

NORDIC AVIATION CAPITAL

A/S

Orla Lehmannsgade 1, 4.
DK-7100 Vejle

CVR no. 19 39 89 94

Annual report 2024

The annual report was presented and approved at
the Company's annual general meeting on

30 June 2025

Bitten Korntved Koch

Chairman of the annual general meeting

NORDIC AVIATION CAPITAL A/S
Annual report 2024
CVR no. 19 39 89 94

Contents

Statement by the Board of Directors and the Executive Board

Independent auditor's report

Management's review

Company details
Financial highlights
Operating review

Financial statements 1 January – 31 December

Income statement
Balance sheet
Statement of changes in equity
Notes

NORDIC AVIATION CAPITAL A/S
Annual report 2024
CVR no. 19 39 89 94

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for NORDIC AVIATION CAPITAL A/S for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Vejle, 30 June 2025
Executive Board:

Lyn Marie Cheung
Director

Board of Directors:

Thomas Buskop
Chairman

Lyn Marie Cheung

Orla Elizabeth Gillen



Independent auditor's report

To the shareholder of NORDIC AVIATION CAPITAL A/S

Opinion

We have audited the financial statements of NORDIC AVIATION CAPITAL A/S for the financial year 1 January - 31 December 2024, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Fredericia, 30 June 2025

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised Public Accountant
mne33220

Michael Lund Siegumfeldt
State Authorised Public Accountant
mne28662

NORDIC AVIATION CAPITAL A/S
Annual report 2024
CVR no. 19 39 89 94

Management's review

Company details

NORDIC AVIATION CAPITAL A/S
Orla Lehmannsgade 1, 4.
DK-7100 Vejle

| | |
|--------------------|-------------------------|
| Telephone: | 76 51 12 00 |
| CVR no.: | 19 39 89 94 |
| Established: | 26 June 1996 |
| Registered office: | Vejle |
| Financial year: | 1 January - 31 December |

Board of Directors

Thomas Buskop, Chairman
Lyn Marie Cheung
Orla Elizabeth Gillen

Executive Board

Lyn Marie Cheung, Director

Audit

KPMG
Statsautoriseret Revisionspartnerselskab
Vesterballevej 27, 2
DK-7000 Fredericia
CVR no. 25 57 81 98

Management's review

Financial highlights

| USD'000 | 2024 | 2023 | 2022 | 2021 | 2020/21 |
|--|----------|---------|---------|----------|---------|
| Revenue | 3,340 | 11,677 | 21,088 | 19,756 | 34,352 |
| Gross profit/loss | -382 | 5,859 | -2,827 | -12,361 | 11,010 |
| Profit/loss before financial income and expenses | -3,877 | 821 | 75,813 | -104,372 | -6,535 |
| Profit/loss from financial income and expenses | -276,560 | 18,275 | 29,429 | 1,280 | -13,452 |
| Profit/loss for the year | -264,557 | 14,467 | 111,217 | -101,636 | -39,879 |
| Total assets | 156,386 | 467,169 | 469,675 | 405,393 | 512,681 |
| Investments in property, plant and equipment | 0 | 520 | 923 | 0 | 20,386 |
| Equity | 148,086 | 412,643 | 398,176 | 286,959 | 388,595 |
| Return on equity | -94.4% | 3.6% | 32.4% | -30.2% | 9.8% |
| Solvency ratio | 94.7% | 88.3% | 84.8% | 70.9% | 75.8% |
| Average number of full-time employees | 7 | 20 | 50 | 75 | 83 |

The financial ratios have been calculated as follows:

Return on equity

Profit/loss after tax x 100 / Average equity

Solvency ratio

Equity at year end x 100 / Total equity and liabilities at year end

Management's review

Operating review

Principal activities

Nordic Aviation Capital A/S' (the Company) activities consist of providing shared services to the other members of the Group. The services are primarily investing, technical and financial services. Additionally, the Company has an aircraft on lease with an external customer. In consideration of the volume of transactions with other group members, this Management's review includes group considerations. Accordingly, the sections below include company information as well as commentary from Nordic Aviation Capital DAC's annual report for the 2024 financial year ('Consolidated financial statements'). The Company's activities are predominantly denominated in USD, and this is the Company's functional currency. The financial statements are presented in USD.

Development in activities and financial position

Loss for the year (including comparison with forecasts previously announced)

The Company's income statement for 2024 shows a loss of USD 264,557 thousand as against a profit of USD 14,467 thousand in 2023. Equity in the Company's balance sheet at 31 December 2024 stood at USD 148,086 thousand as against USD 412,643 thousand at 31 December 2023.

- Revenue for the financial year 2024 shows a 45% decrease compared to the financial year 2023.
- Production costs -The past financial year for the Company was characterised by a significant decrease in aircraft handling costs compared to previous years.
- Administrative expenses show a negative variance of USD 1.5m. This results from a reduction in staff costs due to staff decrease.
- Income from equity investments in group entities shows a net negative variance of USD 287.5m., which consists of a dividend of USD 10.2m and an impairment of USD 298.7m. This results from management assessing the carrying values of the investment in subsidiaries in the AOE's created by the capital contributions. This resulted in an impairment being recognized in the P&L.

Outlook

Financing

The Group's business activities, together with factors likely to affect its future development, performance, and position, are set out above along with the financial position. In addition, note 20 to the consolidated financial statements includes the objectives, policies and processes for managing financial risks; details of financial instruments and hedging activities; and the exposure to credit risks and liquidity risks, to the extent these existed on 31 December 2024. The group financial statement is filled together with the annual report of Nordic Aviation Capital A/S.

The recovery in travel bodes well for a continued normal growth pattern in 2025.

While the macroeconomic outlook appears to be stabilizing, geopolitical tensions, including conflicts in Ukraine and the Middle East and ongoing disputes between China and the West, could further disrupt the aviation landscape. Careful review of exposure concentration and country risk will be crucial for mitigating risk.

During 2024, management assessed the carrying values of the investment in subsidiaries in the AOE's created by the capital contributions. This resulted in an impairment of US\$298,7m being recognised in the P&L.

For 2025, it is expected that results will be profitable in the range of 2%-4% of net revenue. Net revenues are expected to be in the range of USD 1-2 million. This is dependent on the mix of services required from the Group as a whole and the revenue generated from the aircraft on lease the guidance on outcome is difficult. In addition, the one-off gain from a tax case settlement in Q1 2024 will not be repeated.

NORDIC AVIATION CAPITAL A/S
Annual report 2024
CVR no. 19 39 89 94

Management's review

Operating review

Considering the going concern assessment made by NAC DAC and after having considered the adequacy of the Company's operating cash flows and borrowing facilities, the Directors of the Company are satisfied that the financial statements are prepared on a going concern basis and that the Directors' plans for the business are realisable.

Events after the balance sheet date

On 7 May 2025, Dubai Aerospace Enterprise (DAE) Ltd ("DAE"), through one of its subsidiaries, acquired the shares of Nordic Aviation Capital DAC. As a result, the Company became a wholly owned subsidiary of DAE.

The Company will be merged with NAC Services Denmark A/S on June 30th, 2025, to continue the rationalisation and simplification of the group structure.

NORDIC AVIATION CAPITAL A/S
Annual report 2024
CVR no. 19 39 89 94

Financial statements 1 January – 31 December

Income statement

| USD'000 | Note | 2024 | 2023 |
|---|------|------------------------|----------------------|
| Revenue | | 3,340 | 11,677 |
| Production costs | 2 | <u>-3,722</u> | <u>-5,818</u> |
| Gross profit/loss | | -382 | 5,859 |
| Administrative expenses | 2 | <u>-3,495</u> | <u>-5,038</u> |
| Profit/loss before financial income and expenses | | -3,877 | 821 |
| Income from equity investments in group entities | | 0 | 4,114 |
| Other financial income | 3 | 22,325 | 19,106 |
| Other financial expenses | 4 | <u>-298,885</u> | <u>-4,945</u> |
| Profit/loss before tax | | -280,437 | 19,096 |
| Tax on profit/loss for the year | 5 | <u>15,880</u> | <u>-4,629</u> |
| Profit/loss for the year | 6 | <u><u>-264,557</u></u> | <u><u>14,467</u></u> |

Financial statements 1 January – 31 December

Balance sheet

| USD'000 | Note | 31/12 2024 | 31/12 2023 |
|--|------|-----------------------|-----------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Property, plant and equipment | 7 | | |
| Land and buildings | | 347 | 463 |
| Fixtures and fittings, tools and equipment | | 0 | 0 |
| Airplanes | | 1,503 | 1,766 |
| | | <u>1,850</u> | <u>2,229</u> |
| Financial assets | | | |
| Equity investments in group entities | 8 | 0 | 73 |
| Total fixed assets | | <u>1,850</u> | <u>2,302</u> |
| Current assets | | | |
| Inventories | | | |
| Raw materials and consumables | | 1,019 | 812 |
| Receivables | | | |
| Trade receivables | | 146 | 159 |
| Receivables from group entities | | 152,517 | 463,135 |
| Other receivables | | 27 | 24 |
| | | <u>152,690</u> | <u>463,318</u> |
| Cash at bank and in hand | | 827 | 737 |
| Total current assets | | <u>154,536</u> | <u>464,867</u> |
| TOTAL ASSETS | | <u><u>156,386</u></u> | <u><u>467,169</u></u> |

Financial statements 1 January – 31 December

Balance sheet

| USD'000 | Note | 31/12 2024 | 31/12 2023 |
|--|------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Contributed capital | 9 | 747 | 747 |
| Retained earnings | | 339 | 411,896 |
| Proposed dividends for the financial year | | 147,000 | 0 |
| Total equity | | 148,086 | 412,643 |
| Provisions | | | |
| Provisions for deferred tax | | 307 | 353 |
| Total provisions | | 307 | 353 |
| Liabilities other than provisions | | | |
| Non-current liabilities other than provisions | | | |
| Corporation tax | 10 | 0 | 43,417 |
| Lease obligations | 10 | 224 | 340 |
| Deposits | 10 | 0 | 80 |
| | | 224 | 43,837 |
| Current liabilities other than provisions | | | |
| Trade payables | | 347 | 584 |
| Payables to group entities | | 3,587 | 2,650 |
| Corporation tax | 10 | 174 | 4,473 |
| Lease obligations | 10 | 104 | 116 |
| Deposits | 10 | 80 | 0 |
| Other payables, including taxes payable | | 3,447 | 2,318 |
| Deferred income | | 30 | 195 |
| | | 7,769 | 10,336 |
| Total liabilities other than provisions | | 7,993 | 54,173 |
| TOTAL EQUITY AND LIABILITIES | | 156,386 | 467,169 |

NORDIC AVIATION CAPITAL A/S
Annual report 2024
CVR no. 19 39 89 94

Financial statements 1 January – 31 December

Statement of changes in equity

| USD'000 | Contributed capital | Retained earnings | Proposed dividends for the financial year | Total |
|---|---------------------|-------------------|---|----------------|
| Equity at 1 January 2024 | 747 | 411,896 | 0 | 412,643 |
| Transferred over the distribution of loss | 0 | -411,557 | 147,000 | -264,557 |
| Equity at 31 December 2024 | 747 | 339 | 147,000 | 148,086 |

NORDIC AVIATION CAPITAL A/S
Annual report 2024
CVR no. 19 39 89 94

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of NORDIC AVIATION CAPITAL A/S for 2024 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements are presented in USD as the Company's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 714. For the year 2023 the DKK/USD exchange rate at the balance sheet date was 674.

Change of reporting class

The annual report of NORDIC AVIATION CAPITAL A/S for 1 January - 31 December 2024 has been prepared in accordance with the provisions applying to reporting class C entities under the Danish Financial Statements Act. The transition compared to the previous financial year from the provisions applying to reporting class C entities under the Danish Financial Statements Act has not resulted in changes to recognition and measurement.

Omission of presentation of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of NORDIC AVIATION CAPITAL A/S and group entities are included in the consolidated financial statements of Nordic Aviation Capital Designated Activity Company, Ireland.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Nordic Aviation Capital Designated Activity Company.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Income statement

Revenue

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

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

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

Other revenue comprises group fee from group entities.

Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries, incurred to generate revenue for the year. Such costs include direct costs of acquisition/value adjustments (regarding airplane recognised as current assets) and maintenance of airplane.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Group, including expenses for administrative staff, management, office premises, office expenses and amortisation/depreciation of assets used for administrative purposes.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses.

Tax on profit/loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date on which they are included in the consolidated financial statements and up to the date on which they are excluded from the consolidation.

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Buildings, airplanes and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

| | |
|--|-------------|
| Buildings | 22 years |
| Fixtures and fittings, tools and equipment | 5 years |
| Airplanes | 25-30 years |

The useful life and residual value are reassessed annually. Changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

Lease liabilities recognised as "Credit institutions and interest-bearing liabilities" are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Financial assets

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss is recognised on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Cash at bank and in hand

Cash comprises bank deposits.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Financial statements 1 January – 31 December

Notes

2 Staff costs

| USD'000 | 2024 | 2023 |
|--|--------------|--------------|
| Wages and salaries | 2,006 | 4,083 |
| Pensions | 20 | 79 |
| Other social security costs | 11 | 10 |
| | <u>2,037</u> | <u>4,172</u> |
| Staff costs are recognised in the financial statements as follows: | | |
| Production costs | 0 | 1,045 |
| Administrative expenses | 2,037 | 3,127 |
| | <u>2,037</u> | <u>4,172</u> |
| Average number of full-time employees | <u>7</u> | <u>20</u> |

According to section 98b (3) of the Danish Financial Statements Act, remuneration to the Executive Board and Board of Directors is not disclosed.

3 Financial income

| USD'000 | 2024 | 2023 |
|-------------------------------------|---------------|---------------|
| Interest income from group entities | 6,520 | 19,062 |
| Other interest income | 4,003 | 39 |
| Exchange gains | 1,600 | 5 |
| Income from fixed asset investments | 10,202 | 0 |
| | <u>22,325</u> | <u>19,106</u> |

4 Financial expenses

| USD'000 | 2024 | 2023 |
|--------------------------------|----------------|--------------|
| Other interest expenses | 33 | 2,643 |
| Exchange losses | 162 | 2,302 |
| Impairment of financial assets | 298,690 | 0 |
| | <u>298,885</u> | <u>4,945</u> |

Financial statements 1 January – 31 December

Notes

5 Tax on loss for the year

| USD'000 | 2024 | 2023 |
|---|----------------|--------------|
| Current tax for the year | 596 | 4,386 |
| Deferred tax adjustment for the year | -46 | -44 |
| Adjustment of tax concerning previous years | -16,430 | 287 |
| | <u>-15,880</u> | <u>4,629</u> |

Adjustment of tax concerning previous years is relating to finalization of transfer pricing case being closed.

6 Proposed profit appropriation/distribution of loss

| USD'000 | 2024 | 2023 |
|---|-----------------|---------------|
| Proposed dividends for the financial year | 147,000 | 0 |
| Retained earnings | -411,557 | 14,467 |
| | <u>-264,557</u> | <u>14,467</u> |

7 Property, plant and equipment

| USD'000 | Land and buildings | Fixtures and fittings, tools and equipment | Airplanes | Total |
|--|--------------------|--|--------------|--------------|
| Cost at 1 January 2024 | 18,099 | 2,218 | 36,813 | 57,130 |
| Cost at 31 December 2024 | 18,099 | 2,218 | 36,813 | 57,130 |
| Depreciation and impairment losses at 1 January 2024 | -17,636 | -2,218 | -35,047 | -54,901 |
| Depreciation for the year | -116 | 0 | -263 | -379 |
| Depreciation and impairment losses at 31 December 2024 | -17,752 | -2,218 | -35,310 | -55,280 |
| Carrying amount at 31 December 2024 | <u>347</u> | <u>0</u> | <u>1,503</u> | <u>1,850</u> |
| Assets held under finance leases | 328 | 0 | 0 | 328 |

Financial statements 1 January – 31 December

Notes

8 Financial assets

| USD'000 | Equity investments in group entities |
|--|--------------------------------------|
| Cost at 1 January 2024 | 6,811 |
| Additions | 298,617 |
| Cost at 31 December 2024 | 305,428 |
| Revaluations at 1 January 2024 | -6,738 |
| Impairment losses for the year | -298,690 |
| Revaluations at 31 December 2024 | -305,428 |
| Carrying amount at 31 December 2024 | 0 |

| Name/legal form | Registered office | Equity interest | Equity USD'000 | Profit/loss for the year USD'000 |
|---------------------------------------|-------------------|-----------------|-------------------|-------------------------------------|
| Equity investments in group entities: | | | | |
| Nac Aviation 3 | Ireland | 100% | -13,366 | -857 |
| Nac Aviation 4 | Ireland | 100% | 88,871 | -3,171 |
| Nac Aviation 6 | Ireland | 100% | 2,412 | -6 |
| Nac Aviation 10 | Ireland | 100% | -12,370 | 8,533 |
| Nac Aviation 11 | Ireland | 100% | -1,795 | -1,264 |
| Nac Aviation 16 | Ireland | 100% | 767 | -10 |
| Nac Aviation 17 | Ireland | 100% | 3,304 | 24,860 |
| Nac Aviation 18 | Ireland | 100% | 1,572 | 1,469 |
| Nac Aviation 20 | Ireland | 100% | -38,234 | -576 |
| Nac Aviation 21 | Ireland | 100% | -7,844 | 1,620 |
| Nac Aviation 23 | Ireland | 100% | -111,657 | -11,099 |
| Nac Aviation 27 | Ireland | 100% | -91,305 | -8,112 |
| Nordic Aviation Contractor | Ireland | 100% | 10,425 | -3,872 |
| NK Leasing | Ireland | 100% | 3,128 | 320 |
| Nordic Aviation Capital Pte | Singapore | 100% | 4,253 | 697 |
| Nordic Aviation Financing One Pte | Singapore | 100% | 10,779 | 596 |
| NAC Aviation France 1 | France | 100% | 577 | -9 |
| NAC Aviation France 5 | France | 100% | 101 | 8 |
| NAC Aviation France 6 | France | 100% | 71 | -6 |
| NAC Aviation Cyprus 1 | Cyprus | 100% | 1,919 | 524 |
| NAC Aviation Cyprus 3 | Cyprus | 100% | -122 | -36 |
| Merlano | Cyprus | 100% | -381 | 57 |
| NAC Aviation UK 2 | United Kingdom | 100% | 33 | -8 |
| | | | <u>-148,862</u> | <u>9,658</u> |

Financial statements 1 January – 31 December

Notes

8 Financial assets

The figures for the entities above are based on the last published annual reports for the year end 31 December 2023.

9 Contributed capital

Contributed capital consists of:

4,500 shares of a nominal value of DKK 1000 each
All shares rank equally.

10 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

| USD'000 | 31/12 2024 | 31/12 2023 |
|-----------------------------------|-------------------|----------------------|
| Tax payables: | | |
| 0-1 year | 174 | 4,473 |
| 1-5 years | 0 | 43,138 |
| >5 years | 0 | 279 |
| | <u>174</u> | <u>47,890</u> |
| Lease obligations: | | |
| 0-1 year | 104 | 116 |
| 1-5 years | 224 | 340 |
| | <u>328</u> | <u>456</u> |
| Deposits: | | |
| 0-1 year | 80 | 0 |
| 1-5 years | 0 | 80 |
| | <u>80</u> | <u>80</u> |
| Total financial debts | <u><u>582</u></u> | <u><u>48,426</u></u> |
| Outstanding debt after five years | <u>0</u> | <u>279</u> |

The financial debts are recognized in the balance sheet as follows:

| | | |
|-----------------|------------|---------------|
| Long-term debt | 224 | 43,837 |
| Short-term debt | 358 | 4,589 |
| | <u>582</u> | <u>48,426</u> |

NORDIC AVIATION CAPITAL A/S
Annual report 2024
CVR no. 19 39 89 94

Financial statements 1 January – 31 December

Notes

11 Contractual obligations, contingencies, etc.

Contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for the payment of income taxes as well as for withholding taxes on interest, royalties and dividends falling due for payment. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

The Group's Danish entities are jointly and severally liable for the joint registration concerning VAT.

12 Related parties disclosure

NORDIC AVIATION CAPITAL A/S' related parties comprise the following:

Control

Nordic Aviation Capital Designated Activity Company, Gardens International, Henry Street, Limerick, Ireland.

Nordic Aviation Capital Designated Activity Company holds the majority of the contributed capital in the Company.

NORDIC AVIATION CAPITAL A/S is part of the consolidated financial statements of Nordic Aviation Capital Designated Activity Company, Gardens International, Henry Street, Limerick, Ireland, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Nordic Aviation Capital Designated Activity Company can be obtained by contacting the Company at the above address.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.