Artemis Funding Limited

Directors’ report and
financial statements

Year ended 31 December 2024

Registered number: 702004

ARTEMIS FUNDING LIMITED

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Directors and other information

Directors	Thomas Schmid (appointed 5 October 2023) Ken Casey (appointed 08 September 2021, resigned 27 December 2024) Alan G. Stanford, Jr. (appointed 07 February 2023) Becca Ni Mheilbhin (appointed 18 January 2024) Michael Milne (appointed 05 October 2023, resigned 18 January 2024) John Levins (alternate appointed 25 September 2024)
Secretary	Alter Domus Secretarial (Ireland) Limited
Registered office	1st Floor 118 Lower Baggot Street Dublin 2 Dublin Ireland
Independent auditor	Ernst and Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2 Ireland
Bankers	UMB Bank, N.A. 6440 S Millrock Drive, Suite 400 Salt Lake City, UT 84121, United States
Solicitors	Mason Hayes & Curran LLP Barrow Street Dublin 4 Ireland

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the "directors") of Artemis Funding Limited (the "Company") present their annual report and the financial statements of the Company for the year ended 31 December 2024. The comparative financial statements were presented for the year ended 31 December 2023.

These financial statements are presented in United States Dollars ("USD"), the functional and presentational currency of the Company. The financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework and have been prepared in accordance with the Companies Act 2014.

Principal activities

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

Business review

The Company is a special purpose vehicle, incorporated in Ireland as a private company limited by shares on 18 August 2021 in accordance with the requirements of the Companies Act 2014 as amended (the "Act"). The Company was incorporated for the purchase and leasing of commercial aircraft to airlines.

For the year ended 31 December 2024, the Company purchased no aircraft (2023: two) and disposed of four aircraft (2023: 0). There were no modifications to existing lease agreements in 2024 (2023: Nil).

As of 31 December 2024, the Company owns six aircraft (2023: 10) on lease to airlines in Greece, Latvia, Mexico and Portugal.

During the year ended 31 December 2024, the Company transferred from the Azorra Limited Group to Azorra SOAR TLB Limited as a result of a refinancing project. This resulted in the repayment of the existing external debt in full and drawdown of a non-recourse group borrowings (an intercompany loan repayable to Azorra SOAR TLB Limited).

The Company has no employees. Management and administration services are contracted from a related party and third parties. See Note 3 for further details.

The Directors have no plans to change the activities and operations of the Company in the foreseeable future. The Directors continue to seek opportunities for the future growth and development of the Company.

Results and dividends for the financial year

During the year ended 31 December 2024, the Company made a profit of USD 5,382,729 (2023: loss USD 2,745,729). Lease revenue during the year ended December 31 2024 was USD 25,809,316 (2023: USD 21,552,905). General and administration expenses primarily related to leasing and legal and consulting expenses during the year ended 31 December 2024 was USD 4,230,446 (2023: USD 3,831,252).

At 31 December 2024 the Company's financial position showed total assets of USD 161,021,867 (2023: USD 241,813,586), comprising primarily of aircraft and related components, intangible assets and assets held for sale amounting to USD 134,296,346 (2023: USD 234,123,777). The Company's net loans and borrowings were USD 107,127,549 (2023: USD 197,708,060).

The results for the financial year are set out on page 11-13 and in the related notes. The Directors do not recommend the payment of a dividend for the financial year under review (2023: None).

Principal risks and uncertainties

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

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

Credit risk of lease counterparties
The Company operates as a lessor to airline companies. Its ability to succeed is partially dependent on the financial strength of its customers and their ability to both compete effectively in the marketplace and manage the competitive environment in which they operate. If a customer experiences financial difficulty this may result in defaults or the early termination of leases. The directors look to mitigate this risk by collecting security deposits and maintenance advances where appropriate.

Geopolitical and economic risks
The Company leases aircraft to a customer that operates in multiple jurisdictions exposing it to (i) many and varying economic, social, legal and geopolitical risks, (ii) instability in key markets and (iii) global health pandemics. Exposure to multiple jurisdictions may adversely affect the Company's future performance, position and growth potential. The adequacy and timeliness of the Company's response to emerging risks in these jurisdictions are of critical importance to the mitigation of their potential impact on the Company.

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

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments.

The Company is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect the Company through a reduced demand for aircraft and/or reduced market rates, higher incidences of lessee default and aircraft on the ground. The Company periodically performs reviews of its carrying value of aircraft and associated assets, receivable and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

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, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Principal risks and uncertainties (continued)

Operational risk (continued)
The Company was incorporated with the purpose of engaging in those activities outlined in the Director's Report which limits the risk. The Company manages this risk by outsourcing administration to group companies and professional service providers with sufficient skills and expertise to manage this risk.

Asset risk
Asset risk is the risk of deterioration in the underlying value of the aircraft. If the demand for aircraft or market lease rates decrease, these could affect the market value of the aircraft and consequently the recovery of the carrying value of the aircraft. Should this condition continue for an extended period, it could affect the market value of the aircraft and result in impairment charges.

The Servicer, Azorra Limited, develops and advises on marketing strategies as well as identifies and negotiates with prospective lessees and third-party purchasers for the lease or sale of assets. This asset risk is also mitigated by collecting maintenance reserves in cash or letters of credit where appropriate.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The amounts owed to group companies (the "Notes") are limited recourse obligations of the Company such that the Company is only obligated to pay the coupon and principal amounts due to the extent there is available cash to do so. Failure to do so does not constitute a default by the Company on the Notes.

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

Public liability risk
Public liability risk is the risk that a lessee has not put adequate insurance cover in place, and the Directors have put appropriate monitoring systems in place, through the servicing agreement, to ensure that the lessee remains compliant.

Going concern

The Directors have considered the Company's use of the going concern basis of preparation at the date of signing these financial statements by evaluating all cash inflows and outflows of the Company for a period of 12 months from the signing of the financial statements. Additionally, the Directors have considered the adequacy of the Company's external borrowing facilities and the non-recourse nature of the related party loans.

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

Going concern (continued)

The Company's indebtedness also comprises of non-recourse group borrowings (an intercompany loan repayable to Azorra SOAR TLB Limited) and is repayable upon a date no later than the maturity date. The Company was a member of Azorra Limited, in December 2024 the Company transferred from the Azorra Limited Group to Azorra SOAR TLB Limited. The Company is also subject to group lending requirements and benefits from the support and a financial guarantee from its ultimate parent.

In light of the above assessment and key areas of uncertainty, the directors, having considered the adequacy of the Company's borrowing facilities and cash flows, for at least the next twelve months are satisfied that the financial statements are prepared on a going concern basis based on the future plans that the directors have for the business.

The estimated cash flows involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from forecasted cash flows.

Key performance indicators

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

(i) Profit after tax;
(ii) Operating Profit;
(iii) Net Assets;
(iv) Various measures in relation to capital expenditure and disposals;
(v) Lease terminations; and
(vi) Number of aircraft on the ground

Future developments in the business

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

Directors and secretary and their interests

In accordance with Section 329 of the Companies Act 2014, neither the directors or secretary who held office do not have any direct or beneficial interest in the shares, share options or debentures of the Company, or any group company at that date or during the financial year.

The names of the persons who were directors during the year are set out on page 1. Except where indicated, they served as directors for the entire year.

Material contracts

There are no material contracts in relation to the business of the Company in which any Director of the Company had any interest during the financial year ended 31 December 2024.

ARTEMIS FUNDING LIMITED

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

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware. The Board of Directors ensures that risks are identified and managed in accordance with the objectives of the organisation.

Political and charitable contributions

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

Post balance sheet events

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

Accounting records

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

Financial instruments

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, other assets, loans and borrowings, trade and other payables and maintenance reserves that arise directly from its operations. See further details in the related notes.

Transactions involving directors

There were no loans advanced to the Directors at any time during the financial year. There were no contracts or arrangements in relation to the business of the Company in which the Directors had any interest at any time during the financial year to 31 December 2024.

Independent auditor

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

This report was approved by the board of directors ("the Board") and authorised for issue on 1st December 2025 and signed on its behalf by:

Alan G. Stanford Jr

Alan G Stanford Jr
Director

Thomas Schmid

Thomas Schmid
Director

ARTEMIS FUNDING LIMITED

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework.

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

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board

Alan G. Stanford Jr	Thomas Schmid
Alan G Stanford Jr	Thomas Schmid
Director	*Director*

Date: 1st December 2025

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTEMIS FUNDING LIMITED

Report on the audit of the financial statements

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTEMIS FUNDING LIMITED

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

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

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

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

Matters on which we are required to report by exception

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTEMIS FUNDING LIMITED

Respective responsibilities

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Office: Dublin

Date: 05 December 2025

ARTEMIS FUNDING LIMITED

Statement of profit and loss and other comprehensive income
For the year ended 31 December 2024

	Note	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Turnover	2	25,809,316	21,552,905
Operating expenses	3	(4,230,446)	(3,831,252)
Gain on disposal of assets	8	5,786,224	-
Depreciation and impairment	8	(9,969,012)	(9,076,581)
Operating profit		**17,396,082**	**8,645,072**
Interest income and similar	5	562,720	-
Interest expense and similar charges	6	(11,159,060)	(11,817,274)
Profit/(Loss) on ordinary activities before taxation		**6,799,742**	**(3,172,202)**
Tax credit/(charge) on profit on ordinary activities	7	(1,417,013)	426,473
Profit / (Loss) for the financial year		**5,382,729**	**(2,745,729)**
Other comprehensive (loss), net of tax		-	(8,310,644)
Total comprehensive profit / (loss)		**5,382,729**	**(11,056,373)**

All items dealt with in arriving at the profit for the year ended 31 December 2024 relate to continuing operations.

The Company has no recognised gains or losses other than those dealt within the statement of profit or loss and other comprehensive income.

The notes on pages 14 to 37 form an integral part of these financial statements

ARTEMIS FUNDING LIMITED

Statement of financial position
As at 31 December 2024

	Note	31 December 2024	31 December 2023
Non-current assets		**USD**	**USD**
Aircraft	*8*	120,623,879	213,273,425
Intangible assets	*9*	11,601,758	20,850,352
Current assets			
Aircraft held for sale	*8*	2,070,709	-
Trade and other receivables	*10*	841,049	186,308
Cash and cash equivalents	*11*	592,837	5,929,377
Other assets	*12*	70,272	649,255
Intercompany debtor	*13*	25,221,363	-
Current tax asset	*7*	-	924,869
Creditors: amounts falling due within one year	*14*	(712,717)	(19,696,124)
Net current assets/(liabilities)		**28,083,513**	**(12,006,315)**
Total assets less current liabilities		**160,309,150**	**222,117,462**
Deferred tax (liability)/asset	*7*	(1,670,378)	98,647
Creditors: Loans & borrowings amounts falling due after one year	*15*	(107,026,610)	(183,506,031)
Trade and other payables	*17*	(1,309,969)	(7,655,064)
Maintenance reserves	*16*	(18,432,237)	(15,978,746)
Net assets		**31,869,956**	**15,076,268**
Capital and reserves			
Called up share capital	*20*	1	1
Capital contribution	*20*	30,120,570	22,000,000
Retained profit/(deficit)		1,749,385	(3,633,344)
Other comprehensive income		-	(3,290,389)
Shareholders' equity		**31,869,956**	**15,076,268**

The notes on pages 14 to 37 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board.

On behalf of the board

Alan G. Stanford Jr
Alan G Stanford Jr
Director

Thomas Schmid
Thomas Schmid
Director

Date: 1st December 2025

ARTEMIS FUNDING LIMITED

Statement of changes in equity
As at 31 December 2024

	Share Capital & capital contribution	Retained (deficit) /profit	Other Comprehensive Income	Total Equity
	USD	**USD**	**USD**	**USD**
At 31 December 2023	**22,000,001**	**(3,633,344)**	**(3,290,389)**	**15,076,268**
Movement in year	8,120,570	5,382,729	3,290,389	16,793,688
At 31 December 2024	**30,120,571**	**1,749,385**	**-**	**31,869,956**

For the financial year ended 31 December 2023

	Share Capital	Retained deficit	Other Comprehensive Income	Total Equity
	USD	**USD**	**USD**	**USD**
At 31 December 2022	**22,000,001**	**(887,614)**	**5,020,255**	**26,132,642**
Movement in year				
Total comprehensive profit (loss)	-	(2,745,730)	(8,310,644)	(11,056,373)
At 31 December 2023	**22,000,001**	**(3,633,344)**	**(3,290,389)**	**15,076,268**

The notes on pages 14 to 37 form an integral part of these financial statements.

1. General information and material accounting policies

The Company is a special purpose vehicle, incorporated in Ireland as a private company limited by shares on 18 August 2021 in accordance with the requirements of the Companies Act 2014 as amended (the "Act"). The Company was incorporated for the purchase and leasing commercial aircraft to airlines.

For the year ended 31 December 2024, the Company purchased no aircraft (2023: two) and disposed of four aircraft (2023: 0). There were no modifications to existing lease agreements in 2024 (2023: Nil).

As of 31 December 2024, the Company owns six aircraft (2023: 10) on lease to airlines in Greece, Latvia, Mexico and Portugal.

There were no lease modifications in 2024.

The Company has no employees. Management and administration services are contracted from a related party and third parties. See Note 3 for further details.

The Directors have no plans to change the activities and operations of the Company in the foreseeable future. The Directors continue to seek opportunities for the future growth and development of the Company.

1.1. Basis of preparation

The Company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Reporting Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary, in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Due to the nature of the Company's business and the type of transactions the Company is engaged in, the directors have adapted the profit and loss account to suit the circumstances of the business in accordance with Schedule 3, Part II, Section A, 4 (5) of the Companies Act 2014.

The Company's immediate parent undertaking is Azorra SOAR TLB Limited. The Company's ultimate parent undertaking Azorra Aviation Holdings, LLC, include the Company in its consolidated financial statements. The consolidated financial statements of Azorra Aviation Holdings LLC, are prepared in accordance with US GAAP and are available at Azorra.com/investors.

1. General information and material accounting policies (continued)

1.1. Basis of preparation (continued)

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

- the requirements of IFRS 7 Financial Instruments: Disclosure;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraph 79(a)(iv) of IAS 1 Share Capital;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirement in paragraphs 10 and 111 of IAS 1 Presentation of Financial Statements to present Cash Flow statement information, paragraphs 134 – 136 Capital Management Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- the requirements of paragraphs 30 and 31 of IAS 8 to disclose new and amended standards issued, but not yet adopted; and
- Capital management disclosure requirements of IAS 1.

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

New accounting pronouncements and amended standards adopted by the Company

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

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

1. General information and material accounting policies (continued)

1.2. Measurement convention

The financial statements have been prepared on the historical cost basis.

1.3. Going concern

The Directors have considered the Company's use of the going concern basis of preparation at the date of signing these financial statements by evaluating all cash inflows and outflows of the Company for a period of 12 months from the signing of the financial statements. Additionally, the Directors have considered the adequacy of the Company's external borrowing facilities and the non-recourse nature of the related party loans.

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

The Company's indebtedness also comprises of non-recourse group borrowings (an intercompany loan repayable to Azorra SOAR TLB Limited) and is repayable upon a date no later than the maturity date. The Company was a member of Azorra Limited, in December 2024 the Company transferred from the Azorra Limited Group to Azorra SOAR TLB Limited. The Company is also subject to group lending requirements and benefits from the support and a financial guarantee from its ultimate parent.

In light of the above assessment and key areas of uncertainty, the directors, having considered the adequacy of the Company's borrowing facilities and cash flows, for at least the next twelve months are satisfied that the financial statements are prepared on a going concern basis based on the future plans that the directors have for the business.

The estimated cash flows involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from forecasted cash flows.

1.4. Functional and presentation currency

These financial statements are expressed in US Dollars ("USD"), as this is the Company's functional currency.

1.5. Estimates and judgements

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

1. General information and material accounting policies (continued)

1.5. Estimates and judgements (continued)

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

In particular, the judgements and assumptions involved in the Company's accounting policies which have the most significant effect on the amounts recognised in the financial statements are as follows:

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

Note 7 – Aircraft and related components: In accounting for property, plant and equipment, the Company makes estimates about the expected useful lives and the estimated residual value of aircraft.

In determining these estimates, management relies upon actual industry experience supported by estimates received from independent appraisers and considers anticipated utilisation of the aircraft.

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

The review for recoverability has a level of subjectivity and requires the use of judgement in the assessment of estimated future cash flows associated with the use of an item of property, plant and equipment and its eventual disposition. Future cash flows are assumed to occur under current market conditions and assume adequate time for a sale between a willing buyer and a willing seller.

Expected future lease rates are based upon all relevant information available, including the existing lease, current contracted rates for similar aircraft, appraisal data and industry trends.

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

Note 9 – Trade and other receivables: Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost using the effective interest rate less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. The Company assesses its trade and other receivables balance by comparing historical receivable loss patterns with current and future forecasted credit conditions. When determining whether the credit risk of trade and other receivables has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

1. General information and material accounting policies (continued)

1.5. Estimates and judgements (continued)

Note 6 – Deferred tax: Deferred tax assets and liabilities are measured using enacted tax rates and laws expected to be in effect in the period in which those temporary differences are expected to be recovered or settled. Any change in the timing or level of future changes in tax rates can result in substantial differences between the tax charge in the statement of profit or loss and tax payments.

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

1.6. Foreign currency translation

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

1.7. Lease rental income

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

The Company accounts for lease rentals under such leases on a basis that represents the time pattern in which the revenue is earned.

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

1.8. Financial expenses

Financial expenses comprise of interest expenses, amortisation of costs of permanent loan facilities, receivables, and payables. Borrowing costs are recognised in profit or loss using the effective interest rate.

1.9. Taxation

Tax for the period comprises current tax and changes in deferred tax for the period, including changes as a result of a change in the tax rate. The tax expense relating to the profit or loss for the period is recognised in the statement of profit or loss and the tax expense relating to items recognised in other comprehensive income is recognised in other comprehensive income. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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

1. General information and material accounting policies (continued)

1.10. Aircraft

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

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

- Jet aircraft – 25 years from the date of manufacture assuming an estimated residual value of the greater of 15% of the original cost or USD 2 million

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

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

Aircraft are assessed for recoverability in accordance with IAS 36 – Impairment of Assets whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

For the purposes of measuring an impairment loss, each aircraft is tested individually by comparing its carrying amount to the higher of value in use and fair value less cost to sell.

The residual values, useful lives and depreciation methods are revised and adjusted if appropriate, at each reporting date. Residual value of aircraft is based on their assumed residual value of jet aircraft.

The gain or loss arising on the disposal of aircraft is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

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

1.11. Maintenance rights assets

Maintenance rights assets associated with the acquisition of aircraft with in-place leases represent the difference in value between the contractual right to receive an aircraft in a specified maintenance condition on redelivery and the maintenance condition on the acquisition date. Maintenance rights assets exist if on the acquisition date, the maintenance condition of the aircraft is worse than the expected maintenance condition on redelivery. A maintenance rights liability exists if on the acquisition date, the maintenance condition is better than the expected redelivery condition and the lessor has agreed to compensate the lessee for the enhanced maintenance condition on redelivery.

1. General information and material accounting policies (continued)

1.11. Maintenance rights assets (continued)

When the Company has recorded maintenance rights assets, the following subsequent accounting scenarios exist: (i) the aircraft is returned at lease expiry in the contractually specified maintenance condition without any cash payment to the Company by the lessee, the maintenance rights asset is released and an aircraft improvement is recorded to the extent the improvement is substantiated and deemed to meet the Company's capitalisation policy; (ii) the lessee pays the Company cash compensation at lease expiry in excess of the value of the maintenance rights asset, the maintenance rights asset is relieved and any excess is recognised as end-of-lease income consistent with the Company's existing policy; or (iii) the lessee pays the Company cash compensation at lease expiry that is less than the value of the maintenance rights asset, the cash is applied to the maintenance rights asset and the balance of such asset is relieved and recorded as an aircraft improvement to the extent the improvement is substantiated and meets the Company’s capitalisation policy. Any aircraft improvement will be depreciated in accordance with the Company's depreciation policy.

1.12. Maintenance rights liabilities

When the Company has recorded maintenance rights liabilities, the following subsequent accounting scenarios exist: (i) the aircraft is returned at lease expiry in the contractually specified maintenance condition without any cash payment by the Company to the lessee, the maintenance rights liability is relieved and end-of-lease income is recognised; (ii) the Company pays the lessee cash compensation at lease expiry of less than the value of the maintenance rights liability, the maintenance rights liability is relieved and any difference is recognised as end-of-lease income; or (iii) the Company pays the lessee cash compensation at lease expiry in excess of the value of the maintenance rights liability, the maintenance rights liability is relieved and the excess amount is recorded as an aircraft improvement.

1.13. Lease premium assets

Lease premium assets represent the value of acquired leases where the contractual rent payments are above the market lease rate at the date of acquisition. This asset is recognised at cost based on discounted cash flows and is amortised on a straight-line basis over the remaining term of the related lease and recorded as amortisation.

1.14. Lease premium liabilities

Lease premium liabilities represent the value of acquired leases where the contractual rent payments are below the market lease rate at the date of acquisition. This liability is recognised at cost based on discounted cash flows and amortised on a straight-line basis over the remaining term of the related lease and recorded as amortisation.

1.15. Financial assets and liabilities at amortised cost

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, other assets, loans and borrowings, trade and other payables and maintenance reserves.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash equivalents have a maturity of three months or less from the date of acquisition. Cash equivalents are carried at amortised cost.

1. General information and material accounting policies (continued)

1.15. Financial assets and liabilities at amortised cost (continued)

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

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

Trade and other payables
Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

1.16. Financial instruments

Classification and measurement of financial assets and financial liabilities

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income ("FVOCI") – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

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

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

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

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

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

1. General information and material accounting policies (continued)

1.16. Financial instruments (continued)

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

All financial assets meet the requirements above and are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses, and impairment are amortized in profit or loss. Any gain or loss on derecognition is amortized in profit or loss.

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

Cash and cash equivalents are held for the purpose of meeting short term cash commitments. Cash and cash equivalents comprise cash in hand and demand deposits.

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

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

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

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

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

All the Company’s financial assets except derivative instruments are measured at amortized cost.

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

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

Financial liabilities comprise loans and borrowings, trade and other payables and maintenance reserves.

1. General information and material accounting policies (continued)

1.16. Financial instruments (continued)

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

Impairment of financial assets

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment and including forward-looking information.

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

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

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

The Company has a customer ranking model which calculates a ranking score based on the customer’s payment behaviour, financial strength and jurisdiction. The score translates into a 6-level ranking of the customers, with each level being designated a default risk percentage for the receivable amount. The Company has used the risk percentage at period end when calculating the impact of IFRS 9 on the financial statements. Trade and other receivables depict the expected credit loss arising from trade receivables including consideration for the security held for each aircraft.

Derecognition

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

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

1. General information and material accounting policies (continued)

1.16. Financial instruments (continued)

Derecognition (continued)

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

1.17. Derivative financial instruments measured through OCI

The Company has interest rate swaps in place to hedge its interest rate risks. These derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net Investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

1. General information and material accounting policies (continued)

The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Derivative financial instruments are measured at fair value through the statement of profit or loss and other comprehensive income.

The fair values of derivative financial instruments are included in other assets and trade and other payables, and positive and negative values are offset only when the Group has the right and the intention to settle several financial instruments net.

Changes in the fair value of derivative financial instruments that qualify as a cash flow hedge and which effectively hedge changes in the value of the hedged item are recognized in other comprehensive income and attributed to a separate reserve in equity. When a hedged transaction results in gains or losses, amounts previously recognized in other comprehensive income are transferred to the same item as the hedged item when the hedged risk impacts the statement of profit or loss.

1.18. Maintenance reserves

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

Upon the acquisition of an aircraft with a lease, the liability is recorded at fair value and is subsequently reassessed in line with the Company’s maintenance forecasting model. Such maintenance reserves received in cash from lessees are recognised as maintenance liabilities in the Balance Sheet in recognition of the contractual commitment to either refund such receipts or to hold them for future scheduled maintenance work to be performed thereafter.

Generally, leases require a lessee to redeliver an aircraft in specified maintenance condition (normal wear and tear excepted) with reference to major life-limited components of the aircraft. To the extent that such components are redelivered in a different condition than specified, there is generally an end- of-lease compensation adjustment for the monetary difference. Amounts received or paid as part of these redelivery adjustments are recorded as lease rental income at lease termination. The Company includes amounts recorded as maintenance payments that are not expected to be reimbursed to lessees as revenue.

1. General information and material accounting policies (continued)

1.19. Equity

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

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

Capital contributions
Capital contributions represent amounts received from the Company's immediate Parent and are classified as equity. These contributions are made in the capacity of the Parent as owner and are not repayable. No shares are issued in respect of these contributions. Capital contributions are disclosed separately within equity in the statement of financial position.

1.20. Security deposits

In accordance with the lease agreement, the Lessee may be required to provide security deposits. These security deposits are refundable to the Lessee upon termination of the lease and are recorded as a liability in the statement of financial position.

2. Turnover

Operating income arises from the leasing of aircraft under operating leases. Operating income is derived from activities carried out in Ireland, with the source of its income being Latvia, Kazakhstan, Mexico, Portugal and Greece.

	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Turnover comprises		
Lease rentals	19,865,652	20,739,391
Supplemental rent income	5,943,664	813,514
Total turnover	**25,809,316**	**21,552,905**

During 2024, the Company entered into an early lease termination agreement for four aircraft. Three of these aircraft were redelivered during the year resulting in USD 5 million (2023: Nil) of early termination compensation, which were recorded under Supplemental rent income.

By geographical market

	Year ended 31 December 2024 %
Kazakhstan	**44**
Latvia	**40**
Greece	**6**
Mexico	**5**
Portugal	**5**
	100

2. Turnover (continued)

Future minimum contracted lease rentals	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Due within 1 year	11,589,341	22,158,350
Due between 1 and 2 years	11,129,341	13,522,264
Due between 2 and 3 years	10,485,341	9,880,884
Due between 3 and 4 years	9,875,341	9,328,884
Due between 4 and 5 years	8,205,341	8,698,884
Due after 5 years	21,389,171	28,717,419
	72,673,876	**92,306,685**

3. Operating expenses

	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Included in profit/loss are the following:		
Servicer fees	3,037,757	3,619,128
Maintenance and other costs	812,115	83,257
Aircraft appraisals fees	39,468	8,284
Legal and professional	341,106	115,501
Administrator fees	-	5,082
Operating expenses	**4,230,446**	**3,831,252**

Servicer fees are fees paid to Azorra Limited in the amount of USD 3,037,757 for management services provided (2023: USD 3,619,128). The Directors received no remuneration from the Company during the financial year. The Company is administered by Azorra Limited and has no employees.

The auditor’s remuneration in the current year is USD 18,929.

4. Staff numbers and costs

The Company did not have employees during the financial year (2023: None).

5. Interest income

	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Interest income - deposits	42,531	-
Interest income - other	1,087	-
Interest income - cash	14,917	-
Swap breakages	504,185	
	562,720	**-**

6. Interest expense and similar charges

	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Interest expense on secured debt	6,900,642	7,316,834
Interest expenses owed to group companies	3,544,533	3,653,432
Other bank fees and amortisation	713,885	847,008
	11,159,060	**11,817,274**

7. Taxation

(a) Analysis of tax credit for the financial year

	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Current tax credit	(352,012)	(924,869)
Deferred tax	1,769,025	498,396
Total tax charge/ (credit)	**1,417,013**	**(426,473)**

7. Taxation (continued)

(b) Factors affecting total tax credit for the financial year

The reconciliation of tax on profits for the current year at the standard rate of Irish corporation tax to the Company's actual tax charge is analysed as follows;

Reconciliation of effective tax rate

	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Profit/(loss) on ordinary activities before tax	6,799,742	(3,172,202)
Expected tax at 12.5%	849,968	(396,525)
Effects of:		
Capital allowances in excess of depreciation	-	(2,736,267)
Prior year over provision of deferred tax	866,102	-
Prior year over/under provision of CT	(304,373)	498,396
Income taxable at different rate	5,316	-
Unutilised losses	-	2,207,923
Total tax charge/ (credit)	**1,417,013**	**(426,473)**

(c) Factors affecting current and future tax charges

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

(d) Current Tax

There is no current tax charge recognised and no preliminary tax payments made during the year.

(e) Deferred Tax

The Company has recognised a net deferred tax liability of USD 1,670,378 (2024: asset of USD 98,647) which arises due to timing differences on capital allowance on aircraft cost and the depreciation charge for such aircraft.

	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Opening balance	98,647	(590,192)
Deferred tax (charge)/credit	(1,769,025)	688,839
Deferred tax (liability)/asset	**(1,670,378)**	**98,647**

8. Aircraft

	31 December 2024 Aircraft USD
Cost	
At beginning of year	230,280,439
Additions	546,963
Disposals	(97,919,824)
Capitalised from intangible assets	6,491,960
Transferred to held for sale	(2,070,709)
At end of year	**137,328,829**
Depreciation	
At beginning of year	(17,007,014)
Depreciation expense	(9,352,186)
Disposals	10,271,076
Impairment	(616,826)
At end of year	**(16,704,950)**
Net book value at beginning of year	**213,273,425**
Net book value at end of year	**120,623,879**

At 31 December 2024 the Company owned six aircraft (2023: 10 aircraft). Aircraft are assessed for recoverability in accordance with IAS 36 - Impairment of Assets ("IAS 36"), at each reporting date or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Impairment charge of USD 616,826 has been recorded in 2024 (2023: USD Nil).

The company sold four aircraft and seven engines during the year to Azorra Aircraft Ireland 4 Limited, resulting in a net gain of USD 5.8 million. The one remaining engine, amounting to USD 2,070,709 was classified as held for sale at year end due to the timing of the completion of the sale of the asset. The engine was subsequently sold in April 2025.

8. Aircraft (continued)

	31 December 2023 Aircraft USD
Cost	
At beginning of year	208,060,285
Additions	22,220,154
At end of year	**230,280,439**
Depreciation	
At beginning of year	(7,930,433)
Depreciation expense	(9,076,581)
At end of year	**(17,007,014)**
Net book value at beginning of year	**200,129,852**
Net book value at end of year	**213,273,425**

9. Intangible assets

	Lease Intangible USD	Lease Purchase Intangible USD	31 December 2024 USD
Cost			
At beginning of year	1,037,705	20,878,654	21,916,359
Additions	8,563	-	8,563
Transfer to aircraft assets	-	(6,491,960)	(6,491,960)
Disposals	(88,209)	(2,230,006)	(2,318,215)
At end of year	**958,059**	**12,156,688**	**13,114,747**
Accumulated amortisation			
At beginning of year	351,834	714,173	1,066,007
Charge for the financial year	92,917	371,608	464,525
Disposals	(17,543)	-	(17,543)
At end of year	**427,208**	**1,085,781**	**1,512,989**
Carrying amounts at 31 December 2024	**530,851**	**11,070,907**	**11,601,758**

9. Intangible assets (continued)

	Lease Intangible	Lease Purchase Intangible	31 December 2023
	USD	USD	USD
Cost			
At beginning of year	357,889	11,818,766	12,176,655
Additions in financial year	679,816	9,059,888	9,739,704
At end of year	**1,037,705**	**20,878,654**	**21,916,359**
Accumulated amortisation			
At beginning of year	45,151	387,962	433,113
Charge for the financial year	306,683	326,211	632,894
At end of year	**351,834**	**714,173**	**1,066,007**
Carrying amounts at 31 December 2023	**685,871**	**20,164,481**	**20,850,352**

	31 December 2024	31 December 2023
	USD	USD
Current intangible assets	-	-
Non-current intangible assets	11,601,758	20,850,352
Total intangible assets	**11,601,758**	**20,850,352**

10. Trade and other receivables

	31 December 2024	31 December 2023
	USD	USD
Amounts falling due within one year		
Rent receivable	683,886	20,718
VAT receivable	26,805	4,925
Supplemental rent receivable	130,358	160,664
Other receivable	-	1
	841,049	**186,308**

11. Cash and cash equivalents & restricted cash

	31 December 2024 USD	31 December 2023 USD
Cash and cash equivalents	592,837	1,777,326
Restricted cash balances	-	4,152,051
	592,837	**5,929,377**

12. Other assets

	31 December 2024 USD	31 December 2023 USD
Facility fees	-	443,182
Prepayments	70,272	70,273
Interest rate swap asset	-	135,800
	70,272	**649,255**

13. Intercompany debtor

	31 December 2024 USD	31 December 2023 USD
Amounts due from group companies	25,221,363	-
	25,221,363	**-**

Amounts owed from group companies are unsecured, interest-free, and repayable on demand.

14. Creditors: amounts falling due within one year

	31 December 2024 USD	31 December 2023 USD
Trade and other payables (note 17)	611,778	5,494,095
Loans and borrowings owed to Parent (note 18) – Unsecured debt financing	100,939	3,653,432
Loans and borrowings (note 18)	-	10,548,597
	712,717	**19,696,124**

15. Creditors: amounts falling due after one year

	31 December 2024	31 December 2023
	USD	USD
Loans and borrowings owed to Parent (note 18) – Unsecured debt financing	107,026,610	62,955,721
Loans and borrowings (note 18)	-	120,550,310
	107,026,610	**183,506,031**

16. Maintenance reserves

	31 December 2024	31 December 2023
	USD	USD
Non-current	18,432,237	15,978,746
Current	-	-
Total maintenance reserves	**18,432,237**	**15,978,746**

	31 December 2024	31 December 2023
	USD	USD
Opening balance	15,978,746	5,605,168
Supplemental rent billings	3,557,354	2,589,092
Supplemental rent income recognised during the year	(1,103,863)	(813,514)
Lessor contribution liability	-	8,598,000
	18,432,237	**15,978,746**

17. Trade and other payables

	31 December 2024	31 December 2023
	USD	USD
Current trade and other payables		
Trade payables	126,178	-
Accrued expenses	63,858	380,498
Deferred income	411,109	1,183,223
Current tax liability	10,633	-
Interest rate swap liability	-	3,930,374
Total current trade and other payables	**611,778**	**5,494,095**

17. Trade and other payables (continued)

	31 December 2024	31 December 2023
	USD	USD
Non-current trade and other payables		
Security deposits	1,309,969	1,099,969
Amounts owed to Group Companies	-	6,555,095
Total non-current trade and other payables	**1,309,969**	**7,655,064**
Total trade and other payables	**1,921,747**	**13,149,159**

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

18. Loans and borrowings

Amounts owed to group companies – Unsecured debt

	31 December 2024	31 December 2023
	USD	USD
Balance at beginning of the financial year	66,609,153	59,364,105
Drawdowns	107,190,361	-
Notes issued	-	3,591,616
Principal repayments during the financial year	(66,772,904)	-
Accrued interest	100,939	3,653,432
At end of financial year	**107,127,549**	**66,609,153**

In December 2024, the Company's immediate parent Azorra Limited transferred its ownership in the Company to Azorra SOAR TLB Limited. The Company subsequently repaid the remaining promissory notes with Azorra Limited.

In October 2024, the Company entered a USD 65.3 million Tranche A loan with an affiliate company, Azorra SOAR TLB Finance Limited, and a USD 41.7m Tranche B loan with an affiliate Company, Azorra Finance Limited to refinance 6 Aircraft with maturities of October 2029. These Loans are subject to fixed interest rates of 7.25% (Tranche A) and 9.59% (Tranche B).

The maturity profile of the borrowings issued is as follows;

	31 December 2024	31 December 2023
	USD	USD
Within 1 year	100,939	3,653,432
Between 1 and 5 years	107,026,610	62,955,721
Later than 5 years	-	-
	107,127,549	**66,609,153**

18. Loans and borrowings (continued)

Loans and Borrowings - Secured debt

	31 December 2024 USD	31 December 2023 USD
Balance at beginning of the financial year	133,069,704	136,131,385
Debt issued		7,097,051
Principal repayments during the financial year	(133,069,704)	(10,158,732)
At end of financial year	**-**	**133,069,704**

In October 2024, the Company repaid all its external debt owed using the proceeds from intercompany Loans received from Azorra SOAR TLB Finance Limited and Azorra Finance Limited disclosed above.

Debt issuance costs

	31 December 2024 USD	31 December 2023 USD
Balance at beginning of the financial year	(1,970,797)	(1,596,127)
Issue costs incurred during the financial year	414,675	(1,132,300)
Amortisation of debt issue costs for the financial year	1,556,122	757,630
At the end of the financial period	**-**	**(1,970,797)**
Net secured debt	**-**	**131,098,907**

The maturity profile of the borrowings issued is as follows;

	31 December 2024 USD	31 December 2023 USD
Within 1 year	-	10,548,597
Between 1 and 5 years	-	120,550,310
Later than 5 years	-	-
	-	**131,098,907**

19. Called up share capital and capital contribution

	31 December 2024	31 December 2023
	USD	USD
Capital contribution		
Capital contribution	30,120,570	22,000,000
	30,120,570	**22,000,000**
Allotted, called up and fully paid		
1 ordinary share of $1	1	1
	1	**1**

Capital contributions represents equity from the company's shareholders.

20. Group membership

In December 2024, Artemis Funding Limited left the Azorra Limited Group. The promissory notes were all repaid when the entity transferred to Azorra SOAR TLB Limited.

The immediate Parent undertaking is Azorra SOAR TLB Limited which is incorporated in Ireland and has its registered office at 1st Floor, 118 Lower Baggot Street, Dublin 2, Ireland. The Company's ultimate holding undertaking is Azorra Aviation Holdings LLC. Azorra Aviation Holdings LLC is controlled by Oaktree Capital Group Holdings GP, LLC.

The smallest and largest group in which the results of the Company are consolidated is Azorra Aviation Holdings, LLC. The financial statements of Azorra Aviation Holdings, LLC may be obtained from the registered office 251 Little Falls Drive, Wilmington, DE 19808-1674.

21. Post balance sheet events

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

22. Approval of the financial statements

The directors approved these financial statements on 01 December 2025.