Funding II Sarl.

15. Deferred taxation

	2024 US\$	2023 US\$
At beginning of financial year	705,104	490,256
(Charged)/Credited to profit or loss	(15,849)	214,848
At end of financial year	<u>689,255</u>	<u>705,104</u>

The deferred tax is made up as follows:

	2024 US\$	2023 US\$
Accelerated capital allowances	(81,135)	(72,795)
Tax losses carried forward	770,390	777,899
	<u>689,255</u>	<u>705,104</u>

16. Share capital

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

FLY AIRCRAFT HOLDINGS THIRTY-TWO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****17. Commitments under operating leases**

At 31 December 2024 the Company has future minimum lease receivables under non-cancellable operating leases for each of the following periods:

	2024 US\$	2023 US\$
Not later than 1 year	1,320,000	1,380,000
Later than 1 year and not later than 5 years	1,096,333	2,526,167
Later than 5 years	-	-
	<u>2,416,333</u>	<u>3,906,167</u>

18. Related party transactions

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

19. Events since the end of the financial year

In April 2025 the lease of the Company's aircraft was terminated. In October and November 2025, the Company sold the airframe and two engines to third parties. There have been no other significant events affecting the Company since the financial year end that would require adjustment or disclosure in the financial statements.

20. Controlling party

The immediate parent undertaking is Fly Leasing Limited, a Company incorporated in Bermuda and having its registered address at Clarendon House 2 Church Street, Hamilton, HM 11 Bermuda. During the financial year, the immediate parent undertaking changed from Fly Peridot Holdings Limited, who disposed of their shareholding in the Company, to Fly Leasing Limited. The ultimate parent undertaking and controlling party is SASOF International Master Fund V LP, a limited partnership registered in the Cayman Islands and having its registered address at George Town, Grand Cayman, KY1-1108 Cayman Islands.

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

21. Approval of financial statements

The board of Directors approved these financial statements for issue on 26 November 2025.