



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	991 709 827
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	CHC NORWAY ACQUISITION CO AS
Forretningsadresse:	Flyplassvegen 250 4055 SOLA

### Regnskapsår

Årsregnskapets periode:	01.05.2023 - 30.04.2024
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### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Thorleif Edland Jakobsen
Dato for fastsettelse av årsregnskapet:	07.08.2025

### Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 19.08.2025



## Resultatregnskap

Beløp i: NOK	Note	2024	2023
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Operating expenses		1 549 000	1 271 000
<b>Sum kostnader</b>		<b>1 549 000</b>	<b>1 271 000</b>
<b>Driftsresultat</b>		<b>-1 549 000</b>	<b>-1 271 000</b>
<b>Finansinntekter og finanskostnader</b>			
Other financial revenue		8 540 000	7 460 000
Foreign exchange gain / (loss)		-30 496 000	-101 835 000
Gein on sale leaseback		0	-13 500 000
<b>Sum finansinntekter</b>		<b>-21 956 000</b>	<b>-107 875 000</b>
Reinstatement (impairment) of inv	5	58 200 000	-126 879 000
Rentekostnad til foretak i samme konsern		1 864 000	1 269 000
Other finance expense		7 779 000	6 602 000
<b>Sum finanskostnader</b>		<b>67 843 000</b>	<b>-119 008 000</b>
<b>Netto finans</b>		<b>-89 799 000</b>	<b>11 133 000</b>
<b>Resultat før skattekostnad</b>		<b>-91 348 000</b>	<b>9 862 000</b>
<b>Årsresultat</b>	6	<b>-91 348 000</b>	<b>9 862 000</b>
<b>Overføringer og disponeringer</b>			
Other equity		-91 348 000	9 862 000
<b>Sum overføringer og disponeringer</b>		<b>-91 348 000</b>	<b>9 862 000</b>



## Balanse

Beløp i: NOK	Note	2024	2023
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5	881 681 000	939 881 000
<b>Sum finansielle anleggsmidler</b>		<b>881 681 000</b>	<b>939 881 000</b>
<b>Sum anleggsmidler</b>		<b>881 681 000</b>	<b>939 881 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Receivable from group	7	24 921 000	8 150 000
<b>Sum fordringer</b>		<b>24 921 000</b>	<b>8 150 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank Deposits		74 136 000	61 852 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>74 136 000</b>	<b>61 852 000</b>
<b>Sum omløpsmidler</b>		<b>99 057 000</b>	<b>70 002 000</b>
<b>SUM EIENDELER</b>		<b>980 738 000</b>	<b>1 009 883 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	6	5 434 000	5 434 000
Annen innskutt egenkapital	6	7 357 179 000	7 357 179 000
<b>Sum innskutt egenkapital</b>		<b>7 362 613 000</b>	<b>7 362 613 000</b>
<b>Opptjent egenkapital</b>			
Retained earnings	6	-8 315 805 000	-8 224 457 000



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Sum opptjent egenkapital</b>		<b>-8 315 805 000</b>	<b>-8 224 457 000</b>
<b>Sum egenkapital</b>		<b>-953 192 000</b>	<b>-861 844 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	7	1 354 005 000	1 335 106 000
<b>Sum annen langsiktig gjeld</b>		<b>1 354 005 000</b>	<b>1 335 106 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 354 005 000</b>	<b>1 335 106 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		86 000	
Kortsiktig konserngjeld	7	579 419 000	536 262 000
Other		420 000	359 000
<b>Sum kortsiktig gjeld</b>		<b>579 925 000</b>	<b>536 621 000</b>
<b>Sum gjeld</b>		<b>1 933 930 000</b>	<b>1 871 727 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>980 738 000</b>	<b>1 009 883 000</b>



DISPENSATION TO SUBMIT NORWEGIAN  
STATUTORY ACCOUNTS IN ENGLISH



Skattedirektoratet

Saksbehandler Bina Tystad	Dato dato 07.02.2012	Vår dato 01.03.2012
Telefon 912 92 464	Deres referanse Alexia Heimseth	Vår referanse 2012/115162

HELIKOPTER SERVICE AS  
Postboks 522 Sola  
4055 STAVANGER LUFTHAVN

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for CHC-konsernet

Det vises til deres brev av 7. februar 2012 hvor det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

CHC Helikopter Service AS,	org.nr. 974 414 228
CHC Norway Acquisition CO AS,	org.nr. 991 709 827
Heli-Ono (Europe) AS,	org.nr. 980 593 126
Helicopter Services Group AS,	org.nr. 912 582 914
Heli-One (Norway) AS,	org.nr. 982 715 040
Integra Leasing AS,	org.nr. 966 705 175
Heli-One Leasing (Norway) AS,	org.nr. 819 569 762
Helikopter Service AS,	org.nr. 970 923 829

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de norske selskapene i CHC-konsernet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

CHC Helikopter Service AS og CHC Norway Acquisition CO AS med datterselskaper tilbyr tjenester innen helikoptertransport. Selskapene er heleide datterselskaper av CHC Helicopter som er hjemmehørende i Canada. Morsekskapet er eid av First Reserve Corporation (Private Equity). Selskapenes arbeidsspråk er engelsk og kommunikasjon med selskapenes primære kunder og kreditorer foregår i hovedsak på engelsk. Selskapenes investorer behersker kun engelsk. Ettersom selskapenes arbeidsspråk er engelsk vil alle ansatte forstå regnskapet og årsberetningen selv om disse dokumentene i fremtiden blir utarbeidet i sin endelige form på engelsk. Det samme vil være tilfelle for selskapenes kunder og kreditorer. Ettersom engelsk også er bransjespråket innen sektorene selskapene opererer i, kan dere heller ikke se at andre, mer tilfeldige regnskapsbrukere skulle ha noe behov for at regnskapet utarbeides på norsk. Selskapene mener derfor at alle brukere av regnskapet i sum vil være tjent med at regnskapet kan utarbeides på engelsk. I tillegg til at det er ressurskrevende, fører av og til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon til unødvendige misforståelser.

Postadresse Postboks 1800 Grønndal 0154 Oslo	Hjemside Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org. nr. 606250318	Sentralbord 400 80 000 Telefaks 22 37 08 00
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#### Skattedirektoratets vurdering

Etter regnskapsloven § 3-1 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk".

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkeder skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

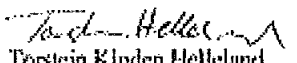
Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

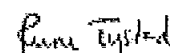
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapenes arbeidsspråk er engelsk og at kommunikasjon med selskapenes primære kunder og kreditorer i hovedsak foregår på engelsk. Videre er det vektlagt at eierkretsen er begrenset da konsentuspissene i Norge er heleide datterselskap av et utenlandsk selskap.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

  
Torstein Klingen Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Rune Tystad



Consolidated Financial Statements

(Expressed in thousands of United States dollars)

## **CHC Group LLC And Subsidiaries**

For the years ended April 30, 2023 and April 30, 2024 with independent auditors report thereon



KPMG LLP  
811 Main Street  
Houston, TX 77002

## Independent Auditors' Report

The Board of Managers  
CHC Group LLC:

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of CHC Group LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of April 30, 2024 and 2023, and the related consolidated statements of operations, comprehensive loss, shareholders' equity (deficit) and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*KPMG LLP*

Houston, Texas  
December 20, 2024



## CHC Group LLC

### Consolidated Balance Sheet

(Expressed in thousands of United States dollars except unit information)

	April 30, 2023	April 30, 2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 30,233	\$ 33,463
Receivables, net (note 10)	132,838	118,020
Taxes Receivable	2,623	1,091
Inventories (notes 4 and 9)	68,672	69,029
Prepaid expenses	19,608	18,216
Other assets (note 11)	4,923	9,577
<b>Total current assets</b>	<b>258,897</b>	<b>249,396</b>
Non-current assets:		
Property and equipment, net (notes 4 and 5)	649,948	651,535
Operating lease right-of-use assets (note 19)	145,628	209,066
Investments (note 8)	6,459	6,487
Intangible assets (note 6)	50,405	45,138
Restricted cash	10,996	10,328
Other assets (note 11)	52,015	58,663
Goodwill	335	414
<b>Total non-current assets</b>	<b>915,786</b>	<b>981,631</b>
<b>Total assets</b>	<b>\$ 1,174,683</b>	<b>\$ 1,231,027</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Payables and accruals	\$ 211,064	\$ 230,714
Contract liabilities	19,163	21,078
Income and withholding taxes payable	26,559	23,637
Other liabilities (notes 7 and 12)	8,214	3,181
Current portion of operating lease liabilities (note 19)	39,685	36,816
Current portion of debt obligations (note 13)	69,197	84,738
<b>Total current liabilities</b>	<b>373,882</b>	<b>400,164</b>
Non-current liabilities:		
Debt obligations (note 13 and 20)	569,495	584,624
Contract liabilities	27,497	27,229
Operating lease liabilities (note 19)	109,040	177,264
Other liabilities (note 12)	21,411	23,216
Net pension obligations (note 18)	88,681	86,963
Deferred income tax liabilities (note 16)	161	—
<b>Total non-current liabilities</b>	<b>816,285</b>	<b>899,296</b>
<b>Total liabilities</b>	<b>1,190,167</b>	<b>1,299,460</b>
Commitments and contingencies (Note 21)		
Non-controlling interests (note 3)		
	(16,976)	(39,897)
Shareholders' equity:		
Capital stock: Authorized: Unlimited; Outstanding as at April 30, 2023: 707,743,123 common units; 37,058,331 penny warrants; Outstanding as at April 30, 2024: 802,638,593 common units (note 17)	871,430	914,333
Additional paid-in capital (notes 3 and 17)	(31,728)	(31,728)
Deficit	(726,578)	(794,855)
Accumulated other comprehensive loss (note 17 (d))	(111,632)	(116,286)
<b>Total shareholders' equity (deficit)</b>	<b>1,492</b>	<b>(28,536)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,174,683</b>	<b>\$ 1,231,027</b>

The accompanying notes are an integral part of these consolidated financial statements.

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## CHC Group LLC

### Consolidated Statement of Operations

(Expressed in thousands of United States dollars)

	For the year ended	
	April 30, 2023	April 30, 2024
<b>Revenue</b> (note 14)	\$ 831,288	\$ 849,305
<b>Operating expenses:</b>		
Direct costs	(631,727)	(658,151)
Gain (loss) from equity accounted investees	(88)	238
General and administration costs	(68,091)	(39,197)
Helicopter lease and associated costs (note 19)	(67,787)	(52,990)
Depreciation and amortization expense	(100,317)	(104,512)
Restructuring expense (recovery) (note 7)	(483)	2,278
Asset impairments (note 4)	(29,020)	(10,081)
Gain (loss) on disposal of assets	2,018	(2,267)
	<u>(895,495)</u>	<u>(864,682)</u>
<b>Operating loss</b>	(64,207)	(15,377)
Interest on debt obligations	(71,079)	(64,292)
Foreign exchange gain	9,303	949
Other financing charges (note 15)	(30,851)	(11,734)
<b>Loss before income tax</b>	<u>(156,834)</u>	<u>(90,454)</u>
Income tax recovery (note 16)	4,690	1,530
<b>Net loss</b>	<u>\$ (152,144)</u>	<u>\$ (88,924)</u>
Net loss attributable to:		
Controlling interest	\$ (154,354)	\$ (68,277)
Non-controlling interests	2,210	(20,647)
<b>Net loss</b>	<u>\$ (152,144)</u>	<u>\$ (88,924)</u>

The accompanying notes are an integral part of these consolidated financial statements.



## CHC Group LLC

Consolidated Statement of Comprehensive Loss  
(Expressed in thousands of United States dollars)

	For the year ended	
	April 30, 2023	April 30, 2024
<b>Net loss</b>	\$ (152,144)	\$ (88,924)
Other comprehensive loss:		
Net foreign currency translation adjustments	(29,298)	(4,941)
Distribution paid to non-controlling interest (note 3)	(3,500)	—
Net change in defined benefit pension plans, net of income tax of \$nil (note 18)	(53,243)	(1,987)
Adjustment of non-controlling interest	81	—
<b>Comprehensive loss</b>	<b>(238,104)</b>	<b>(95,852)</b>
Comprehensive loss attributable to:		
Controlling interest	(223,700)	(72,931)
Non-controlling interests	(14,404)	(22,921)
<b>Comprehensive loss</b>	<b>\$ (238,104)</b>	<b>\$ (95,852)</b>

The accompanying notes are an integral part of these consolidated financial statements.



## CHC Group LLC

### Consolidated Statement of Cash Flows

(Expressed in thousands of United States dollars)

	For the year ended	
	April 30, 2023	April 30, 2024
Cash provided by (used in):		
<b>Operating activities:</b>		
Net loss	\$ (152,144)	\$ (88,924)
Adjustments to reconcile net loss to cash flows provided by operating activities:		
Depreciation and amortization	100,317	104,512
Loss (gain) on disposal of assets	(2,018)	2,267
Asset impairments (note 4)	29,020	10,081
Loss (earnings) from equity accounted investees	88	(238)
Loss on debt extinguishment	20,113	159
Amortization of long-term debt and lease deferred financing costs	7,774	2,774
Total gain on derivative financial instruments	—	(3,470)
Total loss on derivative financial instruments	2,773	—
Non-cash defined benefit pension expense (note 18)	3,560	7,613
Defined benefit contributions and benefits paid	(10,692)	(10,202)
Unrealized net loss (gain) on foreign currency exchange translation	(18,196)	3,777
Non-cash interest on capital leases	13,755	23,976
Accretion of interest on new unsecured note/PIK Interest/Sola sale-leaseback arrangement	46,354	25,809
Other	(1,239)	(1,960)
Change in cash resulting from changes in operating assets and liabilities		
Receivables, net of allowance	(19,866)	12,517
Income and other taxes	(4,800)	965
Inventories	(26,443)	(6,207)
Prepaid expenses	7,105	1,190
Payables and accruals	18,919	29,119
Contract liabilities	(4,829)	(2,048)
Other assets and liabilities	8,515	(8,623)
<b>Cash provided by operating activities</b>	<b>18,066</b>	<b>103,087</b>



## CHC Group LLC

### Consolidated Statement of Cash Flows (Continued)

(Expressed in thousands of United States dollars)

	For the year ended	
	April 30, 2023	April 30, 2024
<b>Investing activities:</b>		
Property and equipment additions	(52,209)	(46,512)
Proceeds from disposal of property and equipment	9,551	3,829
Cash acquired from acquisitions	6,214	—
<b>Cash used in investing activities</b>	<b>(36,444)</b>	<b>(42,683)</b>
<b>Financing activities:</b>		
Debt proceeds	\$ 89,919	\$ 212,095
Debt repayments	(66,764)	(264,928)
Warrant exercise	81	—
Payment of deferred financing costs	(11)	(3,786)
Payment to non-controlling interest	(4,500)	—
Share issuance costs	—	(125)
<b>Cash provided by (used in) financing activities</b>	<b>18,725</b>	<b>(56,744)</b>
<b>Net increase in cash, cash equivalents and restricted cash during the year</b>	<b>347</b>	<b>3,660</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(383)	(1,098)
Change in cash, cash equivalents and restricted cash during the year	(36)	2,562
Cash, cash equivalents and restricted cash, beginning of year	41,265	41,229
<b>Cash, cash equivalents and restricted cash, end of year</b>	<b>\$ 41,229</b>	<b>\$ 43,791</b>
<b>Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheet:</b>		
Cash and cash equivalents	\$ 30,233	\$ 33,463
Restricted cash	10,996	10,328
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 41,229</b>	<b>\$ 43,791</b>
<b>Supplemental cash flow information</b>		
Cash interest paid	\$ 30,007	\$ 33,191
Cash taxes received	(2,812)	(2,823)
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	74,020	56,556
Operating cash flows for finance leases	13,544	23,954
Financing cash flows for finance leases	21,336	45,297
Investing cash flows for finance leases	399	126
Non-cash investing and financing activities:		
Additions to right-of-use assets obtained from new finance leases	180,474	77,472
Additions to right-of-use assets obtained from new operating leases	76,051	102,834
Assets (liabilities) recognized through non-cash finance leases	860	(5,640)
Tranche B equitization net of deferred financing fees and share issuance costs	324,828	42,903

The accompanying notes are an integral part of these consolidated financial statements.



## CHC Group LLC

### Consolidated Statement of Shareholders' Equity (Deficit)

(Expressed in thousands of United States dollars except share information (Note 17))

	Capital Stock		Additional paid-in capital	Deficit	Accumulated other comprehensive loss (note 17)	Total shareholders' equity (deficit)	Non- controlling interests
	Number of units	Amount					
<b>Balance at April 30, 2023</b>	<b>707,743,123</b>	<b>871,430</b>	<b>(31,728)</b>	<b>(726,578)</b>	<b>(111,632)</b>	<b>1,492</b>	<b>(16,976)</b>
Issuance of common units (note 17(a))	94,895,470	42,903	—	—	—	42,903	—
Foreign currency translation	—	—	—	—	(5,433)	(5,433)	492
Defined benefit plans, net of income tax benefit of \$nil million	—	—	—	—	779	779	(2,766)
Net loss	—	—	—	(68,277)	—	(68,277)	(20,647)
<b>Balance at April 30, 2024</b>	<b>802,638,593</b>	<b>\$ 914,333</b>	<b>\$ (31,728)</b>	<b>\$(794,855)</b>	<b>\$ (116,286)</b>	<b>\$ (28,536)</b>	<b>\$ (39,897)</b>

The accompanying notes are an integral part of these consolidated financial statements.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of presentation and going concern assumption:

These consolidated financial statements include the accounts of CHC Group LLC and its subsidiaries and controlled entities (the “Company”, “CHC”, “we”, “us” or “our”) after elimination of all intercompany accounts and transactions. These consolidated financial statements have been prepared in accordance with the United States Generally Accepted Accounting Principles (“US GAAP”). CHC Group LLC was incorporated on December 14, 2016 under the laws of the Cayman Islands. CHC Group LLC is a leading provider of helicopter transportation services to the global oil and gas industry with global operations including Norway, the Netherlands, the United Kingdom, Australia, Ireland, Denmark, Canada and Brazil. Our principal activities are: helicopter transportation services and maintenance, and repair and overhaul (“MRO”). The helicopter transportation services account for the majority of our revenue.

The material subsidiaries of the Company as at April 30, 2024 are noted below:

Subsidiary	Location	Ownership interest
CHC Helikopter Services AS	Norway	49.9%
Heli-One (Norway) AS	Norway	100%
CHC Leasing S.a.r.l.	Luxembourg	100%
CHC Helicopter Australia Pty Ltd.	Australia	100%
Offshore Services Australasia Pty Ltd.	Australia	100%

The accompanying consolidated financial statements have been prepared assuming that CHC will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of April 30, 2024, no substantial doubt existed regarding the company’s ability to continue as a going concern and management has several strategic initiatives in place to preserve the liquidity of the Company. The Company believes it has sufficient funds for the upcoming fiscal year in order to maintain its operating activities (Note 1(v)).

#### (b) Critical accounting estimates and assumptions:

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Areas of significant estimates include, but are not limited to, valuation of intangibles, impairment of fleet, going concern realization and fair value measurements. Actual results could differ from these estimates and those differences maybe material.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the estimation process is inherently uncertain, actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on our financial statements.

#### Impact of the Russia-Ukraine war

With no direct operations in Russia or Ukraine, the Company has not experienced any direct impact to our business. Regarding inflationary related items which may be impacted by the Russia-Ukraine crisis, we have seen a slight cost increase in several areas: labor, fuel, raw materials and logistics. The Company continues to assess the impact on its operations from the ongoing Russia-Ukraine crisis.



## CHC Group LLC

### Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

#### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Impact of the Israel-Palestine war

With no direct operations in Israel or Palestine, the Company has not experienced any direct impact to our business similar to the Russia-Ukraine crisis. The Company continues to assess the impact on its operations from the ongoing Israel-Palestine crisis.

##### (c) Principles of consolidation:

These consolidated financial statements include the accounts of those entities that we have the ability to control through voting or other rights. Investments in entities in which we have a majority voting interest and entities that are Variable Interest Entities (“VIEs”) of which we are the primary beneficiary are consolidated. The equity method of accounting is applied for investments if we have the ability to exercise significant influence over an entity that (i) is not a variable interest entity or (ii) is a variable interest entity, but we are not deemed to be the primary beneficiary.

##### (d) Functional and presentation currency:

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in United States dollars (“USD”), which is the functional currency of CHC Group LLC. Significant subsidiaries have functional currencies of Pound Sterling (“£”), Canadian dollar (“CAD”), Norwegian Kroner (“NOK”), Australian dollars (“AUD”), Euros (“€”) and Brazilian Real (“BRL”).

##### (i) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the average rate in effect during the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in other than an entity’s functional currency are recognized in the statement of operations.

##### (ii) Consolidated companies:

The results and financial position of all our consolidated entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of each balance sheet;
- income and expenses are translated at average exchange rates in effect during the reporting period; and
- exchange gains or losses arising on consolidation are deferred in accumulated other comprehensive income (loss) until complete or substantially complete liquidation of our investment in the foreign subsidiary.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Functional and presentation currency (continued):

The currencies that most influence these translations and the relevant exchange rates were:

	2023	2024
Average rates:		
GBP £/US \$	1.201671	1.257618
CAD/US \$	0.751961	0.740718
NOK/US \$	0.099117	0.093724
AUD/US \$	0.679311	0.656497
EUR €/US \$	1.042632	1.082840
BRL/US \$	0.193123	0.202244
Year end rates, April 30:		
GBP £/US \$	1.256700	1.249200
CAD/US \$	0.737898	0.725795
NOK/US \$	0.093878	0.089958
AUD/US \$	0.661500	0.647300
EUR €/US \$	1.101900	1.066600
BRL/US \$	0.200489	0.192545

#### (e) Revenue:

We recognize revenue when a contract exists with a customer; the sales price is determinable; and once control of the promised service or product has been transferred to the customer and the Company has determined that collection has occurred or is probable of occurring. We categorize the revenues received from contracts with customers by revenue source as we believe it best depicts the nature, amount, timing and uncertainty of our revenue and cash flow.

##### (i) Helicopter flying services:

We enter into helicopter flying service contracts to provide crewed aircraft for offshore transportation, emergency medical services and search and rescue operations. We are entitled to consideration for most of these contracts based on hourly flying rates, fixed monthly charges, or a combination of both. Customers are typically billed on a monthly basis under standard payment terms.

Flying services are regarded as a stand-ready performance obligation. Fixed charges are recognized over the contract term in respect of each helicopter performance obligation. Flying hours are recognized within each month as flying services are provided. Costs related to contract fulfillment that are reimbursed by the customer (such as fuel, landing fees and other costs) are recognized as revenue when incurred. Any upfront fees received from customers, which do not represent a separate service provided to the customer, generally provide a material renewal right to the customer that should be deferred and recognized over the contract term or the period where the upfront fee provides a material renewal right to the customer for the flying service.



## CHC Group LLC

### Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

#### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Revenue: (continued)

(i) Helicopter flying services (continued):

Certain costs to fulfill a contract with a customer incurred before the commencement of a new contract such as mobilization costs, transportation costs, training fees, or other set-up costs, are deferred and amortized over the customer contract term. We evaluate and will recognize an impairment for such contract costs where the amount of consideration to be received or recognized from the customer contract is less than the direct costs of providing the services that have not yet been recognized.

(ii) Maintenance, repair and overhaul:

*Power-by-the-hour contracts*

We enter into power-by-the-hour ("PBH") contracts with customers to provide maintenance, repair and overhaul services on customer owned engines and components. Under these contracts, customers typically pay us a fixed fee per hour flown and we provide repair services for the customer's engines and components, as needed, over the specific term of the contract. We recognize all of the hourly fees in the period in which the hours are flown, but where applicable, defer any refundable amount owed to the customer until the overhaul of specified components is completed. Any non-refundable upfront fees received from a customer are deferred over the contract term.

*Maintenance, repair and overhaul contracts*

We enter into maintenance, repair and overhaul ("MRO") contracts with customers for a specified airframe and component modification or repair. If there is a contractual right to enforce collection for work completed to date, revenue for MRO services are recognized over time as the performance obligations in the contracts are satisfied. We use a cost-to-cost input method to measure progress relative to the satisfaction of a performance obligation, because the Company considers this input method to be the best available measure of progress toward satisfying performance obligations. When rotatable and repairable assets are disposed of in the ordinary course of business, their original cost, net of accumulated depreciation is charged to direct costs while the sales proceeds are recognized as revenue.

(f) Accounts receivable:

Trade and other receivables are stated at net realizable value. Trade receivables represent our right to unconditional payment that only relies on the passage of time. The Company designates trade receivables as a single pool of assets based on their short-term nature, similar customer base and risk characteristics. We maintain an allowance for doubtful accounts against our trade receivables for estimated losses that may arise if our customers are unable to make required payments. We adopted ASU 2016-13, Financial Instruments - Credit Losses (ASC Topic 326) effective May 1, 2023. The adoption did not have a material impact on our consolidated financial statements. Management conducts periodic quantitative and qualitative analysis on the age of outstanding customer balances, historical bad debts, customer credit worthiness, payment history and other factors when making estimates of the collectability of our receivables. The Company writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables previously written off are credited to bad debt expense.

(g) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand with banks and investments in money market instruments with maturities of less than 90 days that are readily convertible to known amounts of cash.



## CHC Group LLC

### Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

#### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Restricted cash:

We have restricted cash that is retained to fund required claims reserves and bid bonds for our reinsurance subsidiary and deposits held as security for guarantees.

(i) Inventories:

Inventories comprised of consumable parts and supplies, are measured at the lower of the weighted average acquisition cost or net realizable value, and are charged to direct costs when used in operations. The cost of acquisition is the price paid to the manufacturer or supplier including an allocation for freight charges. We record provisions to reduce inventories to the lower of cost or net realizable value to reflect changes in economic factors that impact inventory value, or to reflect present intentions for the use of slow moving and obsolete supplies inventory.

(j) Property and equipment:

Property and equipment includes flying assets, facilities and equipment which are initially recorded at cost. Property and equipment is depreciated over its estimated useful life to residual values under the methods described below.

(i) Flying assets:

Helicopters and major components are recorded initially at cost and are depreciated on a straight-line basis over their estimated useful life, with the residual value used in the calculation of depreciation being 0-30%. The cost of major airframe inspections as required by the manufacturer and aviation regulatory authorities, and modifications that are considered improvements for both owned and leased helicopters, are capitalized and amortized over the lower of the estimated useful life or the helicopter lease term. The residual value and useful lives of our helicopters are reviewed when there are indicators that a change in estimate may be necessary.

Rotable and repairable assets are recorded initially at cost and are depreciated on a pooled basis to their estimated residual value at a historical rate of 40% declining balance basis for shop replaceable assets (SRU) or a 14% declining balance basis for line replaceable assets (LRU) respectively. When these are retired their original cost, net of salvage or sale proceeds is charged to accumulated depreciation. When these are retired or otherwise disposed of in the ordinary course of business, their original cost, net of accumulated depreciation is charged to direct costs. Blades and major spare components are recorded at cost and are depreciated on a straight-line basis to their estimated residual value over their estimated useful life of 25 years. Due to fluctuating purchase and usage rates, and the age of inventories, the Company shall continue to perform yearly evaluation of the SRU and LRU depreciation rates and make the necessary adjustments rate changes when required.

Maintenance and repairs for owned and leased major components, spares and rotatable and repairable parts are charged to direct costs as incurred.

(ii) Facilities and equipment:

Facilities are composed of hangars, heliports and other buildings housing base operations and administrative support. Equipment includes repair and overhaul, manufacturing and base equipment and vehicles. Such owned facilities and equipment are recorded at cost and are depreciated to their estimated residual value on a straight-line basis over 15-40 years and 3-5 years, respectively. Leasehold improvements associated with leased facilities and equipment are capitalized and depreciated on a straight-line basis over the shorter of their estimated useful life, respective lease term, and land lease term, if applicable.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (k) Impairment of long-lived assets:

Long-lived assets, composed of property and equipment and intangibles subject to amortization, are assessed for impairment whenever events or circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, long-lived assets are grouped and tested for recoverability at the lowest level that generates independent cash flows from another asset group. In testing the recoverability of the assets, the carrying value of the assets or asset groups is compared to the future projected undiscounted cash flows. The cash flows are based on management's expectations of future revenues and expenses including costs to maintain the assets over their respective service lives. An impairment loss is recognized as the excess of the carrying value over the fair value when an asset or asset group is not recoverable. Fair value is based on valuation techniques or third party appraisals. Significant estimates and judgments are applied in determining these cash flows and fair values.

The recoverability of indefinite life intangible assets is assessed on an annual basis or more frequently if events or circumstances indicate that the carrying value may not be recoverable.

Indefinite life intangible assets are assessed for impairment by comparing the fair value of the intangible asset to carrying value. The fair value of indefinite life intangible assets, which consist of trade names and trademarks, is determined based on the present value of estimated future cash flows, discounted at a risk-adjusted rate. Significant estimates are applied in determining fair value, which include the discount rate that is applied to management's estimate of expected cash flows, the appropriate royalty rate, and assumptions about the future revenue.

#### (l) Business combinations:

The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of acquisition. The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Company applies a screen test of whether an acquired set of activities and assets is not a business, and the test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets.

Under the acquisition method, the Company allocates the purchase price of a business combination, which is the sum of the consideration provided, which may consist of cash, equity or a combination of the two, to the identifiable assets and liabilities of the acquired business at their acquisition date fair values. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill. However, if the fair value of the identifiable assets and liabilities of the acquired business at their acquisition date fair values exceeds the purchase consideration, a bargain purchase gain is recorded. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenues and cash flows, discount rates and selection of comparable companies.

Goodwill is assigned to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date. Identifiable intangible assets with finite lives are amortized over their estimated useful lives in a pattern in which the asset is consumed.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Business combinations (continued) :

The Company estimates the fair value of intangible assets acquired generally using a discounted cash flow approach, which includes an analysis of the future cash flows expected to be generated by the asset and the risk associated with achieving these cash flows. The key assumptions used in the discounted cash flow model include the discount rate that is applied to the forecasted future cash flows to calculate the present value of those cash flows and the estimate of future cash flows attributable to the acquired intangible asset, which include revenue, expenses and taxes.

Acquisition-related transaction costs, including advisory, legal, accounting, valuation, and other similar costs, are not included as a component of consideration transferred, but are accounted for as an expense in the period in which the costs are incurred.

(n) Goodwill:

Goodwill represents the excess of the aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. Goodwill is not amortized but is subject to impairment testing conducted annually during the fourth quarter or more frequently if events or changes in circumstances indicate that goodwill may be impaired.

In accordance with guidance related to impairment testing, the Company has the option to first assess qualitative factors to determine whether or not it is necessary to perform the quantitative goodwill impairment test. If the qualitative assessment option is not elected, or if the qualitative assessment indicates that it is more likely than not that the fair value is less than its carrying amount, a quantitative analysis is then performed. The quantitative analysis, if performed, compares the estimated fair value of the Company with its respective carrying amount, including goodwill. If the estimated fair value of the Company exceeds its carrying amount, including goodwill, goodwill is considered not to be impaired and no additional steps are necessary. If the fair value is less than the carrying amount, including goodwill, then an impairment adjustment must be recorded up to the carrying amount of goodwill.

(o) Restructuring:

We underwent a comprehensive review of our operations and organizational structure with the view of reducing operating costs.

We recognize a liability for contractual termination benefits when the liability is both probable and estimable in accordance with ASC 712, *Non retirement Post employment Benefits*. We recognize a liability at fair value for one-off termination costs associated with an exit or disposal activity in accordance with ASC 420, *Exit or Disposal Cost Obligations*.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income taxes:

The Company is a limited liability company domiciled in the Cayman Islands. The Company's tax structure is designed to optimize its global tax position while ensuring compliance with applicable tax laws and regulations in the jurisdictions in which it operates. The Company's operations are primarily conducted outside of the United States, with limited operations in the United States. The Company is subject to taxation in the jurisdictions where it generates income, including Norway, the Netherlands, the United Kingdom, Australia, Denmark, Canada, and Brazil. The Company's tax liabilities are determined based on the tax laws and regulations in each jurisdiction.

The Company recognizes income taxes based on estimates of the tax consequences that are expected to be paid or recovered in future periods in those jurisdictions.

We follow the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on temporary differences between the tax basis and accounting basis of the assets and liabilities measured using tax rates enacted at the balance sheet date. We generally believe that the positions taken on previously filed income tax returns are more likely than not to be sustained by the taxation authorities. We have recorded income tax and related interest liabilities where we believe our position may not be sustained or where the full income tax benefit will not be recognized. Interest and penalties are classified as other financing charges in the statement of operations.

We have assessed the realization of the deferred income tax asset (net of allowance) related to income tax losses as more likely than not. This determination was based on assumptions regarding the reversal of existing deferred tax liabilities and future earnings levels in the subsidiaries with accumulated losses, and an ability to implement tax planning measures. If, in the future, it is determined that it is more likely than not that all or part of the deferred tax asset will not be realized, a charge will be made to earnings in the period when such determination is made.

(q) Employee benefits:

(i) Pension benefits:

We maintain defined contribution and defined benefit pension plans for substantially all of our employees. The cost of defined benefit plans is determined based on independent annual actuarial valuations performed using the projected benefit method prorated on services and management's estimate of expected plan asset performance, salary escalation and various other factors including expected health care costs, mortality rates, terminations and retirement ages. The excess of unrecognized net actuarial gains and losses over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service life of the plan participants.

When an event giving rise to a settlement and a curtailment occurs, the curtailment is accounted for prior to the settlement. The funded status of defined benefit pension plans and other post-retirement benefit plans is recognized on the balance sheet, with a corresponding adjustment to accumulated other comprehensive income (loss), net of tax.

Measuring our obligations under the plans and the related periodic pension expense involves significant estimates. These factors include assumptions about the rate at which the pension obligation is discounted, the expected long-term rate of return on plan assets, the rate of future compensation increases and mortality rates. The expected return on plan assets is determined using the fair value of the plan assets. Differing estimates may have a material impact on the amount of pension expense recorded and on the carrying value of prepaid pension costs and accrued pension obligations.



## CHC Group LLC

### Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

#### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee benefits: (continued)

We report the service cost component in the same line as other compensation costs arising from services rendered by employees. The other components of net benefit cost including interest cost, actual return on plan assets, amortization of prior service cost or credit and the amortization of the net gain or loss included in accumulated other comprehensive income are presented in other financing income (charges).

(ii) Stock-based compensation:

Stock-based compensation for equity-classified awards is measured at the grant date based on the estimated fair value of the awards granted. Liability-classified awards are measured at intrinsic value. For performance-based awards the compensation cost is recognized only for those options where it is probable that performance criteria will be met in the future. For awards that only have service conditions, the compensation cost is recognized on a straight-line basis over the requisite service period for the entire award.

(r) Financial instruments:

(i) Transaction costs:

Transaction costs related to long-term debt are presented in the balance sheet as a direct deduction from the carrying amount of the associated debt liability and amortized over the expected life of the debt using the effective interest rate method. Upon retirement of debt, any unamortized costs are included in the determination of the gain or loss on extinguishment of debt.

(ii) Fair value measurement:

A three-level valuation hierarchy is used for fair value measurement. The hierarchy reflects the significance of the inputs used in making the fair value measurements, which is 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.

Level 3 – inputs that are not based on observable market data.

(iii) Embedded derivatives:

Certain of our customer contracts are denominated in a currency that is other than the functional currency of the substantial parties to the contract. This gives rise to embedded derivatives that are accounted for as derivative financial instruments. These are measured at fair value with resulting gains and losses recorded in the statement of operations within other financing charges. The fair value of our embedded derivatives is considered to be a Level 2 measurement in the fair value hierarchy as fair value is determined using a present value model, which includes inputs such as publicly available forward rates, credit spreads and interest rates applicable to the contracts. Inputs to the model are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Leases:

We enter into leases for aircraft, property and other types of equipment in the normal course of business.

The Company accounts for leases in accordance with Topic 842, Leases. The Company determines if an arrangement is or contains a lease at contract inception if it conveys the right to control the use of identified property and equipment for a period of time in exchange for consideration.

Leases are classified a finance lease if any of the following criteria are met: the lease transfers ownership of the asset to the Company by the end of the lease term; the lease grants the Company an option to purchase the asset that it is reasonably certain to exercise; the lease term is for the major part of the remaining economic life of the underlying asset; the present value of the lease payments equals or exceeds substantially all of the fair value of the underlying asset, or the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. If none of these criteria are met, the lease is classified as an operating lease.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. For operating and finance leases, the:

- i. Lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. As the interest rates implicit in our lease contracts are not readily determinable, we use our incremental borrowing rates to determine the present value of the lease payments. These are the rates we would pay to borrow, on a collateralized basis, the funds necessary to obtain an asset of similar value in a similar economic environment. The lease liability is subsequently measured at amortized cost using the effective-interest method.
- ii. ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

The lease term for all of our leases includes the non-cancellable period of the lease, plus any additional periods covered by either an option to extend or terminate the lease if we are reasonably certain to exercise that option. The Company is not, however, reasonably certain that it will exercise any option(s) to extend at the commencement of a lease, as each extension would be based on the relevant facts and circumstances at the time of the decision to exercise or not exercise an extension option. The Company will evaluate the impact of lease extensions, if and when the exercise of an extension option is probable.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the Company or the Company is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

ROU assets for operating and finance leases are occasionally reduced by impairment losses. The Company uses the long-lived assets impairment guidance in Subtopic 360-10, Property, Plant, and Equipment – Overall to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Leases; (continued)

Operating lease ROU assets are presented as operating lease right of use assets on the consolidated balance sheet. The current portion of operating lease liabilities is included in other current liabilities and the long-term portion is presented separately as operating lease liabilities on the consolidated balance sheet. Finance lease ROU assets are included in property, plant, and equipment. The current portion of finance lease liabilities is included in current installments of obligations under finance leases, and the long-term portion is included in obligations under finance leases, on the consolidated balance sheet.

ASC 842 provides clarification regarding the identification of certain components of service contracts that may represent an embedded lease. Our helicopter service contracts qualify for a practical expedient to combine lease and non-lease components and we account for the combined component in accordance with the accounting treatment for the predominant component. The lease and service components of our helicopter service revenue contracts have been combined and will continue to be accounted for in accordance with ASC 606, Revenue from Contracts with Customers.

(t) Reporting of amounts reclassified out of accumulated other comprehensive income (loss):

We provide information about the effects on net income (loss) of significant amounts reclassified out of each component of accumulated other comprehensive income (loss) only if those amounts are required under other accounting pronouncements to be reclassified to net income (loss) in their entirety in the same reporting period. The amounts reclassified out of accumulated other comprehensive income (loss) for defined benefit pension plans are included in the computation of net defined benefit pension plan expense (income) unless noted otherwise.

(u) Investments:

The Company accounts for its investments using the equity method. Unconsolidated investments in which the Company has significant influence over the operations of the investee are accounted for using the equity method. The Company's periodic share of earnings and losses in equity method investees is included in Earnings (loss) from equity accounted investees in the consolidated statements of operations. The Company evaluates its equity accounted investments for impairment when events or circumstances indicate that the carrying value of such investments may have experienced an other-than-temporary decline in value below carrying value. Investments accounted for under the equity method are included in Investments on the Consolidated Balance Sheet.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (v) Liquidity

Management is required to assess the Company's ability to continue as a going concern for the one-year period following the issuance of these consolidated financial statements. Based on the management's assessment, no conditions or events existed as of the issuance of the financial statements that raise substantial doubt on the Company's ability to continue as a going concern.

As of April 30, 2024, the Company had unrestricted liquidity of \$33.5 million which comprised of cash and cash equivalents. These figures exclude restricted cash.

The Company's management believes that the Company's current cash position, along with its anticipated revenue growth largely driven by Company's operations in Australia and Brazil due to its new contracts that start at materially higher rates, moderate margin uplifts negotiations with the customers, replacement of unprofitable contracts with higher margin contracts, and other strategic initiatives that have been put into place as of the date of issuance, such as equity infusions and settlements, asset/facility sales, and sale-leaseback arrangement will be sufficient to fund its operations for at least a year from the date these financials are available to be issued.

In addition, Management has several strategic initiatives in place to preserve the liquidity for the look-forward period, such as receipts of the sum of \$6.8 million in June 2024 from sales of credit rights owned by the Company from the Petrobras settlement, receipt of \$4.2 million in May 2024 from the Brazil's ICMS credit sale, a sum of \$4.0 million as sales proceeds from the auction of surplus spare parts in June 2024. On October 18, 2024, the Company also received gross proceeds of \$38.0 million from the issuance of preferred stock and beneficiary units (Refer Note 22 (c)). As of December 20, 2024 the revolver element of the BZ facility is still available.

Although not considered for purposes of the Company's assessment of whether substantial doubt was raised, the Company has identified these potential actions to strengthen liquidity and optimize resources in the event actual results and other planned activities differ materially from projections such as the execution of cost-saving measures, which includes maintenance transformation, headcount reduction, and support cost reduction. The Company is prepared to rapidly implement these actions as required by business and market conditions. These actions would improve the available cash balances, liquidity and cash flows generated from operations over the twelve-month period from the date the consolidated financial statements are issued.

#### (w) Recent accounting pronouncements not yet adopted:

##### Income Taxes

In December 2023, the "FASB" issued ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which aims to address requests for improved income tax disclosures from investors that use the financial statements to make capital allocation decisions. The amendments in this ASU address the investor requests for more transparency of income tax information and apply to all entities that are subject to income taxes. The ASU is effective for years beginning after December 15, 2024, but early adoption is permitted. This ASU should be applied on a prospective basis, although retrospective application is permitted. The Company is evaluating the potential impact of the adoption of this ASU on its consolidated financial statements.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (w) Recent accounting pronouncements not yet adopted: (continued)

#### Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (ASC 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this ASU apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The amendments in this ASU were effective for all entities as of March 12, 2020, through December 31, 2022. An entity may elect to apply the amendments for contract modifications at the instrument level as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to the date that the financial statements are available to be issued. In January 2021 the FASB issued ASU 2021-01.

The amendments in this ASU clarify that certain optional expedients and exceptions in ASC 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. Specifically, certain provisions in ASC 848, if elected by an entity, apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform.

In March 2020, the FASB issued ASU 2020-04, Reference rate reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, updated in December 2022 by ASU No. 2022-06, Deferral of Sunset Date of Topic 848. The ASUs apply to all entities that have contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. During the year ended April 20, 2023 and 2024, some of our debt facilities applying LIBOR have already switched over to Secured Overnight Financing Rate (SOFR) rates in anticipation of the LIBOR cessation. While there has been no material effect to our financial condition, results of operations, or cash flows from reference rate reform as of April 30, 2024, we continue to monitor our contracts and transactions for potential application of these ASUs.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

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## 2. BUSINESS ACQUISITION

### Acquisition of Offshore Services Australasia Pty Ltd and Offshore Helicopter Services Denmark A/S

On February 27, 2021, the Company entered into a share purchase agreement to purchase the oil and gas (“O&G”) aviation business of Babcock International Group International group, PLC (“Babcock”) in the UK, Australia and Denmark.

On July 15, 2022 (“Acquisition Date”), the Company completed the acquisition of Offshore Services Australasia Pty Ltd (“Offshore Australia”, “OSA”, and formerly Babcock Offshore Services Australasia Pty Ltd) and Offshore Helicopter Services Denmark A/S (“Offshore Denmark”, “OHS”, and formerly Babcock Denmark A/S) when the United Kingdom’s Competition and Market Authority (“CMA”) ruled that the Company was required to divest Offshore Helicopter Services UK Limited (“Offshore UK”) which was initially part of the acquisition to a suitable purchaser which meets criteria described by the UK’s CMA.

On April 1, 2023, with the approval of CMA, the Company completed the sale of Offshore UK, after a series of intercompany debt restructuring with Offshore Australia and Offshore Denmark, to Ultimate Aviation Group UK Ltd by a share purchase agreement for cash consideration of \$1 (£1) and receipt of debt settlement of \$302,662 (£249,999). \$1 (£1) related to a gain on disposal of assets and \$429,991 (£355,172) related to debt write off that were recognized in the statement of operations.

The acquisition of OSA and OHS expands the Company’s presence in Denmark and Australia’s markets and added aircrafts to our existing aircraft fleet. The incremental financial results of OSA and OHS’s operations are reported in the Consolidated Financial Statements since the date of acquisition.

The purchase price of Offshore Australia and Offshore Denmark was allocated to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The excess of the value of consideration transferred over the aggregate fair value of those net assets is recorded as goodwill, or if the fair value of the net assets acquired exceeds the purchase consideration, a bargain purchase gain is recorded. The Company engaged a third party consultant, Grant Thornton LLP, to compute the valuation of the acquisition of Offshore Australia and Offshore Denmark. The Company recorded goodwill of \$1.2 million in connection with the acquisition of OSA and OHS.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 2. BUSINESS ACQUISITION (CONTINUED)

The fair value of the purchase price was allocated to the identifiable assets acquired and liabilities assumed based upon their estimated fair values as of the Acquisition Date as set forth below (in thousands):

Cash and cash equivalents	\$	6,214
Receivables, net		19,454
Inventories		4,959
Prepaid expenses		1,003
Other assets		6,191
Property and equipment, net		4,957
Operating lease right-of-use assets		86,355
Intangible assets		9,800
Goodwill		1,158
Total assets acquired		<u>140,091</u>
Payables and accruals		28,049
Deferred revenue		4,432
Income taxes payable		114
Current portion of operating lease liabilities		14,179
Operating lease liabilities		72,176
Other liabilities		13,108
Total liabilities assumed		<u>132,058</u>
Total purchase price	\$	<u>8,033</u>

The Company believes the amount of goodwill resulting from the purchase price allocation is primarily attributable to expected synergies from the assembled workforce, increased offerings to customers, and enhanced opportunities for growth and innovation. Goodwill will not be amortized but instead will be tested for impairment at least annually or more frequently if certain indicators of impairment are present. In the event that goodwill has become impaired, the Company will record an expense for the amount impaired during the year in which the determination is made. The acquired intangibles and goodwill resulting from the acquisition are not amortizable for tax purposes.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 2. BUSINESS ACQUISITION (CONTINUED)

The table below summarizes the components of the intangible assets and estimated useful lives as of the Acquisition Date:

		<u>Estimated Useful Life</u>
Customer relationships	\$ 9,800	5 to 7 years

At the Acquisition Date, OSA and OHS had existing customer relationships.

Intangible assets are generally amortized on a straight-line basis, which approximates the pattern in which the economic benefits are consumed, over their estimated useful lives. The intangible assets generated in the acquisition of OSA and OHS are not tax deductible. As of April 30, 2023, no impairment was recorded in relation to the acquired customer relationships of OSA and OHS. During the year ended April 30, 2024, an impairment of \$2.4 million was recorded in relation to the acquired customer relationships of OHS (Note 4).

During the year ended April 30, 2023, the Company recognized acquisition related costs of approximately \$1.9 million in the Company's consolidated statement of operations.

The amounts of revenue and earnings of OSA and OHS included in the Company's consolidated statement of operations from the acquisition date to the period ending April 30, 2023, are as follows:

#### Revenue and earnings included in the consolidated statement of operations from July 15, 2022, to April 30, 2023

Revenue	\$ 100,918
Earnings	\$ (7,013)



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 3. VARIABLE INTEREST ENTITIES

Certain areas of our operations are subject to local governmental regulations that may limit foreign ownership of aviation companies. Accordingly, our operations in certain jurisdictions may require the establishment of local ownership entities that are considered to be VIEs. The nature of our involvement with consolidated local ownership entities, of which we are the primary beneficiary, is as follows:

#### EEA Helicopters Operations B.V. ("EHOB")

EHOB is incorporated in the Netherlands and, through its wholly owned subsidiaries in Norway, Denmark, the Netherlands, the United Kingdom, and Ireland, provides helicopter flying services to customers in Europe.

The terms of the original agreement ("Shareholders' Agreement") was signed on September 17, 2008. On December 15, 2017, the terms of the Shareholders' Agreement were modified and a new European investor ("the Class A shareholder") replaced the former European investor ("Former Investor") under the terms of a sale and purchase agreement.

Subsequently, on September 16, 2022, the terms of the Shareholder's Agreement were further modified, and an Irish Company ("New investor") replaced the original Class A Shareholder, whereas the Company paid a net payment of \$3.5 million to acquire and sold the shares to the New Investor. Under the terms of the new Shareholder's Agreement, we continue to own 49.9% of the Common Shares (9,896,085 Class B Shares) of EHOB with the remaining 50.1% Class A Common shares (9,935,750 shares) held by the Class A shareholder. The new Management Board of EHOB is to be comprised of one director nominated by Class B shareholders and two directors nominated by Class A shareholder. The Shareholders also appointed one of the directors nominated by Class A shareholder as the new chairman of EHOB.

The new Shareholders' Agreement contains call options held by CHC. The call option is exercisable at any time by CHC and at a price of \$1.0 million plus accrued interest.

We have determined that the activities that most significantly impact the economic performance of EHOB are servicing existing flying services contracts and entering into new contracts, safety and training, and maintenance of helicopters. Through an agreement with EHOB, we have the right to enter directly into new flying services contracts and require that EHOB to act as the subcontractor for the provision of those services. EHOB's fleet of helicopters is leased entirely from us, and the lease agreements require that all aircraft maintenance be provided by us. The Shareholders' Agreement requires EHOB to ensure safety standards meet the minimums set by us.

As a result of consolidating EHOB, the Company has recorded a non-controlling interest relating to the 50.1% Class A shareholder's interest in the net assets of EHOB in equity.

As a result of the modified terms and conditions during the year ended April 30, 2023, we assessed that the call arrangement with the holder of the non-controlling interest of EHOB is exercisable only at the option of CHC as such, the non-controlling interest is not redeemable.

#### CHC Whirlybird Mexico, S. de R.L. de C.V. ("Whirlybird") and Helicopter Operations Mexico, S. de R.L. de C.V. ("Helicopter Mexico") (collectively "CHC Mexico")

On October 3, 2017, CHC Mexico was incorporated in Mexico to provide helicopter flying services to customers.

Whirlybird owns a 51% interest in Helicopter Mexico. We own 49% of Series B shares of Whirlybird, with the remaining ownership interest held by a Mexican investor in Series A shares ("Mexican Investor"). We also own an indirect ownership interest of 49% in Helicopter Mexico. Due to the Company being the primary beneficiary, the financial information of CHC Mexico is consolidated with the Company's consolidated financial statements. The Board of Whirlybird is comprised of one director appointed by us and two directors appointed by the Mexican Investor, with the Chairman to the Board appointed by us.



## CHC Group LLC

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of United States Dollars unless otherwise noted, except share information)

### 3. VARIABLE INTEREST ENTITIES (CONTINUED)

The shareholders' agreement contains both call and put options, held by the Mexican Investor and by us, which may be exercised at any time. The put/call price is equal to book value. We will adjust the carrying amount of the redeemable non-controlling interest to equal the higher of the redemption amount or the net income attributable to the non-controlling interest at the end of the reporting period. The change in redemption amount is recognized in additional paid-in capital.

On November 1, 2023, the company completed the sale of all issued and outstanding shares of Helicopter Operation Mexico, S. DE R.L. DE C.V., the operating division of CHC Mexico, through the execution of a stock purchase agreement with Sistemas Navieros De Mexico, S.A. DE C.V. and Conglomerado Offshore Mexico, S. DE R.L. DE C.V. for a nominal purchase price consideration of \$1. Subsequently, CHC sold all its aircrafts tied to the Mexico division. The disposal was not considered a strategic shift that had a major impact on the Company's operations and financial results, as a result, it was not reported as discontinued operations.

#### Other local ownership VIEs

We also have operations in several other countries that are conducted through entities with local ownership. We have consolidated these entities because the local owners do not have extensive knowledge of the aviation industry and defer to us in the overall management and operation of the entities.

The following table shows the non-controlling interests relating to the local ownership VIEs that are included in the consolidated financial statements.

	April 30, 2023	April 30, 2024
EEA Helicopters Operations B.V.	\$ 16,976	\$ 39,897

#### Financial information of local ownership VIEs

The following table shows the financial information reflected in the consolidated balance sheet and statement of operations for the local ownership VIEs, including intercompany amounts with other consolidated entities:

	April 30, 2023	April 30, 2024
Cash and cash equivalents	\$ 10,484	\$ 10,981
Receivables, net of allowance	42,500	38,814
Other current assets	7,658	7,886
Other long-term assets	29,296	30,153
<b>Total assets</b>	<b>\$ 89,938</b>	<b>\$ 87,834</b>
Payables and accruals	\$ 54,427	\$ 52,768
Intercompany payables	84,673	93,234
Other current liabilities	11,181	8,799
Accrued pension obligations	75,514	79,708
Long-term intercompany payables	78,614	76,025
Other long-term liabilities	21,495	35,957
<b>Total liabilities</b>	<b>\$ 325,904</b>	<b>\$ 346,491</b>
	<u>For the year ended</u>	
	<u>April 30, 2023</u>	<u>April 30, 2024</u>
Revenue	\$ 259,240	\$ 298,846
Net loss	1,693	(42,657)



## 4. ASSET IMPAIRMENTS

	For the year ended	
	April 30, 2023	April 30, 2024
Impairment of inventories	\$ (25,706)	\$ (6,586)
Impairment of intangible assets	(2,491)	(2,479)
Impairment- Others	(823)	(1,016)
	<u>\$ (29,020)</u>	<u>\$ (10,081)</u>

During the year ended April 30, 2023, we recognized an impairment charge of \$25.7 million for obsolete and excess consumable inventories and for parts unused at the end of the useful life of related aircraft. In addition, we recognized an impairment charge of \$2.5 million for intangible assets in relation to trademarks (Note 6), and other impairment charge of \$0.8 million.

During the year ended April 30, 2024, we recognized an impairment charge of \$6.6 million for obsolete and excess consumable inventories and for parts unused at the end of the useful life of related aircraft. In addition, we recognized an impairment charge of \$2.5 million by fully writing off the customer relationships acquired as part of the acquisition of OHS (Note 2 and 6) because there is no expectation of recoverability either through future use or sale of the asset due to the expiration of the only contract operated by OHS. We also recognized other impairment charge of \$1.0 million.

## 5. PROPERTY AND EQUIPMENT, NET

The cost and related accumulated depreciation of our flying assets, equipment and facilities are as follows:

	April 30, 2023	April 30, 2024
Flying assets	\$ 902,801	\$ 957,550
Equipment	37,902	39,527
Facilities	44,798	43,702
Total	<u>985,501</u>	<u>1,040,779</u>
Less: Accumulated depreciation	<u>(335,553)</u>	<u>(389,244)</u>
Property and equipment, net	<u>\$ 649,948</u>	<u>\$ 651,535</u>

The net book value of capitalized computer software costs included in equipment was \$1.0 million and \$1.0 million as of April 30, 2023 and 2024, respectively. Depreciation related to capitalized computer software costs was \$0.7 million and \$0.6 million for the years ended April 30, 2023 and 2024, respectively. We recognized a total depreciation expense of \$104.5 million as of April 30, 2024 (April 30, 2023 - \$100.3 million). This amount was included in depreciation and amortization expense on the consolidated statements of operations.

Finance lease right-of-use assets included within the assets above, which all related to flying assets, were as follows:

	April 30, 2023	April 30, 2024
<b>Finance lease right-of-use assets:</b>		
Cost	\$ 236,006	\$ 301,144
Accumulated depreciation	(22,847)	(61,587)
	<u>\$ 213,159</u>	<u>\$ 239,557</u>



## 6. INTANGIBLE ASSETS

We own the rights to certain trade names and trademarks which are classified as indefinite life intangible assets. The trade names and trademarks are valued using estimated cash flows discounted at a risk-adjusted rate.

During the year ended April 30, 2023 and 2024, we recorded an impairment loss of \$2.5 million and nil respectively. The indefinite intangible assets had a carrying value of \$40.5 million at April 30, 2023 and 2024. The impairment loss on indefinite life intangible assets is included in asset impairments (Note 4) in the Consolidated Statement of Operations.

In addition, we own customer relationships that were acquired as part of the acquisition of OSA and OHS and are classified as definite life intangible assets. The Company determines the appropriate useful life of the customer relationships by performing an analysis of the expected cash flows of the acquired assets. The definite life Intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from five to seven years. We recognized an impairment loss of \$2.5 million (Note 4) as of April 30, 2024 (April 30, 2023 - \$0 million) for customer relationships pertaining to OHS operations. We recognized amortization expense of \$2.6 million in relation to the remaining definite life Intangible assets as of April 30, 2024 (April 30, 2023 - \$0 million). This amount was included in depreciation and amortization expense on the consolidated statements of operations. The definite intangible assets had a carrying value of \$4.6 million on April 30, 2024 (April 30, 2023 - \$9.9 million).

## 7. RESTRUCTURING

We underwent a comprehensive review of our operations and organizational structure with the view of reducing operating costs. Restructuring expenses include employee restructuring costs and other professional fees. The restructuring expense includes certain estimates related to the timing and costs of restructuring activities. Any adjustments to these estimates are reflected at each year end.

The following table summarizes the restructuring expense and liability:

	Restructuring liability
<b>Balance as at April 30, 2023</b>	\$ 6,384
Restructuring costs expense	483
Non-cash charges and foreign exchange	(24)
Cash payments	(2,181)
<b>Balance as at April 30, 2023</b>	<u>\$ 4,662</u>
Restructuring costs recovery	(2,278)
Non-cash charges and foreign exchange	(32)
Cash payments	(2,352)
<b>Balance as at April 30, 2024</b>	<u><u>\$ —</u></u>



## 8. INVESTMENTS

	Percentage ownership	April 30, 2023	April 30, 2024
Equity accounted investments:			
Luchthaven Den Helder C.V.	50.0 %	\$ 6,459	\$ 6,487
		<u>\$ 6,459</u>	<u>\$ 6,487</u>

Of our consolidated deficit \$0.6 million and \$0.8 million relates to undistributed earnings of equity method investees as of April 30, 2023 and April 30, 2024 respectively. No dividends were received from our equity accounted investments during the year ended April 30, 2023 and April 30, 2024 respectively.

## 9. INVENTORIES

	April 30, 2023	April 30, 2024
Maintenance, repair and overhaul contracts in progress	\$ 3,177	\$ 6,802
Consumables	94,785	95,402
Provision for end of life, obsolete and excess inventories	(29,290)	(33,175)
	<u>\$ 68,672</u>	<u>\$ 69,029</u>

## 10. RECEIVABLES, NET

	April 30, 2023	April 30, 2024
Trade receivables, net	\$ 122,346	\$ 106,564
Contract assets	4,728	8,201
Other receivables	5,764	3,255
	<u>\$ 132,838</u>	<u>\$ 118,020</u>

The allowance for doubtful accounts continuity schedule is as follows:

	April 30, 2023	April 30, 2024
Balance, beginning of the year	\$ (1,553)	\$ (1,533)
Additional allowances	—	(1,088)
Net write-offs and collections	20	158
Balance, end of the year	<u>\$ (1,533)</u>	<u>\$ (2,463)</u>



## 11. OTHER ASSETS

	April 30, 2023	April 30, 2024
<b>Current:</b>		
Foreign currency embedded derivatives	\$ 2,076	\$ 4,759
Contract costs for helicopter services flying operations	2,847	4,818
	<u>\$ 4,923</u>	<u>\$ 9,577</u>
<b>Non-current:</b>		
Security deposits (i)	\$ 23,341	\$ 26,095
Deferred lease financing costs	16	—
Foreign currency embedded derivatives	4,413	9,204
Long-term taxes receivable	9,619	6,542
Contract costs for helicopter services flying operations	8,337	11,047
Other	6,289	5,775
	<u>\$ 52,015</u>	<u>\$ 58,663</u>

- i) For the year ended April 30, 2024, the security deposits include deposits to LCI Helicopters Ltd. of \$14.9 million (2023 - \$14.3 million), Milestone Aviation Group of \$9.5 million (2023 - \$8.1 million), and Macquarie Rotorcraft Leasing Holdings Limited of \$1.7 million (2023 - \$0.9 million).



## 12. OTHER LIABILITIES

	April 30, 2023	April 30, 2024
<b>Current:</b>		
Restructuring (Note 7)	\$ 4,662	\$ —
Foreign currency embedded derivatives	1,978	2,507
Contract inducement (a)	665	659
Other	909	15
	<u>\$ 8,214</u>	<u>\$ 3,181</u>
<b>Non-current:</b>		
Insurance claims accrual (b)	\$ 8,236	\$ 7,205
Contract inducement (a)	1,130	461
Foreign currency embedded derivatives	4,760	8,418
Deferred gains on sale-leasebacks of helicopters	912	524
Other	6,373	6,608
	<u>\$ 21,411</u>	<u>\$ 23,216</u>

(a) Contract inducement:

We received an inducement to enter into a 15 year Master Training Services Agreement (“MTSA”) with CAE Inc. (“CAE”) expiring in February 2026 for the provision of training services to us on CAE’s worldwide network of simulators.

The inducement proceeds have been deferred in other liabilities and are recognized as a reduction in direct costs over the term of the MTSA as the amounts become non-refundable.

(b) Insurance claims accrual:

The insurance claims accrual relates solely to our reinsurance subsidiary, CHC Reinsurance S.A. The amount represents accruals for losses that have been reported, but not yet paid and accruals for losses that have been incurred, but not yet reported. The reinsurance subsidiary reinsures certain employee benefits, death and disability benefits, loss of license insurance and coverage not available in the commercial insurance market for the operations of the Company.



## 13. DEBT OBLIGATIONS

	Principal repayment terms	Facility maturity dates	April 30, 2023	April 30, 2024
Secured Term Loan	At maturity	June 2025	363	327
Unsecured Notes	At maturity	April 2024	1,164	—
Tranche A Loan	At maturity	March 2025	672	700
Tranche B Loan	At maturity/conversion	September 2026	192,765	154,515
Tranche C Loan	At maturity/conversion	September 2026	114,513	132,840
EDC Facility	Monthly	March 2027	20,455	15,784
ABL Facility	Monthly	March 2025	13,932	—
PK Facility	Monthly	September 2023 to November 2026	61,325	54,079
Breal Zeta-AR revolving facility	Revolving	September 2027	—	18,547
Breal Zeta-Aircraft facility	At maturity	September 2027	—	30,600
Finance lease obligations	Monthly	April 2022 to May 2028	207,393	239,299
Other financing arrangements	Quarterly lease payments	December 2048	36,144	33,898
Unamortized deferred financing costs			(10,034)	(11,227)
Total long-term debt obligations			638,692	669,362
Less: Current portion of debt obligations			(69,197)	(84,738)
Long-term portion of debt obligations			\$ 569,495	\$ 584,624

(a) Secured Term Loan:

In August 2021, the Company has been issued Secured term loan for backstop commitments. The Secured Term Loan bears an interest option of 10% cash or 12% payable in kind "PIK" at the option of the Company. The Secured Term Loans had a second priority lien on the collateral of the Company and a priority lien on the collateral of certain subsidiaries of the Company in our Asia Pacific region.

In August 2022, following the Company's debt restructuring, the Secured Term Loan has been largely replaced, with a remaining balance of approximately \$0.3 million by the Tranche B Loan (Note 13(d)). During the period ended April 30, 2024, there have been no amendments to the loan.

(b) Unsecured Notes:

The Unsecured Notes bears an interest at the rate of 5% per annum, payable quarterly. The loan is unsecured, and certain subsidiaries of the Company have jointly and unconditionally guaranteed the obligations.

In August 2022, following the Company's debt restructuring, a portion of the Unsecured Notes has been replaced, with a remaining balance of approximately \$1.2 million by the Tranche B Loan (Note 13(d)).

In April, 2024, the Unsecured Notes were fully paid off at maturity.



## 13. DEBT OBLIGATIONS (CONTINUED)

### (c) Tranche A Loan:

In August 2022, the Company entered into debt restructuring agreements (“Second Amended and Restated Credit Agreement”) wherein the Tranche A Loan is held by non-participating lenders of the Revolving Credit Facility. Pursuant to the terms of Second Amended and Restated Credit Agreement, the Tranche A Loan bears interest at the London Interbank Offered Rate (“LIBOR”) plus an applicable margin that ranges from 9.0% to 12.5% from August 31, 2022, the effective closing date, to March 31, 2025, the maturity date, of which the margin of 7.5% is payable in cash while the remaining is PIK or at Alternate Base Rate (“ABR”) plus an applicable margin that ranges from 8.0% to 11.5% from August 31, 2022 to March 31, 2025, of which 6.5% is payable in cash while the remaining is PIK.

### (d) Tranche B Loan:

As of May 1, 2022, the outstanding balance of the Revolving credit facility was \$421.0 million with a maturity date of March 31, 2025, with a planned reduction of \$30.0 million by December 31, 2022, \$25.0 million by December 31, 2023, and \$10.0 million by December 31, 2024. The Revolving Credit Facility bears interest at the alternate base rate or LIBOR plus an applicable margin that ranges from 8.0%-9.0% which will be increased to 12.5% by maturity, of which 1.5%-5.0% is PIK.

In August 2022, the Revolving Credit Facility was modified, through a series of debt restructuring, as the Company agreed to sell common units to the Tranche B term lenders in exchange for the Tranche B Loans. As a result of the debt restructuring, a part of the Revolving Credit Facility has been replaced by the Tranche B Loan.

Pursuant to the terms of Second Amended and Restated Credit Agreement, the Company agreed to sell common units to the Tranche B term lenders in exchange for the Tranche B Loan. The Tranche B Loan comprised of the (a) RCF of \$407.7 million; (b) Secured Term Loan of \$89.2 million; (c) Unsecured Notes of \$0.4 million; and (d) accrued interest of \$21.5 million. The Tranche B Loan bears interest at 3.00% per annum payable by way of PIK with a maturity date of September 3, 2026. The equitization of the Tranche B Loan shall be effectuated in accordance with the below milestones or conversion events:

1. Milestone I Equitization (equitization completed in March 2023): All Tranche B Loan except \$210.0 million plus capitalized interest of \$21.5 million as on August 15, 2022, is converted into 57.16% of the common units on fully diluted basis. The requirement of this milestone was met on March 06, 2023.
2. ABL maturity extension (equitization completed in April 2024): 10% of the Tranche B Loan existing as of August 15, 2022, and remaining after Milestone I Equitization shall equitize into 4.18% of the common units on a fully diluted basis upon the Company achieving extensions of maturity dates of the existing ABL's (Note 13(h)) to the weighted average life to maturity of the EDC ABL. The requirement of this milestone was met on April 18, 2024.
3. Babcock Integration (equitization completed in March 2023): 10% of the Tranche B Loan existing as of August 15, 2022, and remaining after Milestone I Equitization shall equitize into 4.18% of the common units on fully diluted basis upon the Company completing the proposed integration so long as there has been no Babcock regulatory action by such date. The requirement of this milestone was met on March 06, 2023.
4. Norway price uplift (equitization completed in January 2024): 10% of the Tranche B Loan existing as of August 15, 2022, and remaining after Milestone I Equitization shall equitize into 4.18% of the common units on a fully diluted basis upon the Company achieving contract re-negotiations that result in at least \$15.0 million of annualized additional flying revenue for the fiscal year 2023. The requirement of this milestone was met on January 01, 2024.



**13. DEBT OBLIGATIONS (CONTINUED)**

5. Free cash flow projections (“Final Conversion Event”): 70% of the Tranche B Loan existing as of August 15, 2022, and remaining after Milestone I Equitization shall equitize into 29.29% of the common units on a fully diluted basis upon the Company achieving a certain level of recurring unlevered free cash flow and consolidated adjusted EBITDA as agreed in the Second Amended and Restated Credit Agreement.

Of the total Tranche B Loan of \$518.8 million, equitization of an aggregate principal amount approximately \$329.7 million plus capitalized interest and any PIK Interest that has accrued but has not yet been capitalized, was completed in March 2023 pursuant to the fulfillment of Milestone 1 Equitization and Babcock Integration conversion events (refer Note 17(a)).

In January 2024, equitization of an aggregate principal amount of approximately \$21.9 million was completed (including capitalized PIK interest) pursuant to the fulfillment of Norway price uplift was completed (refer Note 17(a)).

In March 2024, an aggregate principal amount of approximately \$22.1 million (including capitalized PIK interest) representing equitization for Milestone (ii)- ABL maturity was completed (refer Note 17(a)).

The remaining Tranche B Loan principal amount of approximately \$147.1 million plus any capitalized interest and any PIK interest that has accrued but not yet been capitalized can be equitized up to September 3, 2026, upon the completion of milestones 5.

(e) Tranche C Loan:

Pursuant to the terms of Second Amended and Restated Credit Agreement, the Company also received additional financing through Tranche C Loan, which comprised of (a) Tranche C-1 loan of \$40.5 million during phase 1 of the transaction in June 2022; (b) Tranche C-2 loan of \$35.0 million during phase 2 of the transaction in August 2022; and (c) Tranche C-3 loan of \$30.0 million during phase 3 of the transaction in October 2022.

The Tranche C Loan bears interest at 15.00% per annum payable by way of PIK on or before the Final Conversion Event; and thereafter, in cash on the remaining balance with a maturity date of September 3, 2026.

(f) EDC Facility:

The EDC Facility loans were issued for a principal amount of 100% of the value of the purchase price of the aircraft within the EDC Facility. The EDC Facility is repayable over a ten year term payable monthly in arrears with a fixed rate of interest of 3% per annum. The EDC Facility is secured by the helicopter equipment, contains certain affirmative and negative covenants and is subject to acceleration of maturity under certain circumstances.

In August 2022, EDC facility was further modified whereby EDC agreed to defer the scheduled principal and interest payments for the month of September, October, and November 2022. The deferred amounts were paid back in a lump sum in February 2023. The Company was in compliance with all covenant terms as at April 30, 2024.



**13. DEBT OBLIGATIONS (CONTINUED)**

(g) ABL Facility:

The ABL Facility is denominated in U.S. dollars, with the principal balance repayable on a monthly basis together with a balloon payment at the end of the term. No amounts can be redrawn under the facility when repaid. We have the right to request additional incremental loans in \$5.0 million tranches under the facility. It bears an interest of 8% per annum with a maturity date of March 2025.

The ABL Facility is secured on a first priority perfected security interest in the capital stock of the borrower and in the helicopter equipment it acquires. The ABL Facility contains certain affirmative and negative covenants and is subject to acceleration of maturity under certain circumstances.

In October 2023, the outstanding balance of \$9.8 million (including accrued interest and net of unamortized deferred financing fees of \$0.2 million) was refinanced through the disbursement of \$10.0 million relating to the Breal Zeta Aircraft Facility. A loss of debt extinguishment of \$0.2 million was recorded on the consolidated Statement of Operations (refer Note 15(i)).

(h) PK Facility:

The PK Facility provides U.S. dollar-denominated non-revolving term loan facilities, each with respect to the financing or refinancing of certain aircraft. No amounts can be redrawn under the facility when repaid. The PK Facility is secured by helicopter equipment, contains certain affirmative and negative covenants, and is subject to acceleration of maturity under certain circumstances.

As of April 30, 2023, the PK Facility bears interest at LIBOR plus an applicable margin of 5.85%. During the period ending April 30, 2023, as part of the wider recapitalization, there was a three-month principal payment deferral starting from September 2022 and the deferred principal was paid over the subsequent six months.

In April 2024, the terms and conditions were further modified. The PK Facility was refinanced with a \$4.25 million capital injection spread evenly over three aircraft. As per the revised terms, the maturity of the loans for all aircraft has been extended to March 2032 except for two aircrafts. The revised terms also lower the monthly capital repayments due to maturity extensions, reduce the expiry of balloon payments for two aircrafts, and eliminate the expiry of balloon payments for five aircrafts. Starting November 1, 2024, the PK Facility bears interest at LIBOR plus a margin of 4.50%, a reduction from 5.85%. The Company was in compliance with all covenant terms as of April 30, 2024.



13. DEBT OBLIGATIONS (CONTINUED)

(i) Breal Zeta facility:

In September 2023, the Company secured an asset-based loan syndication which comprises of Accounts Receivables Facility (Revolving loan) with a facility limit of \$36.35 million and Aircraft Facility (Term Loan) with a facility limit of \$30.65 million making a total of \$67.0 million from BZ Commercial Finance Designated Activity Company. The tenor of the loan is five years, and it is secured by specified aircraft through CHC Cayman ABL Borrower Ltd. ("Aircraft Client") and account receivable balance of CHC Helikopter Service AS, CHC Helicopters Netherlands B.V., CHC Scotia Limited, CHC Ireland DAC (collectively "AR Client"). Each client is required to repay its advances and other amounts owing to the lender in an amount equal to its outstanding obligation in full (if not repayable at an earlier date) on the maturity date (a client may prepay the whole or any part of its debt obligation at any time and from time to time). The Company was in compliance with the covenant terms as of April 30, 2024.

(j) Other financing arrangement:

During the year ended April 2022, the Company transferred its building and associated land lease based in Norway to a newly created company in order to facilitate the sale and leaseback transaction. Under U.S. GAAP, the transaction qualified as failed sale. The building continues to remain as an asset in our books and the obligation under the arrangement is recorded as a liability. The Company recorded a financial liability of \$45.4 million and a vendor credit under other assets of approximately \$2.1 million receivable in 5 years as part of this transaction. The 27-year lease term began in December 2021 with quarterly lease payments having an annual CPI index. The rental payments made under the leaseback would be allocated between interest expense and principal repayment against the financial liability.

(k) Repayment requirements:

Contractual repayment requirements related to the total debt obligations outstanding as of April 30, 2024, over the next five years and thereafter are as follows:

	Finance lease obligations	Other long-term debt	Other financing arrangement (i)	Total
2025	\$ 85,137	\$ 49,584	\$ 2,296	\$ 137,017
2026	63,797	376,940	2,296	443,033
2027	53,841	17,032	2,296	73,169
2028	46,660	39,730	2,296	88,686
2029	25,605	7,339	2,296	35,240
Thereafter	19,795	23,672	44,768	88,235
	294,835	514,297	56,248	865,380
Less interest (ii) (iii)	(55,536)	(106,904)	(22,351)	(184,791)
Total	\$ 239,299	\$ 407,393	\$ 33,897	\$ 680,589

(i) Obligations towards sola sale-leaseback arrangement.

(ii) Determined at the rates in effect at capital lease or loan inception.

(iii) Excludes unamortized deferred financing costs of \$11.2 million



## 14. REVENUE

The following table provides the revenues recognized by service line:

	For the year ended	
	April 30, 2023	April 30, 2024
Helicopter flying services	\$ 742,847	\$ 756,027
Maintenance, repair and overhaul	88,441	93,278
	<u>\$ 831,288</u>	<u>\$ 849,305</u>

The following table presents the Company's revenue disaggregated by geographical location for the year ended April 30, 2023 and 2024 respectively:

	April 30, 2023	April 30, 2024
Americas	\$ 56,231	\$ 76,826
Europe	569,594	522,592
Asia Pacific	205,463	249,887
	<u>\$ 831,288</u>	<u>\$ 849,305</u>

## 15. OTHER FINANCING CHARGES

	For the year ended	
	April 30, 2023	April 30, 2024
Amortization of deferred financing costs	\$ (647)	\$ (553)
Net loss on fair value of embedded derivative financial instruments	(2,469)	3,470
Interest expense	(1,506)	(1,268)
Interest income	2,442	2,038
Non-service net periodic defined benefit pension income (Note 18)	(1,394)	(4,700)
Commitment, standby and other fees	(7,164)	(4,575)
Loss on debt extinguishment (i)	(20,113)	(160)
Other (ii)	—	(5,986)
	<u>\$ (30,851)</u>	<u>\$ (11,734)</u>

(i) During the year ended April 30, 2023 and 2024, the Company wrote off unamortized deferred financing fee of \$20.1 million and \$0.2 million respectively as loss on debt extinguishment in connection with the exchange of the Revolving Credit Facility between two different lenders and asset-based loan refinancing respectively.

(ii) During the year ended April 30, 2024, the Company recorded a discount of \$6.0 million on the sale of Brazil's VAT Refund (refer Note 22(b)).



16. INCOME TAXES

The income tax expense is comprised as follows:

	For the year ended	
	April 30, 2023	April 30, 2024
Current income tax recovery	\$ 4,690	\$ 1,369
Deferred income tax recovery	—	161
Total income tax recovery	\$ 4,690	\$ 1,530

During the years ended April 30, 2023 and 2024, we recorded an income tax recovery of \$4.7 million and \$1.50 million respectively, resulting in an effective tax rate of 2.99% and 1.46% respectively.

	For the year ended			
	April 30, 2023		April 30, 2024	
	Amount	Percentage	Amount	Percentage
<b>Taxes recoveries (expenses)</b>				
<b>Cayman Statutory Rate</b>	\$ —	0.00	—	0.00
<b>State and Local Income taxes</b>	—	0.00	—	0.00
<b>Foreign tax effects - withholding taxes</b>	(152)	(0.10)	\$ (293)	(0.28)
<b>Foreign Tax Effects</b>				
Australia				
Statutory rate difference between Australia and Cayman	2,246	1.43	1,766	1.69
Non-taxable items - exempt income	844	0.54	651	0.62
Foreign tax effects - withholding taxes	(14)	(0.01)	(240)	(0.23)
Changes in Valuation Allowances	(3,090)	(1.97)	(2,417)	(2.31)
Other taxes	—	0.00	—	0.00
Brazil				
Statutory rate difference between Brazil and Cayman	8,847	5.64	10,157	9.72
Non-taxable items - statutory accounting adjustments	2,103	1.34	(3,095)	(2.96)
Changes in Valuation Allowances	(10,950)	(6.98)	(7,062)	(6.76)
Canada				
Statutory rate difference between Canada and Cayman	2,714	1.73	1,789	1.71
Non-taxable items - loans recovery	2,231	1.42	290	0.28
Foreign tax effects	(3)	0.00	61	0.06
Changes in Valuation Allowances	(4,945)	(3.15)	(2,079)	-1.99



## 16. INCOME TAXES (CONTINUED)

Taxes recoveries (expenses) continued

	For the year ended			
	April 30, 2023		April 30, 2024	
	Amount	Percentage	Amount	Percentage
Taxes recoveries (expenses)				
Foreign Tax Effects				
Ireland				
Statutory rate difference between Ireland and Cayman	978	0.62	1,314	1.26
Changes in Valuation Allowances	(978)	(0.62)	(1,314)	(1.26)
Other - refund from losses carried back	546	0.35	—	0.00
Luxembourg				
Statutory rate difference between Luxembourg and Cayman	9,951	6.34	(596)	(0.57)
Non-deductible items - restricted interest expenses	(12,829)	(8.18)	(11,057)	(10.58)
Non-taxable items - loan losses	—	0.00	—	0.00
Changes in Valuation Allowances	2,878	1.83	11,653	11.15
Other taxes - net wealth tax	(29)	(0.02)	(17)	(0.02)
Norway				
Statutory rate difference between Norway and Cayman	(2,413)	(1.54)	(2,632)	(2.52)
Non-taxable items	(67)	(0.04)	(93)	(0.09)
Foreign tax effects - withholding taxes	—	0.00	(252)	(0.24)
Changes in Valuation Allowances	2,480	1.58	2,725	2.61
UK				
Statutory rate difference between UK and Cayman	865	0.55	6,301	6.03
Non-deductible items - loan losses	(5,876)	(3.63)	(7,891)	(7.55)
Changes in Valuation Allowances	5,011	3.05	1,589	1.52
Other taxes	(41)	(0.03)	—	0.00
Other jurisdictions	(1,002)	(0.64)	24	0.02
Changes in unrecognized tax benefits	5,385	3.43	2,247	2.15
Income tax recoveries	\$ 4,690	2.99	\$ 1,530	1.46



16. INCOME TAXES (CONTINUED)

*Deferred income taxes*

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

As of April 30, 2024, the Company has deferred tax assets of \$2,212.3 million (2023 - \$2,219.8 million) which primarily consist of net operating loss carry forwards. Deferred tax liabilities of \$127.6 million (2023 - \$122.8 million), primarily consists of receivables, property and equipment and other assets. A valuation allowance of \$2,084.7 million (2023 - \$2,097.2 million) was recorded to reduce the deferred tax assets as we determined it is more likely than not that some or all of the deferred tax assets will not be recognized. As of April 30, 2024, we have not recognized any deferred tax liabilities (2023 - \$0.2 million). The net decrease in total valuation allowance during the year is \$12.5 million.

*Net operating loss carry forwards*

As at April 30, 2024, the gross amount of the net operating loss carry forwards which are available to reduce taxable income in future years will expire as follows:

	For the year ended April 30,						
	2025	2026	2027	2028	2029+	No expiry date	Total
Tax losses (*)							
Australia	\$ —	\$ —	\$ —	\$ —	\$ —	131,181	\$ 131,181
Barbados	—	—	—	68	2,547	—	2,615
Brazil	—	—	—	—	—	269,362	269,362
Canada	—	—	—	—	172,836	—	172,836
Denmark	—	—	—	—	—	14,743	14,743
Ireland	—	—	—	—	—	28,881	28,881
Luxembourg	—	—	—	—	438,313	6,725,784	7,164,097
Netherlands	—	2,496	25,022	—	28,787	—	56,305
Norway	—	—	—	—	—	275,844	275,844
Poland	1,234	333	2,437	—	1,565	—	5,569
United Kingdom	—	—	—	—	—	309,768	309,768
United States	—	—	—	—	2,401	86,405	88,806
<b>Total</b>	<b>\$ 1,234</b>	<b>\$ 2,829</b>	<b>\$ 27,459</b>	<b>\$ 68</b>	<b>\$ 646,449</b>	<b>\$ 7,841,968</b>	<b>\$ 8,520,007</b>



## 16. INCOME TAXES (CONTINUED)

Tax loss carry forwards in certain jurisdictions are subject to audit and the table above reflects our best estimate of the outcomes at the balance sheet date.

### *Income Tax paid (refund)*

	For the year ended	
	April 30, 2023	April 30, 2024
Cayman Islands	\$ —	\$ —
Foreign		
Australia	*	222
Brazil	(2,526)	(3,115)
Ireland	(545)	*
Other	259	70
Total	<u>\$ (2,812)</u>	<u>\$ (2,823)</u>

\* The amount of income taxes paid (refund) during the year does not meet the 5% disaggregation threshold.

### *Uncertain tax positions:*

As at April 30, 2023 and 2024, there are \$24.1 million and \$15.7 million of unrecognized tax benefits that if recognized would affect the annual effective tax rate.

	For the year ended	
	April 30, 2023	April 30, 2024
Balance at May 1	\$ 29,966	\$ 24,149
Additions based on tax positions related to the current year	—	—
Additions for tax positions of prior years	91	250
Reductions for tax positions of prior years	(5,409)	(7,956)
Foreign exchange	(499)	(695)
Balance at April 30	<u>\$ 24,149</u>	<u>\$ 15,749</u>

The Company includes interest and penalties when recording its uncertain tax positions. The total amount of interest and penalties accrued on the consolidated balance sheet on April 30, 2023 and April 30, 2024, was \$13.1 million and \$12.09 million respectively. We recognized a net increase in interest and penalties of \$3.3 million and \$1.01 million for the years ended April 30, 2023 and 2024, respectively.

### *General tax contingencies:*

We are subject to taxes in different countries. Taxes, including the amount of losses available for carry forward, and fiscal risks recognized in the consolidated financial statements reflect our best estimate of the outcome based on the facts known at the balance sheet date in each individual country. These facts may include, but are not limited to, changes in tax laws and interpretation thereof in the various jurisdictions where we operate. They may have an impact on the income tax as well as the resulting assets and liabilities. Any differences between tax estimates and final tax assessments are charged to the statement of operations in the period in which they are incurred.



## 16. INCOME TAXES (CONTINUED)

In addition, our business and operations are complex and include a number of significant financings, acquisitions, and dispositions. The determination of earnings, payroll, and other taxes involves many factors including the interpretation of tax legislation in multiple jurisdictions in which we are subject to ongoing tax assessments. When applicable, we adjust the previously recorded income tax expense, direct costs, interest, and the associated assets and liabilities to reflect the change in estimates or assessments. These adjustments could materially change our results of operations.

### *Global Minimum Tax:*

The Company belongs to a group that is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Luxembourg, the jurisdiction in which the Company is subject to the global minimum top-up tax under Pillar Two tax legislation, which has come into effect for fiscal years starting on or after 31 December 2023.

Since the Pillar Two legislation was not effective at the closing date of the financial year, the Company has no related current tax exposure. The Company applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The entity's average effective tax rate (ordinary corporate tax) based on unadjusted accounting profit derived from the statutory accounts is 1.47% for the annual reporting period to 30 April 2024. However, although the average effective tax rate is below 15%, the entity might not be exposed to paying Pillar Two income taxes. This is due to the impact of the OECD transitional safe harbour rules and specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated above. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted legislation cannot yet be reasonably estimated. The entity is currently engaged with tax specialists to confirm the modalities of the application of the legislation".

## 17. CAPITAL STOCK AND ACCUMULATED OTHER COMPREHENSIVE LOSS

### (a) Common units:

As at April 30, 2023 and 2024, the authorized capital stock of the Company consists of an unlimited number of common units with no par value.

#### *During the year ended April 30, 2023:*

On August 8, 2022, the Company issued 8,068,031 common units in connection with the exercise of 8,068,031 penny warrants with an exercise price of \$0.01 for total proceeds of \$80,680.

On March 16, 2023, the Company issued 696,278,479 common units to all eligible lenders of Tranche B Loan in exchange of \$324,828,268 in principal amount together with all accrued and unpaid interest (including capitalized interest) and related unamortized deferred financing costs. As at April 30, 2023, the Company has 707,743,123 common units issued and outstanding.

#### *During the year ended April 30, 2024:*

On January 1, 2024, the Company issued 47,447,735 common units to all eligible lenders of Tranche B Loan in exchange of \$21,327,024 in principal amount together with all accrued and unpaid interest (including capitalized interest), related unamortized deferred financing costs, and share issuance costs.

On April 18, 2024, the Company issued 47,447,735 common units to all eligible lenders of Tranche B Loan in exchange of \$21,576,175 in principal amount together with all accrued and unpaid interest (including capitalized interest), related unamortized deferred financing costs, and share issuance costs.

As at April 30, 2024, the Company has 802,638,593 common units issued and outstanding.



## 17. CAPITAL STOCK AND ACCUMULATED OTHER COMPREHENSIVE LOSS (CONTINUED)

### (b) Penny Warrants

During the year ended April 30, 2023, 8,068,031 penny warrants were exercised at an exercise price of \$0.01 per warrant through the issuance of 8,068,031 common units to eligible warrant holders. As of April 30, 2023 and 2024, the Company had 37,058,331 penny warrants outstanding.

### (c) Management incentive plan:

The Company has a management incentive plan (the "MIP") which provides eligible employees the right to participate in the equity of the Company. The Company has reserved 10% of the outstanding common units for issuance under the MIP.

During the year ended April 30, 2023, 1% of the reserved amount was granted to employees, approximately 21% of the reserved amount issued was forfeited on employee exits and no amounts were exercised or settled. During the year ended April 30, 2024, 4% of the reserved amount was granted to employees, approximately 4% of the reserved amount issued was forfeited on employee exits and no amounts were exercised or settled. There were no changes in the MIP during the year ended April 30, 2024. The awards do not expire and have an intrinsic value of \$nil.

As the awards are subject to a performance condition which was not met and it was not probable that the performance criteria would be met, no amount of compensation expense has been recognized during the years ended April 30, 2023 and 2024.

### (d) Accumulated other comprehensive loss:

The following table sets forth the changes in the balances of each component of accumulated other comprehensive loss:

	Foreign currency translation	Defined benefit pension plans (Note 18)	Total
<b>Balance, April 30, 2023</b>	\$ (52,868)	\$ (58,764)	\$ (111,632)
Other comprehensive income	(5,433)	779	(4,654)
<b>Balance, April 30, 2024</b>	<u>\$ (58,301)</u>	<u>\$ (57,985)</u>	<u>\$ (116,286)</u>



## 18. EMPLOYEE PENSION PLANS

### (a) Defined contribution pension plans:

The following table summarizes contributions to defined contribution plans:

	For the year ended	
	April 30, 2023	April 30, 2024
Company contributions	\$ 8,560	\$ 10,453

### (b) Defined benefit pension plans:

The Company has funded and unfunded flat-benefit and final-pay defined benefit pension plans in the UK and Norway for certain eligible employees. Funded plans require us to make cash contributions to ensure there will be sufficient assets to discharge the plans' benefit obligations as they become due. Unfunded plans do not require contributions to be paid into the plans as we pay the benefit obligations directly as they are due.

Employer contributions expected to be paid to the defined benefit pension plans during the year ended April 30, 2025, required by funding regulations and law, are \$9.3 million.

#### *UK defined benefit plans*

In the UK, the trustees have appointed two fiduciary managers to manage 90% of the investment portfolio. The remaining 10% is invested in a pooled property fund. The scheme has a de-risked investment strategy with the fiduciary managers having an investment objective of 1.5% per annum above the investment return currently assumed when determining the value of the plan's liabilities. Each fiduciary manager uses liability hedging funds to provide the plan with hedge ratios of 76% of interest rate risk and 57% of inflation risk. Residual interest and inflation risk are mitigated by the scheme's deficit contributions.

#### *Norway defined benefit plans*

For the funded defined benefit pension plan in Norway, the investment strategy set by the fiduciary managers is based on achieving an expected rate of return in excess of a guaranteed interest rate. As of April 30, 2024, the weighted average guaranteed interest rates for the defined benefit pension plan in Norway is 2.13%. As of April 30, 2024, the allocation percentages for the funded pension plan are 28% equity investments, 51% fixed income, and 21% money market and other.



## 18. EMPLOYEE PENSION PLANS (CONTINUED)

(b) Defined benefit pension plans: (continued)

	April 30, 2023	April 30, 2024
<b>Change in projected benefit obligations:</b>		
Projected benefit obligations, beginning of year	\$ 342,393	\$ 301,359
Current service cost	2,165	2,913
Employee contributions	463	443
Interest cost and other items	9,823	12,664
Actuarial loss (gain)	(23,709)	(14,439)
Benefits paid	(14,573)	(12,112)
Foreign currency translation	(15,203)	(5,515)
Projected benefit obligations, end of year	<u>\$ 301,359</u>	<u>\$ 285,313</u>
<b>Change in plan assets:</b>		
Fair value of plan assets, beginning of year	\$ 298,600	\$ 211,148
Actual return on plan assets	(68,526)	(8,461)
Employer contributions	10,692	10,352
Employee contributions	476	457
Benefits paid	(14,573)	(12,112)
Foreign currency translation	(15,521)	(4,500)
Fair value of plan assets, end of year	<u>\$ 211,148</u>	<u>\$ 196,884</u>
	April 30, 2023	April 30, 2024
Fair value of plan assets	\$ 211,148	\$ 196,884
Less: Projected benefit obligation	301,359	285,313
Funded status	(90,211)	(88,429)
Pension guarantee assets	1,530	1,466
Net recognized pension liability	<u>\$ (88,681)</u>	<u>\$ (86,963)</u>
Accumulated benefit obligation	<u>\$ 282,149</u>	<u>\$ 265,839</u>



## 18. EMPLOYEE PENSION PLANS (CONTINUED)

### (b) Defined benefit pension plans: (continued)

The amounts recorded in accumulated other comprehensive loss and non-controlling interests relate to net actuarial and experience losses.

The significant weighted average actuarial assumptions adopted in measuring the defined benefit pension plan obligations and net benefit plan expense are as follows:

	April 30, 2023	April 30, 2024
Defined benefit pension plan obligations as of year-end:		
Discount rate	4.33 %	4.73 %
Rate of compensation increase	3.27 %	3.50 %
Net defined benefit plan expense (income) for the year ended:		
Discount rate	3.06 %	4.33 %
Expected long-term rate of return on plan assets	3.54 %	5.53 %
Rate of compensation increase	2.52 %	3.27 %

The net defined benefit pension plan expense (income) is as follows:

	April 30, 2023	April 30, 2024
Current service cost:	\$ 2,165	\$ 2,913
Non-service income:		
Interest cost and other items	9,823	12,664
Expected return on plan assets	(8,948)	(10,450)
Amortization of net actuarial loss and past service credits	519	2485
	1,394	4,699
	\$ 3,559	\$ 7,612

The components of other comprehensive loss relating to the plans consist of the following:

	April 30, 2023	April 30, 2024
Other comprehensive loss:		
Net loss	\$ 53,762	\$ 4,472
Reclassification adjustments to net loss:		
Amortization of net actuarial loss and past service credits	(519)	(2,485)
	\$ 53,243	\$ 1,987



**18. EMPLOYEE PENSION PLANS (CONTINUED)**

(c) Benefit payments:

As at April 30, 2024, benefits expected to be paid under the current terms of the defined benefit pension plans in each of the next five fiscal years and in aggregate for the five fiscal years thereafter, are as follows:

	<u>Pension benefits</u>
2025	\$ 13,339
2026	14,853
2027	15,026
2028	15,932
2029	15,841
Next 5 years after 2029	81,273
	<u>\$ 156,264</u>

(d) Pension plan assets and fair value measurement:

The table below summarizes, by level within the fair value hierarchy, the plan assets in the defined benefit pension plans, which are valued at fair value.

	<u>April 30, 2023</u>				
	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>	<u>Investments measured at NAV (i)</u>	<u>Total plan assets</u>
<b>Assets:</b>					
Cash equivalents and other short-term investments	\$ 1,618	\$ —	\$ —	\$ —	\$ 1,618
Equity investments	298	32,855	—	102	33,255
Fixed income	9,678	36,185	10,758	—	56,621
Money market and other	37,267	68,379	—	14,008	119,654
	<u>\$ 48,861</u>	<u>\$ 137,419</u>	<u>\$ 10,758</u>	<u>\$ 14,110</u>	<u>\$ 211,148</u>

	<u>April 30, 2024</u>				
	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>	<u>Investments measured at NAV (i)</u>	<u>Total plan assets</u>
<b>Assets:</b>					
Cash equivalents and other short-term investments	\$ 2,849	\$ —	\$ —	\$ —	\$ 2,849
Equity investments	1,670	28,375	—	80	30,125
Fixed income	16,144	67,365	5,394	—	88,903
Money market and other	—	70,012	—	4,995	75,007
	<u>\$ 20,663</u>	<u>\$ 165,752</u>	<u>\$ 5,394</u>	<u>\$ 5,075</u>	<u>\$ 196,884</u>

i) Amounts are comprised of certain investments measured at fair value using NAV (or its equivalent) as a practical expedient.



**18. EMPLOYEE PENSION PLANS (CONTINUED)**

(d) Pension plan assets and fair value measurement: (continued)

The methods used to estimate the fair value of the pension assets in Level 1 are based on publicly available quoted market prices. Fair values of Level 2 assets are determined based on observable prices. The Level 3 assets are valued using third party appraisals and changes in the Level 3 assets are as follows:

	April 30, 2023	April 30, 2024
Opening	\$ 13,275	\$ 10,758
Actual return on plan assets	(345)	117
Purchases, sales and settlements, net	(736)	(5,264)
Foreign currency translation	(1,436)	(217)
Ending	<u>\$ 10,758</u>	<u>\$ 5,394</u>

**19. LEASES**

The components of lease costs included in the consolidated statement of operations are as follows:

	Statement of operations classification	April 30, 2023	April 30, 2024
Operating lease costs - aircraft leases	Helicopter lease and associated costs	\$ 64,392	\$ 50,952
Short-term lease costs	Helicopter lease and associated costs	1,465	93
Variable lease costs	Helicopter lease and associated costs	1,930	1,945
Operating lease cost - non-aircraft leases	Direct costs	7,553	8,927
Finance lease cost:		—	
Amortization of leased assets	Depreciation	20,643	44,383
Interest on lease liabilities	Interest on debt obligations	13,796	23,993
Total lease cost		<u>\$ 109,779</u>	<u>\$ 130,293</u>

Aircraft leases includes all of our helicopter lease arrangements, of which 34 were classified as operating leases and 41 were classified as finance leases as at April 30, 2024.

Building, land and equipment are classified as non-aircraft leases. These leases primarily relate to hangar space used for helicopter service flying operations and maintenance and repair operations, land leases, and corporate office space. All of our non-aircraft leases are classified as operating leases as at April 30, 2024. Supplementary information related to leases are as follows:

	April 30, 2023	April 30, 2024
<b>Weighted-average remaining lease term (years)</b>		
Operating leases	5.8	6.8
Finance leases	4.7	4.1
<b>Weighted-average discount rate</b>		
Operating leases	10.1 %	10.4 %
Finance leases	11.0 %	10.2 %



## 19. LEASES (CONTINUED)

Scheduled future minimum operating lease payments recorded on our consolidated balance sheet as of the year ended April 30, 2024, are as follows:

	April 30, 2024
2025	\$ 56,850
2026	52,965
2027	46,275
2028	39,980
2029	27,590
Thereafter	76,278
Total undiscounted lease payments	<u>299,938</u>
Less: Interest	(85,857)
Total lease obligations	<u>\$ 214,081</u>

The operating leases had expiry dates ranging from fiscal 2025 to 2079 at April 30, 2024. Finance lease liabilities are included in total debt obligations (Note 13).

## 20. RELATED PARTY TRANSACTIONS

In August 2022, four equity shareholders with over 10% equity ownership were involved in a debt refinancing transaction, Tranche B Loan (Note 13), with an aggregate debt balance of \$500.1 million. Subsequently in March 2023, the debt balance of \$317.8 million in principal amount together with all accrued and unpaid interest related to these four material equity shareholders was converted to 671,173,452 units of shares through equitization pursuant to the fulfillment of Milestone 1 equitization and Babcock Integration conversion events (Note 17(a)).

In January 2024 and April 2024, the debt balance of \$20.3 million and \$20.3 million respectively in principal amount together with all accrued and unpaid interest related to the aforementioned four material equity shareholders was converted to 45,736,958 units of shares each through equitization on fulfillment of Norway price uplift and Asset-based loan maturity conversion events (Note 17(a)).

As of April 30, 2023 and April 30, 2024, the Company has \$185.8 million and \$148.9 million, including accrued and unpaid interest, included in debt obligation due to these four material equity shareholders respectively. The Tranche B loan has a weighted average effective interest rate of 3.91% (April 30, 2023- 5.61%) with a maturity date of September 3, 2026.



## 21. COMMITMENTS AND CONTINGENCIES

### (a) Leases not commenced during the fiscal year:

During the year ended April 30, 2024, we entered into four finance leases that are yet to commence with a total commitment of \$45.4 million if awarded the Icelandic Coast Guard (ICG) or \$44.7 million if not awarded the ICG contract for one AW139 and three S92's.

Of the 4 leases, one AW139 with six years term and one S92A with four years term commenced in the first quarter of fiscal year 2025. The target delivery for remaining two S92A with seven and six years term is April 2025 and May 2026.

### (b) Aircraft purchase commitment:

As of April 30, 2024, the company has recognized unconditional purchase obligation for three aircrafts. The future scheduled aggregate amount of the payments recorded on our consolidated balance sheet as of the year ended April 30, 2024, are as follows:

	<u>April 30, 2024</u>
2025	\$ 3,101
2026	2,800
2027	546
Total purchase obligations	<u>\$ 6,447</u>

### (c) Contingencies:

#### *Legal Matters*

The Company is a defendant in numerous litigations and administrative proceedings arising in the normal course of business. We accrue liabilities for litigation or other related loss contingencies and any related settlements when it is probable that a loss has been incurred and the loss can be reasonably estimated. As of April 30, 2024 and 2023, the Company had accrued liabilities of \$5.1 million and \$4.9 million, respectively in the consolidated financial statements.

#### *Brazilian Tax Disputes (Municipal, State, and Federal)*

In connection with its ownership of CHC Brazil and its operations in Brazil, the Company has several ongoing legal disputes related to the municipal, state, and federal taxation requirements in Brazil. The legal disputes are related to: (i) municipal tax assessments arising under the authorities in Cabo Frio and Macaé (collectively, the "Municipal Tax Disputes") claiming for the payment of ISS tax for helicopter charter; (ii) claims for the payment of ICMS due on the importation of the goods object of operational lease agreements; (iii) claims for the payment of taxes suspended by the temporary admission regime rules; (iv) forfeiture of aircraft due to allegations that CHC violated the Brazilian Customs Transit Special Regime.

Considering the Brazilian tax disputes (Municipal, State, and Federal), management estimated the current potential exposure to these matters and recorded an estimated liability of approximately \$1.6 million in our consolidated financial statements related thereto as appropriate (April 30, 2023 - \$1.5 million). We are confident the amount recorded reflects the current status of the case, whereas we do not expect such changes in estimated costs would have a material effect on our business, consolidated financial position, or results of operations. It is possible that a change in our estimates related to these exposures could occur, and management continue to evaluate and assess the potential exposure based on the latest status of the case.



21. COMMITMENTS AND CONTINGENCIES (CONTINUED)

(c) Contingencies: (continued)

***Brazilian Tax Disputes (Municipal, State, and Federal) (Continued)***

As of April 30, 2024, certain tax disputes with State, Municipal, and Federal Authorities are considered by Management and its legal counsels to be reasonably possible for an aggregate amount of up to \$84.6 million (April 30, 2023 - \$101.4 million). These include five cases (April 30, 2023 - five cases) with an aggregate amount of up to \$66.9 million (April 30, 2023 - \$68.8 million) and an average reasonable possible amount of \$13.4 million (April 30, 2023 - \$13.8 million) and fourteen cases (April 30, 2023 - twenty-eight cases) with an aggregate amount of up to \$17.6 million (April 30, 2023 - \$32.6 million) and an average reasonable possible amount of \$1.3 million (April 30, 2023 - \$1.2 million). No loss amounts have been accrued for such reasonably possible legal actions. The most significant of these legal disputes are described below.

**1. State of Rio de Janeiro Administrative Proceedings**

In August 2022, the State of Rio de Janeiro instituted two administrative proceedings against CHC Brazil subsidiaries. Each of the claims is for the payment of ICMS (VAT) due on the importation of seven aircraft including penalties for the breach of the temporary admission regime rules respectively. The reasonably possible exposure range for the cases are approximately \$21.2 million and \$7.2 million respectively. The defense challenging both tax assessments was filed in August 2022. On February 2, 2024, an order was issued to send the case back to the trial court, in view of the end of the suspension period. On March 3, 2024, CHC filed a petition requesting that the proceeding be suspended until a final decision is issued in the related federal cases. Both cases are currently suspended pending final decisions in the federal proceedings.

**2. Secretaria da Receita Federal – SRRF (Brazilian IRS) Tax Assessment dispute**

In November 2022, the Brazilian IRS issued a tax assessment against CHC Brazil charging amounts related to the Corporate Income Tax and to the Social Contribution on net profit under the claim that nine aircraft rental fees incurred by CHC Brazil during the calendar year of 2017 were not deductible. Brazilian IRS claimed that the lease rental expenses were non-deductible because the aircrafts belonged to CHC's economic group, and so the mentioned expenses claimed by CHC Brazil were not necessarily incurred. The reasonably possible exposure range is approximately \$21.8 million. CHC filed its defense challenging the tax assessment in December 2022. Currently, an administrative-level decision is pending.

**3. Municipality of Macae - Tax dispute**

In September 2012, Municipality of Macae served one of CHC Brazil's subsidiaries with a tax assessment notice due to the irregular issuance of tax invoices for cross-border flights, which were not subject to the collection of services tax (ISS). The reasonably possible exposure range is approximately \$6.9 million.

**4. Brazil Customs - Overturning of administrative seizure of an aircraft**

In 2008, Brazilian customs issued an administrative seizure of one of CHC Brazil's subsidiaries aircraft due to allegations that it violated the Brazilian Customs Transit Special Regime because of a detour from the route authorized by Brazilian Customs. Although the decision was unfavorable to CHC, the Company has filed a motion to clarify the decision. The reasonably possible exposure range is approximately \$9.9 million.



## 21. COMMITMENTS AND CONTINGENCIES (CONTINUED)

### (c) Contingencies: (continued)

#### ***Brazilian Disputes (Regulatory)***

From time to time, CHC Brazil and its operations in Brazil are involved in disputes with various government regulatory agencies. Management has used estimates in determining our potential exposure to these matters and the liabilities are based on developments to date and historical information related to actions filed against the Company. The Company has recorded an estimated liability of approximately \$4,303 (April 30, 2023 - \$4,000) in our financial statements relating to these civil litigations. The reasonably possible exposure range for such dispute is approximately \$866 (April 30, 2023 - \$0). It is possible that a change in its estimates related to these exposures could occur, but the Company does not expect such changes in estimated costs would have a material effect on its business, consolidated financial position, or results of operations.

#### ***Brazilian Labor - Related Litigation***

On an ongoing basis, the Company's Brazil subsidiaries are subject to numerous and diverse labor-related lawsuits filed by employees and government agencies in Brazil. These cases are assessed on an aggregated and ongoing basis based on historical outcomes of similar cases. The claims made are often for significantly larger sums than have historically been paid out by the Company. Our practice continues to be to recognize a liability based on our assessment of historical payments in similar cases. Our best estimate of the probable loss for such cases on April 30, 2024 was approximately \$3.3 million which was recognized as a liability in the consolidated financial statements (April 30, 2023 - \$2.9 million). The Company's Brazilian subsidiaries are subject to certain labor-related litigation considered by management and its legal counsels to be reasonably possible with an estimated amount of \$8.3 million (April 30, 2023 - \$7.8 million). These comprise of twenty-eight individual insignificant labor-related litigation cases (2023 - forty four cases) with an average reasonably possible amount of \$0.3 million (April 30, 2023 - \$0.2 million). No loss amounts have been accrued for such reasonably possible legal actions.

#### ***Brazilian Civil Litigation***

The Company through its Brazil subsidiaries is subject to certain civil litigation with individuals and corporate organizations with respect to existing or potential claims, lawsuits, and other proceedings. The Company accrues liabilities when it considers it to be probable that future costs will be incurred, and such costs can be reasonably estimated. Management has assessed our potential exposure to these matters together with the advice of legal counsel and believes that payment of amounts in these instances is not probable at this time but is reasonably possible therefore no liabilities were recorded in our financial statements.

As of April 30, 2024, the Company's Brazilian subsidiaries are subject to certain civil litigation with individuals and corporate organizations considered by management and its legal counsels to be reasonably possible for an aggregate amount of up to \$1.9 million (April 30, 2023 - \$1.9 million). These include seven cases (April 30, 2023 - seven cases) with an average reasonable possible amount of \$0.3 million (April 30, 2023 - \$0.3 million). No loss amounts have been accrued for reasonably possible legal actions.

#### **Reserved Deposits**

The Company continues to evaluate and assess various legal strategies for each of the tax disputes and the civil disputes. As is customary for certain legal matters in Brazil, CHC has already deposited amounts as security into an escrow account to pursue further legal appeals in several of the tax disputes and civil disputes. As of April 30, 2024, the Company has deposited \$2.4 million (April 30, 2023 - \$2.9 million) into various escrow accounts controlled by the court with respect to the tax disputes, labor cases, and the civil disputes, and the Company has fully reserved such amounts subject to final determination and the judicial release of such escrow deposits. These estimates are based on its assessment of the nature of these matters, their progress towards resolution, the advice of legal counsel as well as management's intentions and experience. CHC plans to defend the cases vigorously.



*General Litigation and Disputes*

The Company operates in jurisdictions internationally where it is subject to risks that include government action to obtain additional tax revenue, employee labor cases, and contractual disputes. In addition, from time to time, in many of the countries, the Company is involved in other disputes with various government agencies. In a number of these jurisdictions, the lack of well-developed legal systems and legislation that is not clear enough in its wording to determine the ultimate application can make it difficult to determine whether the judicial outcome of such cases may impact the Company's earnings until such time a clear court or other ruling exists that could warrant the recording of the potential liabilities. For such cases, our best estimate of the probable loss as of April 30, 2024, is in the range of \$0.3 million (April 30, 2023 - \$0.5 million).

The Company operates in jurisdictions currently where amounts may be due to governmental bodies that the Company is not currently recording as liabilities as it is unclear how broad or narrow legislation may ultimately be interpreted. Likewise, contractual disputes and long-standing employee labor disputes whose outcome is not reasonably clear. The Company believes that payment of amounts in these instances is not probable at this time but is reasonably possible. The potential exposure range for these cases is \$0.3 million (April 30, 2023 - \$3.4 million). These are two cases (April 30, 2023 - ten cases) with an average reasonable possible amount of \$0.1 million (April 30, 2023 - \$0.3 million). It is possible that a change in management assessment related to these exposures could occur, but the Company does not expect such changes in estimated costs would have a material effect on its business, consolidated financial position, or results of operations



## 22. SUBSEQUENT EVENTS

The Company will evaluate subsequent events through the date when the financial statements were issued. The Company considers its financial statements issued when they are signed by the auditors.

### a. Sale of credit rights

In June 2024, CHC signed an agreement for the transfer of credit rights to Aero Fundo De Investimento Em Direitos Creditórios owned by CHC and claimed under the Petrobras Proceedings. A sum of \$6.8 million was received in June 2024 as the assignment price.

### b. ICMS credit sale:

In March 2024, a judicial order in relation to the ICMS credit was received in favor of the Company while legal procedures are now all completed. CHC has sold the claim of credit to Root Capital and received a payment of \$4.2 million in May 2024. We accounted for a discount of \$5.9 million on this transaction during the year ended April 30, 2024.

### c. Mandatorily Redeemable Preferred Shares

On October 18, 2024, through subscription agreement, the Company offered 500,000 shares of redeemable preferred stock together with beneficiary units of 49,500,000 units with a nominal value of US\$0.01 each at \$76 per share including share premium, resulting in gross proceeds of \$38,000,000. On October 21, 2024 (the "closing date"), CHC issued and allotted preferred shares and related beneficiary units upon payment by the purchasers. The distribution of capital or earnings in respect of each of the Preferred Shares shall commence from November 1, 2024 (Scheduled Distribution Commencement Date) and period from November 1, 2024 to January 31, 2025 will be the PIK Period.

The mandatorily redeemable preferred stock has a redemption price equal to (1) (i) \$102.60 per Preferred Share plus (ii) \$0.76 multiplied by (2) the number of months in which payment of the Scheduled Distribution Amount was deferred during the PIK Period per Preferred Shares plus (3) such additional amount, if required.

The mandatorily redeemable preferred stock is mandatorily redeemable by the Company on October 18, 2029, the fifth anniversary of the date of issuance. The Company may redeem in part for an amount equal to its redemption price before the fifth anniversary of the date of issuance if the value ratio is greater than 75.0% (i.e. aggregate par value of the outstanding Preferred Shares to the sum of the aggregate Appraised Value of the Aircraft and the LCI Deposits then held by the Company). The Beneficiary Units shall be deemed redeemed following the redemption in whole of the Preferred Shares and receipt by each Preferred Shareholder of all amounts payable in respect of such redemption and otherwise due to any Preferred Shareholder.

The Company has classified the mandatorily redeemable preferred stock as a liability in accordance with ASC Topic No. 480, "Distinguishing Liabilities from Equity," because it contains an unconditional obligation requiring the Company to redeem the instrument by transferring cash that represents redemption price to the preference shareholders on the fifth anniversary of the Closing Date if not redeemed by way distribution before the redemption date. The related dividend payments will be treated as a component of interest expense in the consolidated statements of operations.



KPMG AS  
Sjøgangen 6  
N-7010 Trondheim

Telephone +47 45 40 40 63  
Internet [www.kpmg.no](http://www.kpmg.no)  
Enterprise 935 174 627 MVA

To the General Meeting of CHC Norway Acquisition Co AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of CHC Norway Acquisition Co AS (the Company), which comprise the balance sheet as at **30 April 2024**, the the statement of income and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at **30 April 2024**, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

### Other Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

### Offices in:

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bode	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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.
- 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 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.



Trondheim, 8 August, 2025

KPMG AS

Yngve Olsen  
*State Authorized Public Accountant*



## CHC Norway Acquisition AS


<p><b>Protokoll fra ordinær generalforsamling CHC Norway Acquisition AS ("Selskapet")</b></p> <p>(Organisasjonsnummer 991 709 827)</p>	<p><b>Minutes General Assembly CHC Norway Acquisition AS (The "Company")</b></p> <p>(Organization No. 991 709 827)</p>
<p><b>Tid: 8. august 2025</b></p>	<p><b>Time: 8th August 2025</b></p>
<p>Tilstede var Selskapets eneaksjonær CHC Netherlands BV med fullmakt til Cornelis Martinus Visser. Samtlige aksjer var dermed representert.</p> <p>Tilstede var også Thorleif Edland Jakobsen.</p> <p>Møtet ble åpnet av Cornelis Martinus Visser.</p>	<p>Present was the Company's sole shareholder CHC Netherlands BV represented by Cornelis Martinus Visser. All the shares were thus present.</p> <p>Present was also Thorleif Edland Jakobsen.</p> <p>Cornelis Martinus Visser opened the meeting.</p>
<p><b>1. VALG AV MØTELEDER OG EN PERSON TIL Å MEDUNDERTEGNE PROTOKOLLEN</b></p> <p>Cornelis Martinus Visser ble valgt som møteleder og Thorleif Edland Jakobsen ble valgt til å medundertegne protokollen sammen med møteleder.</p>	<p><b>1. ELECTION OF A CHAIRMAN AND A PERSON TO CO-SIGN THE MINUTES</b></p> <p>Cornelis Martinus Visser was elected as Chairman, and Thorleif Edland Jakobsen was elected to co-sign the Minutes together with the Chairman.</p>
<p><b>2. GODKJENNELSE AV INNKALLINGEN OG DAGSORDEN</b></p> <p>Innkallingen og dagsorden ble godkjent.</p>	<p><b>2. APPROVAL OF THE NOTICE AND THE AGENDA</b></p> <p>The Notice and the Agenda were approved.</p>
<p><b>3. GODKJENNING AV ÅRSREGNSKAP OG STYRETS ÅRSBERETNING FOR 2023/2024, HERUNDER DISPONERING AV ÅRETS RESULTAT</b></p> <p>Årsregnskapet og styrets beretning for 2023/2024 ble godkjent, herunder styrets forslag til disponering av årets resultat.</p>	<p><b>3. APPROVAL OF THE ANNUAL ACCOUNTS AND DIRECTOR'S REPORT FOR 2023/2024, INCLUDING ALLOCATION OF THE RESULT OF THE YEAR</b></p> <p>The Annual Accounts and the Director's Report for 2023/2024 were approved, including the proposal of the Board of Directors for the allocation of the annual result.</p>



CHC Norway Acquisition AS

<p>Det ble bemerket at styret har gjennomgått selskapets økonomiske situasjon og erkjenner at egenkapitalnivået for øyeblikket ikke er tilstrekkelig som kreves i aksjelovens § 3-5. Styret er fullt ut forpliktet til å håndtere denne situasjonen i tråd med sine juridiske forpliktelser. Styret forbereder seg derfor på å innkalle til ekstraordinær generalforsamling for å diskutere selskapets økonomiske situasjon og formelt foreslå passende tiltak for å gjenopprette den tilstrekkelige egenkapitalposisjonen.</p>	<p>It was noted that the Board has reviewed the Company's financial position and recognizes that the equity level is currently not adequate as required by the Companies Act § 3-5. The Board is fully committed to addressing this situation in line with its legal obligations. Therefore, the Board is preparing to call an extraordinary general meeting to discuss the Company's financial situation and formally propose appropriate measures to restore the adequate equity position.</p>
<p><b>4. FASTSETTELSE AV HONORAT TIL STYRETS MEDLEMMER</b></p> <p>Generalforsamlingen traff følgende vedtak:</p> <p>Honoraret til revisor ble godkjent etter regning.</p>	<p><b>4. DETERMINATION OF THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS</b></p> <p>The General Meeting passed the following resolution:</p> <p>The remuneration to the Auditor was approved according to invoices.</p>
<p>Alle vedtak var enstemmig.</p> <p>Det var ikke flere saker på dagsorden. Møtet ble avsluttet.</p>	<p>All resolutions were made unanimous.</p> <p>There were no further matters on the agenda. The meeting was adjourned.</p>

In case of any discrepancies between the Norwegian text and the English translation, the Norwegian text shall prevail.

  
\_\_\_\_\_  
Cornelis Martinus Visser  
Dato / date: 8. august 2025

Signed by:  
  
\_\_\_\_\_  
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Thorleif Edland Jakobsen  
Dato / date: 8<sup>th</sup> August 2025



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**ANNUAL REPORT**

**CHC NORWAY ACQUISITION CO AS**

Org.nr. 991 709 827

**2024**



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## CHC NORWAY ACQUISITION CO AS

Business reg. no. 991 709 827

### INFORMATION FROM THE DIRECTORS REGARDING FINANCIAL YEAR 2024

CHC Norway Acquisition Co AS ("the Company") is a wholly owned subsidiary of CHC Netherlands BV. The Company's business address is at Sola, Norway

The Company has a fiscal year from May 1 to April 30 the following year. These accounts cover the year from May 1st, 2023 to April 30th, 2024.

In accordance with the Accounting Act §3-3a, we confirm that the financial statements have been prepared under the assumption of going concern and that the going concern assumption is present. The directors have a reasonable expectation that the company within the group context has adequate resources to continue in existence for the foreseeable future

As per section 3.5(1) of the Norwegian Companies Act, as the equity has fallen to less than half of the Company's share capital, the board of directors are aware of their responsibility to act and will look to convene a board meeting in financial year 2025 to discuss proposed actions to rectify this position. In addition, the Company has received a support letter from the group providing assurance that the Company will be provided financial support to meet liabilities when they are due.

#### Profit and loss

The company did not have any operation during this fiscal year.

#### Assets and equity

Total assets at April 30<sup>th</sup> 2024 was NOK 981 million (2023: NOK 1,010 million) and total equity was NOK (953) million (2023: NOK (862) million).

#### Operations

The Company had no employees at year-end, and no board remuneration has been paid during the year to board members or employee elected board members.

#### Environmental matters

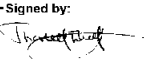
The Company's own activities have no direct environmental impact.

#### Allocation of profit

The board suggests the year's loss of NOK 91 million (2023: profit of NOK 10 million), group contribution received and given NOK nil (2023: NOK nil) and NOK nil (2023: NOK nil) respectively be allocated to retained earnings.

Stavanger, August 7, 2025

THE BOARD OF CHC NORWAY ACQUISITION CO AS

Signed by:  
  
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Thorleif Edland Jakobsen  
Chairman & CEO

Signed by:  
  
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Miguel Angel Carrasco  
Board member

DocuSigned by:  
  
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Karl Gjølvik  
Board member



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## CHC NORWAY ACQUISITION CO AS

Business reg. no. 991 709 827

### Statement of Income

	2024/2023	2023/2022	
	Notes	NOK'000	NOK'000
Operating expenses		(1,549)	(1,271)
<b>Operating Loss</b>		<b>(1,549)</b>	<b>(1,271)</b>
Other financial revenue		8,540	7,460
Foreign exchange loss		(30,496)	(101,835)
Gain on sale leaseback		—	(13,500)
Group financial expenses		(1,864)	(1,269)
(Impairment) / reinstatement of investments	5	(58,200)	126,879
Other finance expense		(7,779)	(6,602)
<b>Net Finance</b>		<b>(89,799)</b>	<b>11,133</b>
<b>(Loss) / profit on ordinary activities before tax</b>		<b>(91,348)</b>	<b>9,862</b>
Tax on ordinary activities	4	—	—
<b>(Loss) / profit for the financial year</b>	6	<b>(91,348)</b>	<b>9,862</b>
<b>Attributable to</b>			
Other Equity		(91,348)	9,862
<b>Total</b>		<b>(91,348)</b>	<b>9,862</b>



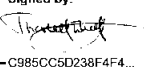
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## CHC NORWAY ACQUISITION CO AS

Business reg. no. 991 709 827

### Balance Sheet

	Notes	30th April 2024 NOK'000	30th April 2023 NOK'000
Investments in subsidiaries	5	881,681	939,881
<b>Total long term assets</b>		<b>881,681</b>	<b>939,881</b>
Receivables from group	7	24,921	8,150
<b>Total current assets</b>		<b>24,921</b>	<b>8,150</b>
Bank Deposits		74,136	61,852
<b>TOTAL ASSETS</b>		<b>980,738</b>	<b>1,009,883</b>
Share capital	6	5,434	5,434
Other paid in capital	6	7,357,179	7,357,179
Retained earnings	6	(8,315,805)	(8,224,457)
<b>Total equity</b>		<b>(953,192)</b>	<b>(861,844)</b>
Loans from group	7	1,354,005	1,335,106
<b>Total long term liabilities</b>		<b>1,354,005</b>	<b>1,335,106</b>
Trade payables		86	—
Payables to group	7	579,419	536,262
Other		420	359
<b>Total short term liabilities</b>		<b>579,925</b>	<b>536,621</b>
<b>Total liabilities</b>		<b>1,933,930</b>	<b>1,871,727</b>
<b>TOTAL DEBT AND EQUITY</b>		<b>980,738</b>	<b>1,009,883</b>

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Thorleif Edland Jakobsen  
Chairman & CEO

Signed by:  
  
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Miguel Angel Carrasco  
Board member

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Karl Gjelvik  
Board member

Stavanger, August 7, 2025



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## CHC NORWAY ACQUISITION CO AS

Business reg. no. 991 709 827

### Statement of Cash Flow

	<i>2024</i>	<i>2023</i>	
	<i>Notes</i>	<i>NOK'000</i>	<i>NOK'000</i>
(Loss) / profit before tax		<b>(91,348)</b>	<b>9,862</b>
Impairment / (reinstatement) of investments		58,200	(126,879)
Gain on sale leaseback		—	13,500
Movements in payables and receivables		45,432	87,352
<b>Net cash flow from operations</b>		<b>12,284</b>	<b>(16,165)</b>
Change in equity		—	—
Movement in long term debt		—	—
<b>Net cash flow from financing activities</b>		<b>—</b>	<b>—</b>
<b>Change in liquid funds</b>		<b>12,284</b>	<b>(16,165)</b>
<b>Liquid funds at 1 May</b>		<b>61,852</b>	<b>78,017</b>
<b>Liquid funds at 30 April</b>		<b>74,136</b>	<b>61,852</b>



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**CHC NORWAY ACQUISITION CO AS**

Business reg. no. 991 709 827

## 1. Accounting Principles

### Basis of preparation

The financial statements have been prepared in accordance with Norwegian Accounting Act in accordance with Norwegian GAAP applying the historical cost convention.

### Basis for consolidation

CHC Norway Acquisition Co AS is a sub-group of CHC Netherlands BV, which again is a sub-group of CHC Helicopter Holding S.a.r.l. The Company's ultimate parent undertaking is CHC Group LLC registered in the Cayman Islands. The company has been granted exemption from the requirement to prepare consolidated sub-group accounts, and reference is made to the Annual report of 6922767 Holding S.a.r.l. which is incorporated in Luxemburg. Copies of its financial statements can be obtained from the company via a request through the company website at [www.chcheli.com](http://www.chcheli.com).

### Going Concern

In accordance with the Accounting Act §3-3a, we confirm that the financial statements have been prepared under the assumption of going concern and that the going concern assumption is present. The directors have a reasonable expectation that the company within the group context has adequate resources to continue in existence for the foreseeable future.

As per section 3.5(1) of the Norwegian Companies Act, as the equity has fallen to less than half of the Company's share capital, the board of directors are aware of their responsibility to act and will look to convene a board meeting in financial year 2026 to discuss proposed actions to rectify this position. In addition, the Company has received a support letter from the group providing assurance that the Company will be provided financial support to meet liabilities when they are due.

### Classification of assets and debt

Long term assets are those assets with a useful life of more than one year. Other assets are classified as current assets. Long term and short term liabilities are classified in the same manner.

### Use of estimates

Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

### Foreign currency translation

The financial statements are prepared in Norwegian Kroner ("NOK"), which is the presentation currency of the company.

Transactions denominated in foreign currencies are initially carried at the functional exchange rates ruling at the date of transaction. Monetary balance sheet items denominated in foreign currencies are translated at the functional exchange rates ruling at the balance sheet date. Non-monetary balance sheet items that are measured at historical cost in a foreign currency are translated at the functional exchange rates ruling at the date of transaction. Non-monetary balance sheet items that are measured at current value are translated at the functional exchange rates ruling at the date of valuation. Exchange differences arising on the settlement or translation of monetary items denominated in foreign currencies are taken to the profit and loss account.

### Tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax is calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 (2023: 22) percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized.



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**CHC NORWAY ACQUISITION CO AS**

Business reg. no. 991 709 827

## 1. Accounting Principles *(continued)*

### Subsidiaries

Subsidiaries are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. If applicable, an impairment loss is recognised in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

### Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables.

### Cash flow statement

The cash flow statement is presented using the indirect method. Cash includes all bank deposits

### Related party transactions

The Company is included in the consolidation of its ultimate parent undertaking, CHC Group LLC. Related party transactions represent transactions with the CHC Helicopter group of companies which share the same ultimate parent undertaking, CHC Group LLC.

## 2. Auditors' remuneration

	<i>2024/2023</i>	<i>2023/2022</i>
	<i>NOK'000</i>	<i>NOK'000</i>
Auditors' remuneration	426	250

## 3. Staff costs

The Company has no employees. No remuneration was given to members of the board.



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## CHC NORWAY ACQUISITION CO AS

Business reg. no. 991 709 827

### 4. Income taxes

Analysis of the tax charge in the year

	2024/2023 NOK'000	2023/2022 NOK'000
(Loss) / profit before tax	(91,348)	9,862
Permanent differences	58,200	(126,848)
Tax loss carry forward	33,148	116,986
Basis for current tax	—	—
Tax at 22% (2023: 22%)	—	—
Total tax cost	—	—

Analysis of deferred tax balance

	2024 NOK'000	2023 NOK'000
Timing differences related to		
Prior year adjustment	0	88
Loss carry-forward	773,047	739,811
<b>Basis for deferred taxes</b>	<b>773,047</b>	<b>739,899</b>
<b>Deferred tax balance</b>	<b>170,070</b>	<b>162,778</b>

The company's deferred tax asset has not been recognised in the accounts due to uncertainty of its recoverability.

### 5. Investment in subsidiaries

At 30 April 2024, the company held the equity of the following principal subsidiary undertakings.

Company	Business address	Share holding	Equity 100%	Result for the year	2024 Book value	2023 Book value
Heli-One (Norway) AS	Norway	100 %	425,582	(53,462)	425,582	479,044
Integra Leasing AS	Norway	100 %	173,128	(15,662)	173,128	167,104
Heli-One Leasing (Norway) AS	Norway	100 %	282,971	3,568	282,971	293,733
Lloyd Helicopter Services Ltd	Australia	100 %	—	—	—	—
<b>Total</b>					<b>881,681</b>	<b>939,881</b>



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## CHC NORWAY ACQUISITION CO AS

Business reg. no. 991 709 827

### 6. Total Equity

	<i>Share capital</i> NOK'000	<i>Other paid in</i> <i>capital</i> NOK'000	<i>Deficit</i> NOK'000	<i>Total</i> <i>shareholders'</i> <i>funds</i> NOK'000
At 30 April 2022	5,434	7,357,179	(8,234,319)	(871,706)
Profit for the year	—	—	9,862	9,862
At 30 April 2023	5,434	7,357,179	(8,224,457)	(861,844)
Loss for the year	—	—	(91,348)	(91,348)
At 30 April 2024	5,434	7,357,179	(8,315,805)	(953,192)

Issued share capital consists of 26,000 shares of NOK 209 each, all owned by CHC Netherlands BV.



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## CHC NORWAY ACQUISITION CO AS

Business reg. no. 991 709 827

### 7. Related Party Transactions

In the course of its regular business activities the company enters into routine transactions with related parties (group companies). These transactions are measured at the amounts exchanged, which is the amount of consideration determined and agreed to by the related parties.

Related party	Sales to related	Purchases from	Amounts owed	Amounts owed
	party	related party	from related	to related party
	NOK'000	NOK'000	party	party
			NOK'000	NOK'000
Heli-One (Norway) AS				
2024	—	—	24,199	85
2023	—	—	8,073	85
Heli-One Leasing (Norway) AS				
2024	—	—	—	13,850
2023	—	—	77	13,500
Integra Leasing AS				
2024	—	—	—	3,106
2023	—	—	—	1,874
CHC Reinsurance S.A				
2024	—	1,864	—	31,226
2023	—	1,269	—	31,115
CHC Barbados SRL				
2024	—	—	—	1,527,419
2023	—	—	—	1,505,032
CHC Helikopter Service AS				
2024	—	1,044	—	102,043
2023	—	1,044	—	72,893
Heli-One (Netherlands)				
2024	—	—	—	64,563
2023	—	—	—	63,915
Cayman Investment Ltd				
2024	—	—	—	191,131
2023	—	—	—	182,953

### 8. Contingencies and Commitments

The company has guaranteed indebtedness of the ultimate parent company under the terms of its revolving credit facility arranged by that company, as disclosed in the group's consolidated financial statements.

The company's bank account is part of cash pool arrangement of all Norwegian entities and is administered by the company. The assets of the companies participating in the cash pool arrangement are jointly pledged.