

Company Registration Number: 549170

IC AIRLEASE ONE LIMITED

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

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IC AIRLEASE ONE LIMITED

COMPANY INFORMATION

DIRECTORS

Jose Gomes
Nurul Mokhtar
Masaharu Sato
Kensuke Iijima

COMPANY REGISTRATION NUMBER

549170

**COMPANY SECRETARY, ADMINISTRATOR
AND REGISTERED OFFICE**

TMF Administration Services Limited
Ground Floor
Two Docklands Central
Guild Street
North Dock
Dublin 1
Ireland

INDEPENDENT AUDITOR

KPMG
Chartered Accountants and Statutory Audit Firm
1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland

LEGAL ADVISOR

McCann FitzGerald
Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland

IC AIRLEASE ONE LIMITED

COMPANY INFORMATION (CONTINUED)

BANKERS

Barclays Bank Plc
5th Floor
Two Park Place
Hatch Street
Dublin 2
Ireland

MUFG Bank (Europe)
NV Amsterdam Head Office
Strawinskylaan 1887
1077 XX Amsterdam
Netherlands

PARENT

Itochu Corporation
TOKKC
5-1, Kita-Aoyama 2-chome
Minato-ku
Tokyo, 107-8077
Japan

IC AIRLEASE ONE LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements of IC AirLease One Limited (the "Company" or "ICAO") for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company is a private limited company incorporated under the laws of Ireland. The company registration number is 549170. The Company was incorporated on 5 September 2014 and its principal activity is the purchase, sale, leasing, and sub-leasing of aircraft.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

New Transactions

During the financial year, the Company purchased Nine aircraft (2024: Twenty aircraft). The Company entered into new operating lease agreements in respect of the aircraft subsequent to these purchases. Eight aircraft (2024: Eight) were sold during the financial year.

As at 31 March 2025, there are twelve aircraft held as Property plant and equipment (2024: twelve) and three aircraft held as Inventory on the Statement of Financial Position (2024: two).

Future Plans

The Company intends to continue the same business activities and operations in the foreseeable future.

RESULTS AND DIVIDENDS FOR THE FINANCIAL YEAR

The Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 March 2025 and the Statement of Financial Position at that date are set out on pages 13 and 14 respectively.

The profit on ordinary activities for the financial year before taxation amounted to US\$ 8,639,230 (2024: US\$7,447,362). The key performance indicators for the Company are as follows:

	Year ended 31 March 2025 US\$	Year ended 31 March 2024 US\$	% Change
(a) Profit on ordinary activities before taxation	8,639,230	7,447,362	16.00%
(b) Net Operating lease (expense)	32,011,879	19,817,919	61.53%
(c) Finance costs	12,660,840	8,570,164	48.10%

Finance costs were incurred in accordance with the loan agreements.

The directors do not recommend the payment of a dividend (2024: nil).

DIRECTORS, COMPANY SECRETARY AND THEIR INTERESTS

The directors and the company secretary are listed on page 2 and except where indicated, have served for the entire year. The directors and company secretary had no direct or beneficial interest in any contract of significance in relation to the business of the Company other than those disclosed in the financial statements. The directors and the company secretary who held office at 31 March 2025 did not have any disclosable interest in the shares of the Company or of any Company within the group of the Parent. The Directors of the Company did not receive fees and short-term employee benefits for the year (2024: nil). There was no transaction with the Directors of the Company for the year ended 31 March 2025 (2024: nil).

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' COMPLIANCE STATEMENT

The directors, in accordance with Section 225(2) (a) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations." "Relevant obligations", in the context of the Company, are the Company's obligations under:

- (a) the Companies Act 2014, where a breach of the obligations would be a category 1 or category 2 offence;
- (b) the Companies Act 2014, where a breach of the obligation would be a serious Market Abuse or Prospectus offence;
- (c) tax law.

Pursuant to Section 225(2) (b) of the Companies Act 2014, the directors confirm that:

- (i) a compliance policy statement has been drawn up as required by Section 225(3) (a) of the Companies Act 2014 setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) in respect of compliance by the Company with its relevant obligations;
- (ii) appropriate arrangements and structures have been put in place that, in their opinion, secure material compliance with the Company's relevant obligations, and
- (iii) a review has been conducted, in the financial year, of the arrangements and structures referred to in paragraph (ii).

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the directors in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

GOING CONCERN

Having considered the Company's actual and expected cash flows, based on the expiry of the lease terms, as well as the current position of the net assets appearing in the Statement of Financial Position, the directors have a reasonable expectation that the Company is adequately resourced to continue in existence for the foreseeable future. The directors also note that the Company has sufficient resources to meet the day to day expenses of the Company.

In response to the ongoing Russian invasion of Ukraine which began on 24 February 2022, the European Union, the United States and other countries have imposed a broad set of sanctions against Russia, certain Russian entities and certain activities involving Russia or Russian entities. The Company intends to comply fully with all applicable sanctions. The Directors considered the impact of the Russian invasion of Ukraine and noted that the impact is not material.

In 2023, there was Gaza conflicts and unrest in the region. The directors have considered the impact of this crisis and concluded that neither the Company's performance, its going concern position nor operations, at the date of the approval of these financial statements, have been Materially impacted by the above. The Directors continue to monitor the evolving situation and its impact on the financial position and operations of the Company.

The directors believe that the going concern basis is an appropriate basis for the preparation of the financial statements of the Company.

DIRECTORS' REPORT (CONTINUED)

RELATED PARTY TRANSACTIONS

Parent and ultimate controlling party

The Parent is Itochu Corporation and is the sole shareholder of the Company. The Company entered into the Loans with the Parent in order to finance the aircraft acquisitions. The Loans are interest-bearing and have both a fixed and a variable element. As at 31 March 2025, the amount of the Loans outstanding was US\$58,313,000 (2024: US\$ 75,434,215), and the interest accrued was US\$ 233,603 (2024: US\$ 437,239).

The Company entered into various guarantee agreements with the Parent in respect of the Company's obligations under the operating lease agreements. The Company also entered into a service agreement with the Parent in respect of administrative, legal and technical services provided to the Company. The Company also entered into an aircraft sales support agreement with the Parent in respect of remarketing services provided to the Company.

As of 31 March 2025, the Company is owed US\$ 12,183,462 (2024: US\$ 31,687,099) by ITOCHU Treasury Centre Europe PLC ("ITOCHU Europe"), a subsidiary of the Parent. This intercompany receivable is related to a cash pool arrangement entered into between the Company and ITOCHU Europe.

Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Key management personnel for the Group are the board of directors. The directors' remuneration is disclosed in Note 14.

CORPORATE GOVERNANCE REVIEW

The board of directors (the "Board") is responsible for establishing and maintaining adequate internal control and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator to maintain the accounting records of the Company. The Administrator is contractually obliged to maintain proper books and records.

The Company's policies and the Board's instructions with relevance to financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner. The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the contractual obligations on the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

No person has a Material direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

Under section 167 of the Companies Act 2014, the Company meets the definition of large company and required to establish an audit committee. However, the Company has decided not to establish an audit committee because there is an audit committee in ITOCHU Europe (holding Company of ICAO) overseeing the activities of the Company.

DIRECTORS' REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT

The operations of the Company are subject to various risks. The most Material risks faced by the Company are credit risk, market risk, liquidity risk, operational risk and other risks. Additional information about these risks, the financial risk management objectives and policies of the Company, along with the Company's exposure to these risks are disclosed in Note 31 to the financial statements.

(a) Credit risk

Credit risk arises from the possibility of counterparties failing to meet their contractual obligations to the Company. The Company's ability to generate lease rental revenues over the life of the lease agreement is dependent on the financial strength of the lessees. The lessees operate in a competitive and volatile market and perform based on their ability to react and cope with the market conditions.

Lease contracts bearing credit risk

If the lessees experience financial difficulties, it may result in a default or early termination of the leases. The Company mitigates credit risk by ensuring that appropriate procedures are in place to assess if the lessee is creditworthy initially and on-going basis. Security deposits, maintenance reserves and letters of credit have been received from lessees in respect of some of the leases to mitigate the credit risk.

Lease contracts not bearing credit risk

Under the head lease agreements, the head lessor shall in no event have recourse to the Company for any payment of rent or any other amount whatsoever with respect to the aircraft other than insofar as such payment has been made by the lessee and received by the Company.

(b) Market risk

Market risk is the potential change in value caused by the movements in interest rates. The Company is exposed to market risk through fluctuations in interest rates that may occur from its loan repayments. Some of the lease rental revenues and lease rental expenses have a floating element and are also dependent on the movement in interest rates. The Company monitors the movement in interest rates. The Company uses a cash flow hedge in the form of an interest rate swap to mitigate market risk arising from one of the leases.

(c) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The Company has received guarantees from the Parent in respect of certain lease agreements in which the Company acts as the immediate lessee.

(d) Operational risk

Companies undertaking operating lease transactions are exposed to the risk of re-leasing the aircraft currently leased out under operating leases at the end of the lease terms.

(e) Other risks

With respect to risk associated with the uncertainty around the world, the board of directors are continuing to monitor the situation closely. The directors do not believe that the potential impact will be of a Material nature.

POLITICAL DONATIONS

During the financial year ended 31 March 2025, the Company made no donations for political purposes (2024: nil).

DIRECTORS' REPORT (CONTINUED)

MATERIAL SUBSEQUENT EVENTS

There were no material subsequent events since the financial year end until the signing of this report, which would require an adjustment of the figures or a disclosure in the financial statements.

ACCOUNTING RECORDS

The directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 to 285 of the Companies Act 2014, are kept by the Company. The measures taken by directors to ensure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and by ensuring that a competent service provider is responsible for the preparation and maintenance of the accounting records. The accounting records are kept at the Company's registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

INDEPENDENT AUDITOR

KPMG, Chartered Accountants and Statutory Audit Firm, 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 authorised for issue on 8 December 2025 and signed on its behalf by:



Jose Gomes
Director



Nurul Mokhtar
Director

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law.

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

This report was approved by the Board on 8 December 2025 and signed on its behalf by:



Jose Gomes
Director



Nurul Mokhtar
Director



KPMG

Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IC AIRLEASE ONE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of IC Airlease One Limited ('the Company') for the year ended 31 March 2025 set out on pages 13 to 47, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and related notes, including the material accounting policies set out in note 5.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 March 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements 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.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IC AIRLEASE ONE LIMITED (continued)

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- 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.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

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 and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

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

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; 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 they 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 fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IC AIRLEASE ONE LIMITED
(continued)**

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.

9 December 2025

Terence Coveney

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Harbourmaster Place

IFSC

Dublin 1

D01 F6F5

IC AIRLEASE ONE LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

	Notes	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2025 US\$
Revenue	6	288,651,479	268,233,886
Finance lease income	7	2,316,171	1,551,099
Other income	10	7,583,691	9,386,012
Cost of sales	8	<u>(259,841,202)</u>	<u>(252,348,586)</u>
Gross profit		37,710,139	26,822,411
Interest expense on lease liability	9	(1,919,758)	(579,249)
Depreciation	12/11	(13,347,289)	(8,388,868)
Administration expenses	14	<u>(2,143,022)</u>	<u>(1,836,768)</u>
Operating profit		21,300,070	16,017,526
Finance costs	13	<u>(12,660,840)</u>	<u>(8,570,164)</u>
Net finance cost		(12,660,840)	(8,570,164)
Profit for the year before taxation		8,639,230	7,447,362
Corporation tax for the year	16	(1,295,885)	(933,559)
Profit for the financial year		<u>7,343,345</u>	<u>6,513,803</u>
Other comprehensive income:			
Related tax		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		<u>7,343,345</u>	<u>6,513,803</u>

The Company had no recognised gains or losses in the current financial year other than those dealt with in the Statement of Profit or Loss and Other Comprehensive Income. All results are from continuing operations.

The accompanying notes on pages 17 to 47 form an integral part of these financial statements.

IC AIRLEASE ONE LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	Notes	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Non-current assets			
Net investment in finance lease	17	33,375,213	16,135,687
Right of use asset	11	-	234,843
Property Plant & Equipment	12	151,005,015	164,222,486
		<u>184,380,228</u>	<u>180,593,016</u>
Current assets			
Inventory	20	59,128,985	53,685,830
Net investment in finance lease	17	5,763,180	2,436,007
Investment in financial asset	19	-	-
Intangible assets	18	-	-
Deferred lease expenses	21	4,997,084	4,487,529
Cash and cash equivalents	22	51,290,536	3,610,181
Inter-company receivable	23	11,178,524	31,687,099
Corporation tax receivable		823,842	823,842
Trade and other receivables	24	2,303,934	941,835
		<u>135,486,085</u>	<u>97,672,323</u>
Total assets		<u>319,866,313</u>	<u>278,265,339</u>
Non-current liabilities			
Loans and borrowings	27	100,428,584	113,140,139
Finance lease liability	25	33,047,246	15,933,815
Maintenance reserves and security deposits	26	26,233,113	28,087,016
Deferred tax liability	16	2,476,719	1,396,815
		<u>162,185,662</u>	<u>158,557,785</u>
Current liabilities			
Loans and borrowings	27	119,147,248	88,119,569
Finance lease liability	25	5,885,164	2,643,079
Trade and other payables	28	1,835,336	5,830,183
Deferred lease income	29	6,978,232	6,839,378
Corporation tax liability	16	215,981	-
		<u>134,061,961</u>	<u>103,432,209</u>
Total liabilities		<u>296,247,623</u>	<u>261,989,994</u>
Net assets		<u>23,618,690</u>	<u>16,275,345</u>
Shareholder's funds			
Share capital	30	40,000	40,000
Retained earnings		<u>23,578,690</u>	<u>16,235,345</u>
Total shareholders' funds		<u>23,618,690</u>	<u>16,275,345</u>

The accompanying notes on pages 17 to 47 form an integral part of these financial statements. The financial statements were approved by the Board on 8 December 2025 and signed on its behalf by:



Jose Gomes
Director



Nurul Mokhtar
Director

IC AIRLEASE ONE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

Financial year ended 31 March 2025	Share Capital US\$	Retained earnings US\$	Total US\$
At the beginning of the financial year	40,000	16,235,345	16,275,345
Profit for the financial year	-	7,343,345	7,343,345
Other comprehensive income	-	-	-
At the end of the financial year	<u>40,000</u>	<u>23,578,690</u>	<u>23,618,690</u>

Financial year ended 31 March 2024	Share Capital US\$	Retained earnings US\$	Total US\$
At the beginning of the financial year	40,000	9,721,542	9,761,542
Profit for the financial year	-	6,513,803	6,513,803
Other comprehensive income	-	-	-
At the end of the financial year	<u>40,000</u>	<u>16,235,345</u>	<u>16,275,345</u>

The accompanying notes on pages 17 to 47 form an integral part of these financial statements.

IC AIRLEASE ONE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Cash flows from operating activities		
Operating profit	8,639,230	7,447,362
<i>Adjustments for:</i>		
Depreciation	13,347,289	8,388,868
Interest expense	12,660,840	8,570,164
Interest expense on lease liability	1,919,758	579,249
Finance lease income	(2,316,171)	(1,551,099)
Amortisation of intangible assets	-	263,610
	34,250,946	23,698,154
Decrease/(increase) in inventory	(5,443,155)	(53,685,830)
(Decrease)/Increase in maintenance reserves and security deposits	(1,853,903)	1,758,244
(Decrease)/Increase in trade receivables	(1,871,654)	(184,129)
Increase/ (decrease) in trade payables	(3,855,993)	4,120,911
Cash (used in)/generated from operations	21,226,241	(24,292,650)
Less: interest paid	(12,660,840)	(8,570,164)
Net cash flows generated/(used in) from operating activities	8,565,401	(32,862,814)
Cash flows from investing activities		
Investment in Property plant equipment	-	(132,032,179)
Net cash flows used in investing activities	-	(132,032,179)
Cash flows from financing activities		
Loan Drawdown	292,061,839	425,777,233
Loan principal payments	(273,745,710)	(260,593,988)
Amounts due from/(to) related entity	20,508,575	(13,493,078)
Interest paid on finance lease liability	(1,919,758)	(579,249)
Principal received from finance lease liability	20,355,516	(6,008,253)
Interest received from net investment in finance lease	2,316,171	1,551,099
Principal payments on net investment in finance lease	(20,461,674)	6,947,214
Net cash flows from financing activities	39,114,954	153,600,978
Net increase/(decrease) in cash and cash equivalents	47,680,355	(11,294,015)
Cash and cash equivalents at the beginning of the financial year	3,610,181	14,904,196
Cash and cash equivalents at the end of the financial year	51,290,536	3,610,181

The accompanying notes on pages 17 to 47 form an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

1. General information

The Company is a private limited company incorporated on 5 September 2014 under the laws of Ireland, with company number 549170 and its principal activity is the purchase, sale, leasing and sub-leasing of aircraft.

2. Basis of preparation

The financial statements have been prepared in accordance with EU endorsed IFRS and the Companies Act 2014. The financial statements have been prepared under the historical cost convention and on a going concern basis.

Having considered the Company's actual and expected cash flows, based on the expiry of the lease terms, as well as the current position of the net assets appearing in the Statement of Financial Position, the directors have a reasonable expectation that the Company is adequately resourced to continue in existence for the foreseeable future. The directors also note that the Company has sufficient resources to meet the day to day expenses of the Company.

The directors believe that the going concern basis is an appropriate basis for the preparation of the financial statements of the Company.

Details of the Company's accounting policies are included in Note 5.

3. Functional and presentation currency

The financial statements are presented in US dollars ("US\$"), the Company's functional currency. The directors believe US\$ most accurately represents the economic effects of underlying transactions, events and conditions.

4. Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, 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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Material accounting judgements and estimates made in applying the Company's accounting policies include:

- **Classification of aircraft** - The aircraft owned by the Company are classified as Property, Plant and Equipment, whereas they are designated as Inventory when held for trading purposes within the regular operations of the business.
- **Estimation of net realisable value ("NRV") of inventory** - NRV of inventory is estimated based on prices per letters of intent less costs to sell for aircraft sold after year end. In the absence of letters of intent, the NRV is estimated based on the selling price of similar aircraft less costs to sell.

The estimates and underlying assumptions are reviewed on an on-going 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 revision of future years if the revisions affect both current and future financial years. See the specific accounting policies for more detail of the judgements and estimates used.

- **Measurement of ECL allowance** – Finance lease receivables are reviewed on an annual basis for impairment. Key assumptions include determining the weighted-average loss rate as disclosed in Note 31(a).
- **Deferred tax asset** - The Company's accounting policy is to recognise deferred tax assets to the extent that they are recoverable in future periods. Deferred tax assets are reviewed at the reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will be available against which they can be used.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

4. Use of judgements and estimates (continued)

- **Right of use asset** - The Company's accounting policy is to recognise right of use asset initially at the amount of the lease liability plus any indirect costs incurred by the lessee.

5. Material accounting policies

New standards and interpretations adopted during the financial year

A number of new standards are effective from 1 January 2024 but they do not have a material effect on the Company's financial statements. The Company has consistently applied the accounting policies as set out in these financial statements to all periods presented in these financial statements.

Standard/Interpretation	Effective from
IFRS 17 Insurance Contracts	1 January 2024
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2024
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	Note 1
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2024
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2024

Note 1: The amendments are effectively immediately upon issuance. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2024, but are not required for any interim period ending on or before 31 December 2024.

New standards and interpretations not yet adopted during the financial year

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following new and amended standards and interpretations are not expected to have a Material impact on the Company's financial statements.

The following standards are effective for financial periods beginning on or after 1 January 2025.

Standard/Interpretation	Effective date (financial period beginning)
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2025
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2025
Disclosures: Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2025
Lack of exchangeability (Amendments to IAS 21)	1 January 2025

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

5. Material accounting policies (continued)

A. Foreign currency transactions

Transactions in foreign currencies are translated into US\$ at exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are retranslated to the functional currency at the currency rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency rate are translated using the exchange rate as at the date of initial transaction. Profit or losses arising from foreign currency translation and on settlement of amounts receivable and payable in other currencies are dealt with in the Statement of Profit or Loss and Other Comprehensive Income.

B. Leases

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

When the Company operates as a lease in – lease out structure taking a credit risk where the subleases are classified as finance leases under IFRS 16, therefore, the Company need to (a) derecognise the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease; (b) recognises any difference between the right-of-use asset and the net investment in the sublease in profit or loss; and (c) retains the lease liability relating to the head lease in its statement of financial position, which represents the lease payments owed to the head lessor.

When the Company operates as a lease in – lease out structure not taking any credit risk, in applying IFRS 16 in combination with the guidance in IFRS 15 “Revenue from contracts with customers” the Company accounts for these transactions on a net basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

5. Material accounting policies (continued)

B. Leases (continued)

As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. A head lease which is a short-term lease to which the Company applies the steps described above, then it classifies the sub-lease as an operating lease.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease see note 11. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

5. Material accounting policies (continued)

B. Leases (continued)

As a lessor (continued)

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

C. Intangible assets

Consideration paid for the assignment of the lease is amortised on a straight-line basis over the period of the lease.

D. Inventory

Aircraft are held as inventory and are valued at the lower of cost and net realisable value ("NRV") in the Statement of Financial Position. Any write-down in the value of inventory is recognised as an expense in the cost of sales line in the Statement of Profit or Loss and Other Comprehensive Income. When inventory is sold, the selling price is recognised as revenue and the cost of the inventory is recognised as cost of sales in the Statement of Profit or Loss and Other Comprehensive Income. NRV is determined by considering the estimated fair value less costs to sell.

E. Property plant and equipment

Aircraft economic useful life and residual values

The aircraft is depreciated on a straight-line basis over their estimated useful lives of 25 years from the date of manufacture of the aircraft of which there is an average of 13 years remaining. The residual value has been estimated at 15% of cost. The aircraft purchase this fiscal year is depreciated over the lease term with residual values calculated as the average of three appraisals. The depreciation method, useful life and residual value are reviewed annually at the reporting year are subject to straight-line depreciation.

Aircraft valuation

The aircraft are evaluated for impairment each reporting period or when there are indicators of impairment. This process involves the use of judgements and estimates. Estimates are utilised in determining the recoverable amount. Specifically, the Company estimates future lease cashflows, remaining useful lives of the aircraft, discount rate, residual value, remarketing costs and current and future market values. The estimates and assumptions used are based on historical trends as well as future expectations. In order to assess the fair value of the aircraft, the Company utilises the service of an independent valuation firm to determine the appropriate values and have used adjusted full life as benchmark for impairment.

The Company has utilised judgement in evaluating whether there are indicators of impairment. In this regard, management relies on legal factors, market conditions and the operational performance of the leased assets. In addition, the Company has applied judgement in determining the residual value of aircraft. Residual values are determined based on the expected return condition of the aircraft assets and estimates of the amount that could be received in an open market sale transaction. Management develops assumptions used in this recoverability analysis based on active market information and third-party appraisers. Estimated residuals are reviewed and adjusted if deemed necessary. The residual value of the aircraft is estimated on the basis of values received from one independent appraisers. The aircraft have an estimated useful economic life of 25 years from date of manufacture.

The estimated residual values are based on estimates received from independent appraisers or management's view when supporting transaction data exists. Changes in global and regional economic and political conditions, government regulations, technological changes and other factors could cause the Company to revise the residual value assumptions. The Company evaluates the appropriateness of these judgements and assessments each reporting period.

An impairment is charged through the Statement of Profit or Loss and Other Comprehensive Income to reduce the carrying value of aircraft to the recoverable amount where impairment is considered to have occurred in accordance with IAS 36 "Impairment of Assets". An impairment review is carried out when there has been an indication of impairment, usually based on independent market appraisals and indications of market demand. Where the recoverable amount is greater than the carrying value, no impairment is required.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

5. Material accounting policies (continued)

E. Property plant and equipment (continued)

Recoverable amount is the higher of the fair value less costs to sell and value in use. Fair value less costs to sell is the price that would be received to sell an asset in an orderly transaction between market participants less any directly attributable selling costs. The fair value of the aircraft is based on third party reports and estimated residual value of the aircraft supplied by an independent appraiser.

Value in use is the present value of future cashflows expected to be obtainable as a result of an asset's continued use, including those from contracted lease rentals, assumed future leases (not yet contracted) and estimated ultimate disposal proceeds.

F. Security deposits

As part of the terms of some of the operating leases, the lessee shall pay a deposit to the Company. In the absence of an event of default on the part of the lessee as set out in the lease agreement, the deposit will be refunded to the lessee at the end of the lease term. Security deposits received by the Company are held as a liability in the Statement of Financial Position. The head lease agreements do not require the Company to provide security deposits to the lessors.

G. Maintenance reserves

Maintenance reserves represents a) monthly payments received from a sub-lessee to cover the costs of certain future heavy maintenance of an aircraft, in accordance with the aircraft lease agreement (sub-lease agreement) to which such aircraft relates and b) provisions in relation to an estimated lessor contribution to be made by the Company to sub-lessee for certain heavy maintenance of an aircraft during such lease term in accordance with the aircraft lease agreement (sub-lease).

The head lease agreements to which the Company has entered into, do not contain neither monthly maintenance reserve payments to the owner/head lessor, nor any reimbursements thereof. The head lease agreements also do not contain any lessor contribution towards the maintenance performed on the aircraft during the lease term. Therefore, a) and b) above are held by the Company as a liability in the Statement of Financial Position.

At the end of the lease term, any remaining balance of a) shall be transferred to the owner/head lessor pursuant to the head lease agreement. In relation to b), in the event that relevant maintenance to which lessor contribution by the Company is payable under the sub-lease agreement is not performed during the lease term, certain amounts as set forth in the head lease agreement will be transferred to the owner/head lessor at the end of the lease.

H. Administration expenses

Administration expenses, including all costs relating to the acquisition of the aircraft during the financial year, have been recognised in the Statement of Profit or Loss and Other Comprehensive Income as and when they occur and on an accruals basis.

I. Taxation

Current tax, including Irish corporation tax and foreign taxes, is provided on the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the Statement of Financial Position date. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the Statement of Financial Position date. Provision is made at the rates expected to apply when the temporary differences reverse.

Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in years different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

5. Material accounting policies (continued)

J. Loans and borrowings

Loans and borrowings are initially booked at fair value, net of transaction costs incurred, and subsequently measured at amortised cost on the Statement of Financial Position.

K. Finance costs

Interest expense is recognised on an accruals basis by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

L. Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits repayable on demand with any qualifying financial institution, less overdrafts from any qualifying financial institution repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if a maturity or year of notice of not more than 24 hours or one working day has been agreed. Cash and cash equivalents include cash in hand and deposits denominated in foreign currencies.

M. Trade and other receivables

Trade and other receivables are stated net of provisions for expected credit loss.

N. Trade and other payables

Trade and other payables are carried at amortised cost.

O. Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income ("OCI") and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same year or years during which the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

P. Share capital

Ordinary shares are classified as equity.

Q. Financial instruments

(a) Initial recognition of financial instruments

At initial recognition, financial assets are classified into three categories: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income ("FVOCI") and financial assets measured at fair value through profit or loss ("FVTPL").

At initial recognition, financial liabilities are classified into two categories: financial liabilities measured at FVTPL and other financial liabilities.

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities measured at FVTPL, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

5. Material accounting policies (continued)

Q. Financial instruments (continued)

(b) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at FVOCI, or at FVTPL.

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 amortised 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; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 both 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 amount 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. This election is made on an investment-by-investment basis.

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

The business model refers to how the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Company's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. For the purposes 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. The Company also assesses 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.

(c) Subsequent measurement of financial assets

Financial assets measured at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise impairment gains or losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

5. Material accounting policies (continued)

Q. Financial instruments (continued)

(c) Subsequent measurement of financial assets (continued)

Debt instruments measured at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instruments measured at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(d) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL and other financial liabilities.

Financial liabilities measured at FVTPL

A financial liability is classified as measured at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities measured at FVTPL are subsequently measured at fair value and net gains and losses (including any interest expense) are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

For the financial liabilities designated as at FVTPL, the gains and losses arose are accounted for in accordance with the following requirements: (i) the amount of changes in the fair value of the financial liability arising from changes in the Company's own credit risk should be included in other comprehensive income; (ii) other changes in fair value of the financial liabilities are recognised in current profit or loss. If the treatment of the impact of changes in the financial liabilities' own credit risk will create or enlarge the accounting mismatch in profit or loss in accordance with (i), the Company shall recognise the entire gain or loss of the financial liabilities (including the amount of the impact of changes in its own credit risk) in profit and loss. When these liabilities are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to retained earnings.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

(e) Presentation of financial instruments

Financial assets and financial liabilities are generally presented separately in the statement of financial position and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the statement of financial position when both the following conditions are satisfied:

- the Company currently has a legally enforceable right to set off the recognised amounts; and
- the Company intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(f) Derecognition of financial assets and liabilities

Financial assets

Financial asset is derecognised when one of the following conditions is met:

- the Company's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Company transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Company neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

5. Material accounting policies (continued)

Q. Financial instruments (continued)

(f) Derecognition of financial assets and liabilities (continued)

Where the Company has transferred its rights to receive cash flows from an asset or has retained its rights to receive cash flows from the asset but assumed the obligation to pay those cash flows to the eventual recipients and meanwhile meet the conditions of the transfer of financial assets, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

The Company derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

(g) Impairment of financial assets

Impairment of financial assets is accounted for using the following principles:

Impairment of financial assets

The Company recognises loss allowances for expected credit loss ("ECL") on:

- Financial assets measured at amortised cost including finance and operating lease receivables;
- Debt instruments measured at FVOCI; and
- Lease commitments and financial guarantee contracts.

Financial assets measured at fair value, including debt investments or equity securities measured at FVTPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

The Company's method of measuring expected credit losses of financial instruments reflects the following elements: (i) unbiased weighted average probability determined by the results of evaluating a range of possible outcomes; (ii) time value of money; (iii) reasonable and evidence-based information about past events, current conditions, and future economic forecasts that are available at no additional cost or effort at the end of the reporting period.

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Company is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the end of the reporting period (or a shorter period if the expected life of the instrument is less than 12 months).

The Company classifies financial instruments into three stages and makes provisions for expected credit losses accordingly, depending on whether credit risk on that financial instrument has increased Materially since initial recognition.

The three risk stages are defined as follows:

Stage 1: A financial instrument of which the credit risk has not Materially increase since initial recognition. The amount equal to 12-month expected credit losses is recognised as loss allowance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

5. Material accounting policies (continued)

Q. Financial instruments (continued)

Stage 2: A financial instrument with a Material increase in credit risk since initial recognition but is not considered to be credit-impaired. The amount equal to lifetime expected credit losses is recognised as loss allowance. Refer to Note 31 for the description of how the Company determines when a Material increase in credit risk has occurred.

Stage 3: A financial instrument is considered to be credit-impaired as at the end of the reporting period. The amount equal to lifetime expected credit losses is recognised as loss allowance.

The Company elected to measure loss allowance for cash and cash equivalents, loans to related parties, interest receivable and trade receivable, at an amount equal to lifetime ECL. For the net investment in finance lease the directors have adopted the ECL on a 12-month basis. The ECL measurement is disclosed in Note 31(a).

Presentation of allowance for ECL

ECLs are remeasured at the end of each reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Company recognises an impairment gain or loss for financial instruments measured at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account; for debt instruments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income. The Company recognises loss allowances for lease commitments and financial guarantee contracts through other payables (allowance for impairment losses on finance lease commitments).

Write-off

The book value of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(h) Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is Material to the entire measurement.

IC AIRLEASE ONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

6. Revenue

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Revenue on sale of inventory	256,639,600	248,415,967
Operating lease income	5,232,000	5,232,000
Net operating lease income bearing no credit risk	26,779,879	14,585,919
	288,651,479	268,233,886

Fixed Rent for the year totalled \$5,232,000 (2024: \$5,232,000). The total future minimum lease payments expected to be received under non-cancellable operating leases as at 31 March 2025 and as at 31 March 2024 comprised of the following:

	US\$
As at 31 March 2025	
Due within one year	135,579,480
Due within two years	130,276,153
Due within three years	123,088,284
Due within four years	106,256,714
Due within five years	71,669,556
Due after five years	97,894,714
	664,764,901
 As at 31 March 2024	
Due within one year	127,361,193
Due within two years	120,127,870
Due within three years	103,665,953
Due within four years	90,963,084
Due within five years	83,136,014
Due after five years	54,558,556
	579,812,670

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7. Finance lease income

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Finance lease income	2,316,171	1,551,099
	<u>2,316,171</u>	<u>1,551,099</u>

Geographical segmentation of finance lease income:

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Singapore	-	789,746
Spain	215,465	467,667
United Kingdom	1,105,799	293,686
Panama	994,907	-
Total finance lease income	<u>2,316,171</u>	<u>1,551,099</u>

The total future minimum lease payments expected to be received under non-cancellable finance leases as at 31 March 2025 and as at 31 March 2024 comprised of the following:

	US\$
As at 31 March 2025	
Due within one year	5,763,180
Due within two to five years	28,788,529
Due after five years	4,586,684
	<u>39,138,393</u>
As at 31 March 2024	
Due within one year	2,436,007
Due within two to five years	16,135,687
Due after five years	-
	<u>18,571,694</u>

IC AIRLEASE ONE LIMITED

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8. Cost of sales

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Cost of goods sold	244,841,202	252,348,586
Operating lease expense	-	-
Write down of inventory	1,000,000	-
	<u>243,344,310</u>	<u>252,348,586</u>

The total future minimum sub-lease payments expected to be paid under non-cancellable sub-leases as at 31 March 2025 and as at 31 March 2024 comprised of the following:

As at 31 March 2025	US\$
Due within one year	112,817,072
Due within two years	104,135,183
Due within three years	99,082,284
Due within four years	90,685,214
Due within five years	68,449,556
Due after five years	97,894,714
	<u>573,064,023</u>

As at 31 March 2024	US\$
Due within one year	98,117,121
Due within two years	97,325,910
Due within three years	92,220,983
Due within four years	87,423,084
Due within five years	79,596,014
Due after five years	59,836,756
	<u>514,519,868</u>

9. Interest expense on the lease liability

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Interest expense on the lease liability	1,919,758	579,249
	<u>1,919,758</u>	<u>579,249</u>

Geographical segmentation of interest expense on the lease liability:

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Panama	998,732	-
Singapore	-	58,309
Spain	225,880	335,048
Sweden	-	-
United Kingdom	695,146	185,892
Total Interest expense / lease liability	<u>1,919,758</u>	<u>579,249</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Interest expense on the lease liability (continued)

The total future minimum lease payments expected to be paid under non-cancellable finance leases as at 31 March 2025 and as at 31 March 2024 comprised of the following:

As at 31 March 2025	US\$
Due within one year	5,885,164
Due within two to five years	28,790,922
Due after five years	4,256,324
	38,932,410
As at 31 March 2024	US\$
Due within one year	15,933,815
Due within two to five years	2,643,079
Due after five years	-
	18,576,894

10. Other income

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Other income	7,583,691	9,386,012
	7,583,691	9,386,012

Other income is comprised of ancillary revenue on interest on cash deposits, the sales of parts, gains on FX and other incremental income.

11. Right of use asset

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Cost		
Opening balance	234,843	-
Additions	4,663,215	234,843
Transfer of asset to property plant & equipment	(4,898,058)	-
At the end of the financial year	-	234,843
Accumulated depreciation		
Opening balance	-	-
Depreciation during the financial year	-	-
Transfer of asset to property plant & equipment	-	-
At the end of the financial year	-	-
Net book value		
At the beginning of the financial year	234,843	-
At the end of the financial year	-	234,843

IC AIRLEASE ONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

11. Right of use asset (continued)

Geographic concentration

The distribution of net book value of the right-of-use asset aircraft by operators' geographic region is below:

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Spain	<u>-</u>	<u>234,843</u>

12. Property plant & equipment

	As at 31 March 2025 USD	As at 31 March 2024 USD
Cost		
At beginning of financial year	174,838,711	42,806,532
Additions	-	132,032,179
Transfer from Right of use asset	-	-
At the end of financial year	<u>174,838,711</u>	<u>174,838,711</u>
Accumulated Depreciation and Impairment		
Opening balance	(10,616,225)	(2,227,357)
Depreciation at transfer of right of use asset	-	-
Depreciation charge for the financial year	(13,347,289)	(8,388,868)
Eliminated on disposals	129,818	-
Impairment charge for the financial year	-	-
At the end of financial year	<u>(23,833,696)</u>	<u>(10,616,225)</u>
Net book value		
At beginning of financial year	164,222,486	40,579,175
At the end of the financial year	<u>151,005,015</u>	<u>164,222,486</u>

The aircraft are evaluated for impairment at the end of each reporting year or when there are indicators of impairment. The Company recognised USD Nil (2024: nil) as impairment to the value of the aircraft and determined this by using independent valuation reports. During the prior year, the company purchased 10 aircraft (USD 132,032,179).

13. Finance costs

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Loan interest expense	<u>12,660,840</u>	<u>8,570,164</u>

The increase in loans interest expense is due to the increase in loans and borrowings Note 27. During the year the Company increased the number of Loans to facilitate operations.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

14. Administration expenses

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Service fees	543,000	520,500
Legal fees	345,539	467,758
Audit fees	14,822	86,488
Taxation fees	170,967	149,830
Corporate administration fee	84,751	79,875
Guarantee fees	45,354	42,439
Amortisation of lease intangibles	-	263,610
Professional fees	147,234	-
Other expenses	791,354	226,268
	<u>2,143,022</u>	<u>1,836,768</u>

The Company does not have any employees (2024: nil).

TMF Administration Services Limited (the "Administrator") received approximately USD 84,751 (2024: USD 79,875) as consideration for the making available of individuals to act as directors of the Company. The terms of the corporate services agreement in place between the Company and the Administrator provides for a single fee for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). This is included under "Corporate administration fee" in the Operating expenses. The allocation of fees between the different services provided is a subjective and approximate calculation. The individuals acting as directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as directors the Company. For the avoidance of doubt, notwithstanding the directors of the Company are employees of the Administrator, they each do not receive any remuneration for acting as directors of the Company.

15. Auditor's remuneration

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Auditor's remuneration exclusive of VAT:		
Statutory auditor's remuneration	86,488	86,488
Taxation advisory services	170,967	149,830
Non-audit services	-	-
	<u>257,455</u>	<u>236,318</u>

No other fees were paid to the auditor during the financial year ended 31 March 2025 (2024: nil).

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16. Tax on ordinary activities

Corporation tax has been calculated based on the results for the financial year at a rate of 12.5% (2024: 12.5%).

(a) Income tax expense included in the determination of profit or loss for the financial year

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Current tax expense		
Current financial year	-	-
Adjustment for prior period	-	-
Deferred tax expense		
Origination and reversal of temporary differences	1,295,885	933,559
	<u>1,295,885</u>	<u>933,559</u>
Reconciliation of effective tax rate		
Profit before tax	<u>8,639,230</u>	<u>7,447,362</u>
Income tax at 12.5%	1,079,904	930,920
<i>Effects of:</i>		
Prior year under provision	-	-
Losses carried forward/not utilised in the financial year	-	-
Income taxed at higher rate	-	2,639
Income not taxable	-	-
Pillar 2 Adjustment	215,981	-
Total income tax (credit)/charge	<u>1,295,885</u>	<u>933,559</u>

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date and where the transaction or events have occurred at that date will result in an obligation to pay more or right to pay less tax. Deferred tax is measured on an undiscounted basis at the tax rate that is expected to apply in the years in which timing differences reverse. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rate laws used to compute the amount are those that are enacted or substantially enacted by the reporting date. The directors are not aware of any factor that may affect the future tax charge.

ITOCHU is within scope of Pillar Two. From FY2024 any shortfall to the 15% minimum is recognised as current tax. Filings for FY2024 will be made within statutory deadlines during FY2025.

IC AIRLEASE ONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

16. Tax on ordinary activities (continued)

	Financial year ended 31 March 2025 US\$	Financial year ended 31 March 2024 US\$
Deferred tax asset /(liability)		
Balance at 1 April	(1,396,815)	(463,256)
Tax charge during financial year	(1,079,904)	(933,559)
Balance as at 31 March	(2,476,719)	(1,396,815)

	Asset	Liability	Total
Finance Lease / Aircraft	-	(3,967,865)	(3,967,865)
Losses carried forward	1,491,146	-	1,491,146
Total	1,491,146	(3,967,865)	(2,476,719)

17. Net investment in finance lease

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Net investment in finance lease current	5,763,180	2,436,007
Net investment in finance lease non current	33,375,213	16,135,687
Expected credit loss	-	-
	39,138,393	18,571,694

Net investment in finance lease relates to lease receivables of which the Company act as principal. The ECL measurement and recognition on the net investment in finance lease is disclosed in Note 31(a).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

18. Intangible assets

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Cost		
Opening balance	2,838,730	2,838,730
Additions	-	-
At the end of the financial year	<u>2,838,730</u>	<u>2,838,730</u>
Cumulative amortisation		
Opening balance	(2,838,730)	(2,575,120)
Amortisation during the financial year	-	(263,610)
At the end of the financial year	<u>(2,838,730)</u>	<u>(2,838,730)</u>
Net book value		
At the end of the financial year	<u>-</u>	<u>-</u>
Non-current	-	-
Current	-	-
Total	<u>-</u>	<u>-</u>

Intangible asset relates to consideration paid to the Parent for the assignment of lease to the Company. The intangible asset is amortised over the period of the lease of 6.67 years.

19. Investment in financial asset

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Cost		
Opening Balance	-	43,933
Additions	-	-
Disposal	-	(43,933)
At the end of the financial year	<u>-</u>	<u>-</u>
Cumulative amortisation		
Opening balance	-	10,887
Revaluation during the year	-	-
Disposal	-	(10,887)
At the end of the financial year	<u>-</u>	<u>-</u>
Net book value		
At the end of the financial year	<u>-</u>	<u>-</u>
Non-current	-	-
Current	-	-
Total	<u>-</u>	<u>-</u>

-

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NOTES TO THE FINANCIAL STATEMENTS
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20. Inventory

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Opening value	53,685,830	-
Purchases	249,787,465	295,208,765
Cost of goods sold	<u>(244,344,310)</u>	<u>(241,522,935)</u>
Closing value	<u>59,128,985</u>	<u>53,685,830</u>

Inventory consists of aircraft held at the lower of cost and net realisable value. Two aircraft held at the end of the year as inventory. One aircraft was sold after year-end and one aircraft is held as inventory at the date of signing this report.

21. Deferred lease expense

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Deferred lease expense	<u>4,997,084</u>	<u>4,487,529</u>
	<u>4,997,084</u>	<u>4,487,529</u>

Lease rentals received in advance are deferred and recognised over the year to which they relate and are only recognised where the Company are acting as principal.

IC AIRLEASE ONE LIMITED

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22. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. The total amount of cash and cash equivalents held at the year-end was US\$51,290,536 (2024: US\$3,610,181), of which US\$ nil (2024: US\$ nil) is restricted cash. Cash and cash equivalents are held with MUFG Bank Ltd. and Barclays Bank Plc. The Company holds US\$, EUR and JPY bank accounts with the banks.

23. Intercompany receivable

	As at	As at
	31 March 2025	31 March 2024
	US\$	US\$
Amounts due from ITOCHU Treasury Centre Europe PLC	12,183,462	31,687,099

As of 31 March 2025, the Company is owed US\$ 12,183,462 (2024: US\$ 31,687,099) by ITOCHU Treasury Centre Europe PLC ("ITOCHU Europe"), a subsidiary of the Parent. This intercompany receivable is related to a cash pool arrangement entered into between the Company and ITOCHU Europe.

24. Trade and other receivables

	As at	As at
	31 March 2025	31 March 2024
	US\$	US\$
Security deposit	1,198,554	358,554
Reimbursement receivable	-	33,214
Other receivables	1,105,380	550,067
	2,303,934	941,835

25. Lease liability

	As at	As at
	31 March 2025	31 March 2024
	US\$	US\$
Lease liability current	5,885,164	2,643,079
Lease liability non current	33,047,246	15,933,815
	38,932,410	18,576,894

The lease liability represents the Company's obligations as the principal under lease agreements. This includes the lease liability associated with the purchase option payment.

26. Maintenance reserves and security deposits

	As at	As at
	31 March 2025	31 March 2024
	US\$	US\$
Maintenance reserves	23,529,788	25,173,871
Security deposits	2,703,325	2,913,145
	26,233,113	28,087,016

Maintenance reserves and security deposits are all held as non-current as none of the leases are expected to end within the next 12 months. The movement of \$1,853,903 is due to purchase of additional aircrafts, termination of old leases and disbursement of Maintenance reserves.

IC AIRLEASE ONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

27. Loans and borrowings

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Loans and borrowings (non-current)	100,428,584	113,140,139
Loans and borrowings (current)	<u>119,147,248</u>	<u>88,119,569</u>
	<u><u>219,575,832</u></u>	<u><u>201,259,708</u></u>

The Company has continued to record loans from ITOCHU Corporation with a loan term of up to one year and variable interest rates, which ranged from 4.94% to 5.03% as of March 2025. In addition, the Company has loans from investors related to the aircraft transactions conducted during the prior fiscal year, with loan terms until 2026-2029 and fixed interest rates ranging from 4.22% to 5.22%. In the current fiscal year, the Company commenced borrowings from SMBC, with a loan term until December 2025 and a variable interest rate of 4.81% as of March 2025.

28. Trade and other payables

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Accrued expenses	<u>1,835,336</u>	<u>5,830,183</u>
	<u><u>1,835,336</u></u>	<u><u>5,830,183</u></u>

Trade and other payables are payable within the year.

29. Deferred lease income

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Deferred lease Income	<u>6,978,232</u>	<u>6,839,378</u>

Lease rentals paid in advance are deferred and recognised over the year to which they relate and are only recognised where the Company is acting as principal.

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30. Share capital

	As at 31 March 2025	As at 31 March 2024
Authorised	US\$	US\$
1,000,000 ordinary shares of US\$1	1,000,000	1,000,000
Allotted, called up and fully paid	US\$	US\$
40,000 ordinary shares of US\$1 each	40,000	40,000

The Company has issued 40,000 shares which are held by the Parent.

31. Financial instruments and risk management

The Company's directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The primary risks arising from the Company's financial instruments are credit risk, market risk including interest rate risk and foreign exchange risk, and liquidity risk. The principal nature of such risks is summarised below. The Company's exposure to risk on its financial instruments and the management of such risk is carried out on an ongoing basis. The Company's activities and the role of each party to the transaction are clearly defined and documented.

Following initial set-up, the directors monitor the Company's performance, reviewing management accounts on the performance of the finance leases. Such review is designed to ensure that the terms of the documentation have been complied with and that no unforeseen risks have arisen.

(a) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date was:

	As at 31 March 2025	As at 31 March 2024
	US\$	US\$
Net investment in finance lease	39,138,393	18,571,694
Right of use asset	-	234,843
Investment in financial asset	-	-
Inter-company receivable	11,178,524	31,687,099
Trade and other receivables	2,303,934	941,835
Cash and cash equivalents	51,290,536	3,610,181
	103,911,387	55,045,652

IFRS 9 requires the Company to record ECLs on all of its financial instruments, either on a 12-month or lifetime basis. Except for the net investment in finance lease, the Company's intercompany receivables and other receivables are short term and repayable on demand therefore, in accordance with IFRS 9, expected credit losses on intercompany receivables and other receivables are measured at amounts equal to lifetime credit losses.

The Directors note that due to their nature primarily as amounts repayable on demand, the Company applies the simplified approach to measuring expected credit losses, whereby the expected credit losses are assessed as being immaterial and as such have not been recognised in the financial statements. Additionally, expected credit losses on cash and cash equivalents is assessed as being immaterial mainly due to that there has been no Material deterioration in the credit ratings of the counter parties. The Moody's credit ratings for MUFG Bank Ltd. and Barclays Bank Plc in which the Company's cash deposits are held are A1 (2024: A1) and A1 (2024: A1) respectively.

IC AIRLEASE ONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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31. Financial instruments and risk management (continued)

(a) Credit risk (continued)

As at 31 March 2025, the Company has assets in the form of net investment in finance lease which represents the net investment in the subleases. The directors have assessed the expected credit loss as being the 12-month expected credit loss. The Company has used external default information being the lessee's 1-year Default Probability Rate (i.e. the probability of the lessee defaulting over the next one year, derived from Bloomberg) for measuring a probability of lessee default ("PD"). The loss expected in the event of a default ("loss given default" or "LGD") has been measured with reference to probability weighted scenarios applied on the expected rent in the next 12 months after year end. During the year, there was no ECL charge in the financial statements as the balance is deemed immaterial (2024: nil).

The table below shows the exposure to net investment in finance lease by risk category:

	Net investment in finance lease	Expected credit loss reversal***
Stage 1**	39,138,393	-
Total	39,138,394	-

**The directors assessed the expected credit loss provision ("ECL") on net investment in finance lease under Stage 1 and decided not to recognise an ECL in the financial statements as the balance is deemed immaterial.

The expected credit loss assessment for the net investment in finance lease as at 31 March 2025 and 31 March 2024 is summarized as follows:

	As at 31 March 2025 US\$	As at 31 March 2024 US\$
Balance at 1 April	-	-
Expected credit loss	-	-
Net measurement of loss allowance	-	-
Balance at 31 March	-	-

Expected credit loss assessment for financial lease receivables as at 31 March 2025 is immaterial therefore the directors decided not to include such an amount as at 31 March 2025.

	PD	LGD	Exposure	Expected credit loss
Stage 1	1.2%	1.3%	39,138,393	Nil
Expected credit loss assessment for financial lease receivables as at 31 March 2024				
	PD*	LGD*	Exposure	Expected credit loss
Stage 1	1.8%	2.9%	18,571,694	Nil

* Average PD and LGD of the lessees on finance leases.

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31. Financial instruments and risk management (continued)

(b) Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Market risk embodies the potential for both loss and gains and includes interest rate risk and currency risk. The Company uses derivatives to manage some market risk and seeks to apply hedge accounting to manage volatility in profit or loss.

Interest rate risk

The interest rates on the Loans have both a fixed and variable element, and therefore, the Company is exposed to fluctuations in interest rates. The following table details the Company's exposure to interest rate risks before the use of derivatives:

As at 31 March 2025	Interest basis	Non-interest bearing US\$	Interest bearing US\$	Total US\$
Assets				
Finance lease receivable	Fixed	-	39,138,393	39,138,393
Cash and cash equivalents	Floating	51,290,536	-	51,290,536
Inter-company receivable		-	11,178,524	11,178,524
Trade and other receivables		2,303,934	-	2,303,934
Total assets		53,594,470	50,316,917	103,911,387
As at 31 March 2025				
	Interest basis	Non-interest bearing US\$	Interest bearing US\$	Total US\$
Liabilities				
Finance lease liability	Fixed	-	38,932,410	38,932,410
Loans & borrowings (current)	Floating	-	119,147,248	119,147,248
Loans & borrowings (non-current)	Fixed	-	100,428,584	100,428,584
Trade and other payables		1,835,336	-	1,835,336
Maintenance reserves and security deposits		26,233,113	-	26,233,113
Total liabilities		28,068,449	258,508,242	286,576,691
Net exposure		25,529,021	(208,191,325)	(182,665,304)
As at 31 March 2024				
	Interest basis	Non-interest bearing US\$	Interest bearing US\$	Total US\$
Assets				
Finance lease receivable		-	18,571,694	18,571,694
Cash and cash equivalents	Floating	-	3,610,181	3,610,181
Inter-company receivable		31,687,099	-	31,687,099
Trade and other receivables		941,831	-	941,831
Total assets		32,628,930	22,181,875	54,810,805

IC AIRLEASE ONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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31. Financial instruments and risk management (continued)

(b) Market risk (continued)

As at 31 March 2024	Interest basis	Non-interest bearing US\$	Interest bearing US\$	Total US\$
Liabilities				
Finance lease liability		-	18,576,894	18,576,894
Loans & borrowings (current)	Floating	-	88,119,569	88,119,569
Loans & borrowings (non-current)	Fixed		113,140,139	113,140,139
Trade and other payables		5,830,183	-	5,830,183
Maintenance reserves and security deposits		28,087,016	-	28,087,016
Total liabilities		33,917,199	219,836,602	253,753,801
Net exposure		(1,288,269)	(197,654,727)	(198,942,996)

Interest rate sensitivity analysis

The impact of a 1% increase in the interest rates on the Statement of Comprehensive Income is shown as follows:

Description	2025 US\$	2024 US\$
Additional interest income	624,691	352,973
Additional loan interest	(1,191,823)	(85,703)
Tax	(70,892)	33,409
Increase in profit	(638,024)	300,679

Whereas a decrease of 1% in interest rates would have an equal but opposite impact on the profit, on the basis that all other variables remain constant.

(c) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The exposure to non-US\$ currencies is not Material. As a result no sensitivity analysis has been included. The table overleaf outlines the currency profile of the Company:

Currency profile as at 31 March 2025	Yen US\$	GBP US\$	Euro US\$	US Dollar US\$	Total US\$
Assets					
Finance lease receivable	-	-	-	39,138,393	39,138,393
Cash and cash equivalents	1,620	-	408,144	50,880,772	51,290,536
Inter-company receivable	-	-	-	11,178,524	11,178,524
Trade and other receivables	-	59,760	(133,299)	2,377,473	2,303,934
Total assets	1,620	59,760	274,845	103,575,163	103,911,387
Liabilities					
Finance lease liability	-	-	-	38,932,410	38,932,410
Loans and borrowings	-	-	-	219,575,832	219,575,832
Trade and other payables	-	37,375	-344,791	2,142,752	1,835,336
Maintenance reserves and security deposits	-	-	-	26,233,113	26,233,113
Total liabilities	-	37,375	344,791	286,884,107	286,576,691
Net exposure	1,620	22,385	619,636	(183,308,945)	(182,665,304)

IC AIRLEASE ONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

31. Financial instruments and risk management (continued)

(c) Foreign currency risk

Currency profile as at 31 March 2024	Yen	GBP	Euro	US Dollar	Total
Assets	US\$	US\$	US\$	US\$	US\$
Finance lease receivable	-	-	-	18,571,694	18,571,694
Cash and cash equivalents	2,124	-	340,311	3,267,746	3,610,181
Inter-company receivable	-	-	-	31,687,099	31,687,099
Trade and other receivables	-	59,760	(96,264)	978,335	941,831
Total assets	2,124	59,760	244,047	54,504,878	54,810,805
Liabilities					
Finance lease liability	-	-	-	18,576,894	18,576,894
Loans and borrowings	-	-	-	201,259,708	201,259,708
Trade and other payables	-	22,120	(328,399)	6,136,462	5,830,183
Maintenance reserves and security deposits	-	-	-	28,087,016	28,087,016
Total liabilities	-	22,120	(328,399)	254,047,220	253,753,801
Net exposure	2,124	37,640	(572,336)	(199,555,202)	(198,942,996)

(d) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an unacceptably high cost. If the Company cannot meet its obligations under the various debt arrangements or its capital commitments, it may be subject to contract breach damages and may even be unable to continue to operate on a going concern basis.

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. It monitors the risk to shortage of funds by regular analysis of cash flow movements, forecasts and adherence to all loan agreements.

The following table shows the remaining contractual maturities of financial liabilities due by the Company as at 31 March 2025:

As at 31 March 2025	Carrying amount US\$	Contractual cash flows				More than 5 years US\$
		Total US\$	Less than one year US\$	1-2 years US\$	2-5 years US\$	
Finance lease liability	38,932,410	50,564,000	10,380,000	9,930,000	25,608,000	4,646,000
Loans and borrowings	219,575,832	234,612,178	144,536,336	35,356,930	53,718,912	-
Trade and other payables	1,832,016	1,835,336	1,835,336	-	-	-
Maintenance reserves and security deposits	26,233,113	26,233,113	356,425	810,900	25,065,788	-
	286,576,691	313,244,627	157,108,097	47,097,830	104,392,700	4,646,000

IC AIRLEASE ONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

31. Financial instruments and risk management (continued)

(d) Liquidity risk (continued)

As at 31 March 2024	Carrying amount US\$	Total US\$	Contractual cash flows			
			Less than one year US\$	1-2 years US\$	2-5 years US\$	More than 5 years US\$
Finance lease liability	18,576,894	18,576,894	15,933,815	2,643,079	-	-
Loans and borrowings (current)	88,119,569	88,119,569	88,119,569	-	-	-
Loans and borrowings (non-current)	113,140,139	113,140,139		12,919,459	100,220,680	-
Trade and other payables	5,830,183	5,830,183	5,830,183	-	-	-
Maintenance reserves and security deposits	28,087,016	28,087,016	-	-	-	28,087,016
	253,753,801	253,753,801	109,883,567	15,562,538	100,220,680	28,087,016

32. Commitments and contingent liabilities

There were no contingent liabilities as at 31 March 2025 (2024: nil). Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits change from previously disclosed contingent liabilities, provisions are recognised in the financial year in which the changes in probability occur.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

33. Fair value of financial assets and liabilities

The carrying value and fair value of the Company's financial assets and liabilities by class and category were as follows:

As at 31 March 2025	Category	Carrying amount	Fair value
Financial assets	Level	US\$	US\$
	2		
Finance lease receivable		39,138,393	44,126,192
Property, plant and equipment	2	151,005,015	151,005,015
Cash and cash equivalents	1	51,290,536	51,290,536
Intercompany receivable	2	11,178,524	11,178,524
Other receivables	2	2,303,934	2,303,934
Total financial assets		254,916,402	259,904,201
Financial liabilities			
	2		
Finance lease liability		38,932,410	42,637,008
Trade and other payables	1	1,835,336	1,835,316
Loans and borrowings	2	219,575,832	219,575,832
Maintenance reserves and security deposits	1	26,233,113	26,233,113
Total financial liabilities		286,576,691	290,281,289
As at 31 March 2024			
Financial assets	Category	Carrying amount	Fair value
	Level	US\$	US\$
	2		
Finance lease receivable		18,571,694	18,594,767
Cash and cash equivalents	1	3,610,181	3,610,181
Intercompany receivable	2	31,687,099	31,687,099
Other receivables	2	941,831	941,831
Total financial assets		54,810,805	53,833,878
Financial liabilities			
	2		
Finance lease liability		18,576,894	17,038,465
Trade and other payables	1	5,830,183	5,830,183
Loans and borrowings	2	201,259,708	201,259,708
Maintenance reserves and security deposits	1	28,087,016	28,087,016
Total financial liabilities		253,753,801	252,215,372

The carrying amounts are a reasonable approximation of fair values due to their short-term or on demand nature except in the case of leases where a fair value has been calculated.

34. Related party transactions

Parent and ultimate controlling party

The Parent is Itochu Corporation is the sole shareholder of the Company. As at 31 March 2025, the amount of the Loans outstanding was US\$ 58,313,000 (2024: US\$ 75,434,215), and the interest accrued was US\$ 233,603.

The Company entered into various guarantee agreements with the Parent in respect of the Company's obligations under the operating lease agreements. The total guarantee fees in the financial year were US\$45,354 (2024: US\$ 42,439). The Company also entered into a service agreement with the Parent in respect of administrative and legal services provided to the Company during the financial year. The total expenses incurred under the Service Agreement during the financial year were US\$ 543,000 (2024: US\$ 520,500).

The Company also entered into an aircraft sales support agreement with the Parent during the financial year in respect of remarketing services provided to the Company. The total expenses incurred under this agreement were US\$ 13,589,093 (2024: US\$ 10,825,651).

During the financial year, certain lease agreements were assigned to the Company by the Parent for a total consideration of nil (2024: US\$ nil).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

34. Related party transactions (continued)

As of 31 March 2025, the Company is owed US\$ 12,183,462 (2024: USD\$ 31,687,099) by ITOCHU Treasury Centre Europe PLC ("ITOCHU Europe"), a subsidiary of the Parent. This intercompany receivable is related to a cash pool arrangement entered into between the Company and ITOCHU Europe.

The Company sold one aircraft to Killick Aerospace Limited, an associate of the Parent, for total consideration of US\$ 7,750,000.

Transactions with key management personnel

Key management personnel include the directors of the Company. The Administrator provides accounting, management and corporate secretarial services to the Company at arm's length commercial rates.

The Company does not have any employees (2024: nil). TMF Administration Services Limited (the "Administrator") provides accounting and management services to the Company at arm's length commercial rates. Kevin Butler, a director of the Company during the financial year, were also directors of the Administrator and in that capacity had a material interest in transactions conducted with the Company. Pursuant to Section 305A(1)(a) of the Companies Act 2014 (as amended) the Administrator received approximately US\$ 84,751 (2024: US\$79,875) as consideration for the making available of individuals to act as directors of the Company. The terms of the corporate services agreement in place between the Company and the Administrator provides for a single fee for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals acting as directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as directors of the Company. For the avoidance of doubt, notwithstanding the directors of the Company are employees of the Administrator, they each do not receive any remuneration for acting as directors of the Company. There were no other contracts of any significance in relation to the business of the Company in which the directors had any interest, as defined in the Companies Act, 2014, at any time during the year (2024: same).

35. Material subsequent events

There were no material subsequent events since the financial year end until the signing of this report, which would require an adjustment of the figures or a disclosure in the financial statements.

36. Charges

The Company has seventy-seven charges (2024: seventy-two) registered with the companies' registration office in favour of a third-party financier.

37. Approval of financial statements

The financial statements were approved by the Board and authorised for issue on 8 December 2025.