20240718121168

WEST ATLANTIC
cargo airlines

Årsredovisning

för

West Atlantic AB

556503-6083

Räkenskapsåret

2023

Fastställelseintyg

Undertecknad VD i West Atlantic AB intygar att resultaträkningen och balansräkningen
i årsredovisningen har fastställts på årsstämma den 30 juni 2024.
Årsstämman beslutade att godkänna styrelsens förslag till vinstdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Malmö 2024-07-01

Magnus Dahlberg

20240718121 69

Årsredovisning

för

West Atlantic AB

556503-6083

Räkenskapsåret

2023

20240718121170

West Atlantic AB

556503-6083

Årsredovisning för räkenskapsåret 2023-01-01 - 2023-12-31

Styrelsen och verkställande direktören för West Atlantic AB avger följande årsredovisning för räkenskapsåret 2023. Alla belopp redovisas, om inte annat anges, i miljontals kronor (Mkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Ägarförhållanden

West Atlantic AB med säte i Malmö, Sverige är ett helägt dotterbolag till Lusat Air S.L., NIF B81414666, med säte i Madrid, Spanien. West Atlantic AB är moderbolag till de helägda dotterbolagen West Atlantic Sweden AB, West Atlantic Aircraft Management AB båda med säte i Malmö, Sverige, West Atlantic UK Ltd med säte i Derbyshire, Storbritannien och European Aviation Maintenance Ltd med säte på Isle of Man. Bolaget upprättar inte någon koncernredovisning med hänvisning till ÅRL 7:2, överordnat moderbolag upprättar koncernredovisning.

Information om verksamheten

Bolaget innehar ett fåtal kundkontrakt avseende fraktflyg för vilka bolaget hyr in något av koncernens fraktflygbolag för att utföra dessa kontrakt. Bolaget har inga anställda, utan all administration är föremål för entreprenad.

Väsentliga händelser under räkenskapsåret

Kundportfölj
Under året har bolagets kontrakterade uppdrag minskat och vid årets slut återstod inget kundkontrakt. Den kvarvarande verksamheten i West Atlantic AB är förvaltandet av dotterbolagen.

Omsättning, resultat och ställning
Företagets nettoomsättning minskade under året vilket beror på att de två kvarvarande kundkontrakten avslutades under året.

Resultatet efter finansiella poster försämrades under året delvis beroende på den minskande nettoomsättningen men även till en stor del på grund av en kundförlust på ett dotterbolag.

Balansomslutningen har minskat jämfört med föreågende år vilket beror på lägre banksaldo.

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West Atlantic AB

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Flerårsöversikt (Mkr)	2023	2022	2021	2020	2019
Nettoomsättning	40,1	176,9	169,7	217,9	396,8
Resultat efter finansiella poster	-24,4	15,5	1,8	-57,9	49,2
Balansomslutning	178,8	206,9	296,3	307,9	366,9
Soliditet (%)	47	57	81	78	69

Förändring av eget kapital (Mkr)

	Aktie-kapital	Reserv- fond	Fritt eget kapital	Årets resultat	Totalt
Belopp vid årets ingång	78,1	7,9	154,3	-121,8	**118,4**
Disposition enligt beslut av årets årsstämma:			-121,8	121,8	**0,0**
Årets resultat				-34,4	**-34,4**
Belopp vid årets utgång	**78,1**	**7,9**	**32,5**	**-34,4**	**84,1**

Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel (kr):

Överkursfond	192 526 371
Balanserat resultat	-160 093 386
Årets resultat	-34 397 516
Kronor	**-1 964 530**

Styrelsen föreslår att vinstmedlen disponeras så att:

i ny räkning överförs	-1 964 530
Kronor	**-1 964 530**

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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West Atlantic AB

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Resultaträkning

(Mkr)

	Not	2023	2022
Nettoomsättning	3	40,1	176,9
Kostnad för sålda tjänster	4	-30,4	-147,7
Bruttoresultat		**9,7**	**29,2**
Försäljningskostnader		-30,6	-0,6
Administrationskostnader	4, 5	-3,4	-7,1
Övriga rörelsekostnader	6	-2,7	-4,2
Rörelseresultat		**-27,0**	**17,3**
Resultat från finansiella poster:			
Ränteintäkter	7	2,7	0,9
Räntekostnader	8	-	-2,8
Resultat efter finansiella poster		**-24,4**	**15,5**
Bokslutsdispositioner			
Erhållet/lämnat koncernbidrag		-10,0	-137,3
Skatt på årets resultat	9	-	-
Årets resultat		**-34,4**	**-121,8**

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West Atlantic AB
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Balansräkning
(Mkr)

	Not	2023-12-31	2022-12-31
Tillgångar			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Aktier och andelar i koncernföretag	10	64,8	64,8
		64,8	**64,8**
Uppskjuten skattefordran	9	8,1	8,1
Summa anläggningstillgångar		**72,9**	**72,9**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		-	6,9
Fordringar hos koncernföretag		102,1	73,7
Övriga fordringar		0,1	-
Förutbetalda kostnader och upplupna intäkter	11	0,1	0,4
Summa kortfristiga fordringar		**102,3**	**81,1**
Kassa och bank	18	3,7	53,0
Summa omsättningstillgångar		**105,9**	**134,1**
Summa tillgångar		**178,8**	**206,9**

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West Atlantic AB

556503-6083

Balansräkning

(Mkr)

	Not	2023-12-31	2022-12-31
Eget kapital och skulder			
Eget kapital	12		
Bundet eget kapital			
Aktiekapital		78,1	78,1
Reservfond		7,9	7,9
		86,0	**86,0**
Fritt eget kapital			
Balanserad vinst		-160,1	-38,3
Överkursfond		192,5	192,5
Årets resultat		-34,4	-121,8
		-2,0	**32,4**
Summa eget kapital		**84,0**	**118,4**
Långfristiga skulder			
Skulder till koncernföretag	13	83,2	83,4
Summa långfristiga skulder		**83,2**	**83,4**
Kortfristiga skulder			
Leverantörsskulder		0,1	0,4
Skulder till koncernföretag		11,4	3,6
Övriga skulder		-	0,7
Upplupna kostnader och förutbetalda intäkter	14	0,1	0,4
Summa kortfristiga skulder		**11,5**	**5,2**
Summa eget kapital och skulder		**178,8**	**206,9**

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West Atlantic AB

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Kassaflödesanalys

(Mkr)

	Not	2023	2022
Den löpande verksamheten			
Rörelseresultat		-27,0	17,3
Justeringar för poster som inte ingår i kassaflödet	17	30,7	5,2
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**3,6**	**22,5**
Förändring av kortfristiga fordringar		-51,6	-41,0
Förändring av kortfristiga skulder		-3,6	-1,3
Kassaflöde från den löpande verksamheten		**-51,7**	**-19,8**
Investeringsverksamheten			
Erhållen ränta		2,7	0,9
Kassaflöde från investeringsverksamheten		**2,7**	**0,9**
Finansieringsverksamheten			
Förändring av checkräkningskredit		0,0	-19,9
Lån från koncernföretag		0,0	83,4
Övrig förändring av långfristiga skulder		0,0	-34,7
Betalda räntor och liknande		0,0	-2,8
Kassaflöde från finansieringsverksamheten		**0,0**	**26,0**
Årets kassaflöde		**-48,9**	**7,1**
Likvida medel vid årets början		53,0	46,8
Kursdifferens i likvida medel		-0,4	-0,9
Likvida medel vid årets slut	18	**3,7**	**53,0**

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Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad enligt årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Fraktflygintäkter
Bolagets intäkter utgörs till stor del av flygtransporter med kundanpassade fraktflygplan från långsiktiga kontrakt. Kontrakten innnebär att utföra reguljära fraktflygsoperationer till fasta priser där intäktsredovisningen sker när flygtransporten har utförs och baserat på antalet operationer. Utförda men inte fakturerade fraktflygstjänster redovisas i balansräkningen som upplupna intäkter till beräknat faktureringsvärde.

Finansiella anläggningstillgångar
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet inkluderas förvärvsrelaterade kostnader och eventuella tilläggsköpeskillingar. När det finns en indikation på att andelar i dotterföretag minskat i värde görs en beräkning av återvinningsvärdet. Är detta lägre än det redovisade värdet görs en nedskrivning. Nedskrivning redovisas i posten "Resultat från andelar i koncernföretag".

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Kassa och bank
Bolaget definierar detta som tillgängliga likvida medel, dvs kassa, behållning på bankkonton och övriga medel vilka kan omvandlas till kassa inom en period av maximalt tre månader.

Eget kapital
Eget kapital delas in i bundet och fritt kapital, i enlighet med årsredovisningslagens indelning.

Långfristiga skulder
Skulder med förfallodag mer än 12 månader efter balansdagen. Skulder inklusive låneskulder i utländsk valuta har tagits upp till balansdagens kurs.

Leverantörsskulder och övriga skulder
Leverantörsskulder och övriga skulder värderas till anskaffningsvärde med nominellt belopp. Skulder inklusive låneskulder i utländsk valuta har tagits upp till balansdagens kurs.

Eventualförpliktelser
Eventualförpliktelser är en sammanfattande beteckning för sådana garantier, ekonomiska åtaganden och eventuella förpliktelser som inte tas upp i balansräkningen. Eventualförpliktelser lämnas som en upplysning, när det finns ett möjligt åtagande som härrör från inträffade händelser och vars förekomst bekräftas endast av en eller flera osäkra framtida händelser eller när det finns ett åtagande men där det är liten sannolikhet att ett utflöde av resurser kommer att krävas samt att storleken på åtagandet inte kan beräknas med tillräcklig tillförlitlighet.

Kassaflödesanalys
Kassaflödesanalysen har upprättats enligt indirekt metod och visar företagets förändringar av likvida medel under räkenskapsåret.

Koncernredovisning
Bolaget upprättar inte någon koncernredovisning med hänvisning till ÅRL 7:2, överordnat moderbolag upprättar koncernredovisning. Koncernredovisning har upprättats av Lusat Air S.L., NIF B81414666, med säte i Madrid, Spanien, och finns tillgänglig vid förfrågan till företagets adress: Lusat Air S.L., CL Ingeniero Torres Quevedo 14, 28022 Madrid, Spanien.

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West Atlantic AB
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Not 2 Väsentliga uppskattningar och bedömningar

Vid upprättandet av de finansiella rapporterna görs väsentliga uppskattningar och antaganden. Dessa bedömningar baseras på bästa praxis och historiska erfarenheter som ledningen och styrelsen anser vara rimliga under rådande omständigheter. I de fall då det är möjligt att fastställa det redovisade resultatet på tillgångar och skulder genom information från externa källor ligger sådana uppskattningar och antaganden till grund för värderingen. Om andra antaganden görs eller andra förutsättningar är för handen, kan faktiskt utfall väsentligt skilja sig från vad som angivits i de finansiella rapporterna. Bolaget bedömer att det främst är området ekonomisk nyttjandeperiod, nedskrivningsbedömning som skilda antaganden, bedömningar och uppskattningar kan få en betydande påverkan på bolagets finansiella rapportering.

Beskattning (uppskjutna skatter)
Ledningens uppskattning krävs för att bestämma beloppet av de uppskjutna skattefordringar som kan identifieras baserat på den troliga tidpunkten och nivån på framtida beskattningsbara överskott tillsammans med en bedömning av effekten av framtida strategier för skatteplanering. De uppskjutna skattefordran avseende de ackumulerade underskottsavdragen hänförlig till operationerna i Sverige, har obegränsad livslängd.

Not 3 Nettoomsättningens fördelning	2023	2022
Nettoomsättning per rörelsegren		
Fraktflyg	40,1	176,9
	40,1	**176,9**

Not 4 Transaktioner med närstående	2023	2022
Nedan anges årets försäljning och inköp avseende koncernföretag:		
Inköp	-33,2	-152,7
	-33,2	**-152,7**

Transaktioner mellan företaget och dess närstående parter enligt ovan har skett på marknadsmässiga grunder.

Not 5 Ersättning till revisorer	2023	2022
Till bolagets revisorer och revisionsföretag har ersättning utgått med:		
Grant Thornton		
Revisionsuppdrag	-0,4	-0,7
Skatterådgivning	-0,1	-0,1
	-0,4	**-0,8**

Not 6 Övriga rörelsekostnader	2023	2022
Valutakursförluster	-2,7	-4,2
	-2,7	**-4,2**

Not 7 Ränteintäkter	2023	2022
Ränteintäkter, likvida medel	2,7	0,9
	2,7	**0,9**

Koncerninterna ränteintäkter uppgår till 2,0 (0,0)

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Not 8 Räntekostnader

	2023	2022
Räntekostnader	-	-2,8
	0,0	**-2,8**

Koncerninterna räntekostnader uppgår till 0,0 (2,0).

Not 9 Avstämning redovisad skatt

	2023	2022
Resultat före skatt	-34,4	-121,8
Skatt, gällande skattesats 20,6%	7,1	25,1
Skatteffekt av:		
Ej värderade underskottsavdrag	-7,1	-25,1
	0,0	**0,0**

Uppskjutna skattefordringar	**2023-12-31**	**2022-12-31**
Underskottsavdrag	8,1	8,1
	8,1	**8,1**

Underskottsavdrag 206,3 (202,8). Aktiverad skatteeffekt 8,1 (8,1).

Not 10 Finansiella anläggningstillgångar

Andelar i koncernföretag	**Kapital andel**	**Rösträtts andel**	**Antal aktier**	**Redovisat värde**
West Atlantic Sweden AB, org. nr 556062-4420 med säte i Göteborg	100%	100%	15 000 000	17,1
West Atlantic Aircraft Management AB org. nr 556609-4800 med säte i Göteborg	100%	100%	10 000 000	10,0
West Atlantic UK Ltd. reg. nr 05059096 med säte i Coventry, United Kingdom	100%	100%	1 000	34,9
European Aviation Maintenance Ltd reg. nr 119476C med säte på Isle of Man	100%	100%	2 002	2,8
				64,8

	2023-12-31	**2022-12-31**
Ingående anskaffningsvärde	64,8	64,8
Utgående ackumulerade anskaffningsvärden	**64,8**	**64,8**
Utgående redovisat värde	**64,8**	**64,8**

Not 11 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Upplupna intäkter	-	0,3
Förutbetalda kostnader	0,1	0,1
	0,1	**0,4**

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Not 12 Eget kapital

Aktiekapital
Aktiekapitalet utgörs av 78 120 091 (78 120 091) aktier med kvotvärdet 1 kr/aktie. Vid årets slut uppgick antalet stamaktier till 62 255 886, antalet preferensaktier av serie A till 5 864 205 och antalet preferensaktier av serie B till 10 000 000. Varje stamaktie och preferensaktie serie A berättigar till 1 röst och varje preferensaktie serie B till 0,1 röst vid bolagsstämman.

Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:	
Överkursfond	192 526 371
Balanserat resultat	-160 093 386
Årets resultat	-34 397 516
Kronor	**-1 964 530**

Styrelsen föreslår att vinstmedlen disponeras så att:

i ny räkning överförs	-1 964 530
Kronor	**-1 964 530**

Not 13 Långfristiga skulder

	2023-12-31	2022-12-31
Skulder till koncernföretag	83,2	83,4
	83,2	**83,4**

Förfaller senare än 5 år 83,2 (83,4).

Not 14 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Övriga poster	0,1	0,4
	0,1	**0,4**

Not 15 Ställda säkerheter

	2023-12-31	2022-12-31
Bankkonton	1,3	8,4
	1,3	**8,4**

Not 16 Eventualförpliktelser

	2023-12-31	2022-12-31
Borgensförbindelser	574,4	789,2

Borgensförbindelserna avser koncernföretags engagemang hos kreditinstitut och leasegivare.

Not 17 Justeringar för poster som inte ingår i kassaflödet

	2023	2022
Kundförlust dotterbolag	30,6	-
Kursdifferenser	0,1	5,2
	30,7	**5,2**

Not 18 Likvida medel

	2023-12-31	2022-12-31
Kassamedel och banktillgodohavanden	3,7	53,0
	3,7	**53,0**

West Atlantic AB
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Not 19 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

Bolaget har inga affärsförbindelser eller verksamhet på den ryska, belarusiska eller ukrainska marknaden och har därmed inte påverkats av det pågående kriget i Ukraina. Vi följer noga utvecklingen tillsammans med våra kunder och kommer vidta nödvändiga åtgärder om kriget skulle sprida sig till något av de EU-länder där vi är verksamma.

20240718121800

Malmö den 27/6 2024

Salvador Moreno González-Aller
Styrelseordförande

Fernando Llorens
Styrelseledamot

Salvador Moreno Guardiola
Styrelseledamot

Magnus Dahlberg
VD

Ignacio Soria
Styrelseledamot

Andres Romera
Styrelseledamot

Vår revisionsberättelse har lämnats den 30/6 2024
Grant Thornton Sweden AB

Petter Rankell
Auktoriserad revisor

20240718121 81

Grant Thornton

Revisionsberättelse

Till bolagsstämman i West Atlantic AB

Org.nr. 556503 - 6083

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för West Atlantic AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av West Atlantic ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till West Atlantic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

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Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för West Atlantic AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman behandlar förlusten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till West Atlantic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet.

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Malmö den 30 juni 2024,
Grant Thornton Sweden AB

Petter Rankell
Auktoriserad revisor

Fotokopians överensstämmelse med originalet intygas:

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KPMG

Auditoría

LUSAT Air y Sociedades Dependientes

(Together with the consolidated annual accounts and consolidated management report of Lusat Air. S.L. and subsidiaries for the year ended 31.12.2023)

KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

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Audit Report on the Consolidated Financial Statements issued by an Independent Auditor

To the Sole Shareholder of Lusat Air, S.L. and dependent companies

Opinion

We have audited the consolidated financial statements of Lusat Air, S.L. and subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2023, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated notes to the financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, a true and fair view of the consolidated net worth and consolidated financial position of the Company as of December 31, 2023, and of its consolidated results and consolidated cash flows for the year then ended, in conformity with the applicable financial reporting framework (as identified in note 2 to the consolidated financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis of the opinion

We conducted our audit in accordance with Spanish auditing standards. Our responsibilities under those standards are described below in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the consolidated financial statements in Spain as required by the regulations governing the auditing of accounts. In this sense, we have not provided services other than those of the audit of accounts nor have there been any situations or circumstances that, in accordance with the provisions of the aforementioned regulatory standards, have affected the necessary independence in such a way that it has been compromised.

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

PMG Auditores S L., sociedad española de responsabilidad limitada y firma miembro de la organización global de KPMG de firmas miembro independientes afiliadas a KPMG International Limited, sociedad inglesa limitada por garantía Todos los derechos reservados
Paseo de la Castellana, 259C 28046 Madrid

Inscrita en el Registro Oficial de Auditores de Cuentas con el nº.S0702, y en el Registro de Sociedades del Instituto de Censores Jurados de Cuentas con el nº.10
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Audit highlights

Significant audit matters are those matters that, in our professional judgment, we considered to be the most significant risks of material misstatement in our audit of the consolidated financial statements for the current period. These risks have been addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we express no separate opinion on these risks.

463,320,259.84 (see notes 3 8 and 16 1 to the consolidated financial statements) .

The recognition of revenue from air freight is an area of significance and susceptible to material misstatement, particularly in relation to the proper recognition of revenue from the provision of services according to the contractual terms agreed with customers.

Our main audit procedures included, among others, evaluating the Group's controls over revenue recognition, performing tests of the detail of revenue recognized for a sample of transactions, verifying the nature, accuracy and correct timing of the transaction. We have also obtained external confirmation for all invoices pending collection, performing, if applicable, alternative verification procedures by means of delivery notes or proof of subsequent collection.
In addition, we have evaluated whether the information disclosed in the consolidated financial statements complies with the requirements of the financial reporting framework applicable to the Group.

Valuation of property, plant and equipment (see notes 3 3 and 6 and notes to the financial statements)

As of December 31, the Group has recorded under property, plant and equipment, assets amounting to 224,498,812.16 euros, with which the Group companies carry out their activities. The Parent Company's management calculates the recoverable amount of the assets at least annually, whenever it identifies signs of impairment. Due to the high degree of judgment in the identification of impairment indicators, and the significance of the book value of the assets, the valuation of property, plant and equipment has been considered a key issue in our audit.

Our audit procedures included, among others, an evaluation of the criteria used by the Sole Administrator and the Group's Management in identifying impairment indicators based on the business, its operating environment, industry knowledge, current market conditions. We also performed detailed tests on a sample of fixed asset additions recorded in connection with repairs and overhauls of aircraft and engines during the year.

In addition, we have evaluated whether the information disclosed in the consolidated financial statements complies with the requirements of the financial reporting framework applicable to the Group.

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Other information: Consolidated management report

The other information comprises exclusively the management report for fiscal year 2023, the preparation of which is the responsibility of the Company's Sole Director and does not form an integral part of the financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the information contained in the consolidated management report, in accordance with the requirements of the regulations governing the audit activity, consists of.

a) To verify only that the statement of consolidated non-financial information has been provided in the form required by the applicable regulations and, if not, to report it.

b) Evaluate and report on the consistency of the other information included in the consolidated management report with the consolidated financial statements, based on our knowledge of the Group obtained from the audit of the consolidated financial statements, and evaluate and report on whether the content and presentation of this part of the consolidated management report are in accordance with the applicable standards. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work performed, as described above, we have verified that the information mentioned in section a) above is provided as required by the applicable regulations and that the rest of the information contained in the consolidated management report is consistent with that of the consolidated financial statements for 2023 and its content and presentation are in accordance with the applicable regulations.

Directors' liability in connection with the consolidated financial statements

The Sole Director is responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated net worth, consolidated financial position and consolidated results of the Group, in accordance with the regulatory financial reporting framework applicable to the entity in Spain, and for such internal control as he/she determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Sole Director is responsible for assessing the Group's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting unless the Sole Director intends to liquidate the Group or to cease operations, or there is no other realistic alternative.

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Auditor's responsibilities in relation to the audit of the financial statements annual consolidated

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 auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance but does not guarantee that an audit performed in accordance with Spanish auditing standards will always detect a material misstatement when it exists.
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with the regulations governing the auditing of accounts in Spain, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, deliberate misstatements, intentional misrepresentations, or the circumvention of internal control.
- We 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 entity's internal control.
  We assessed the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates and related disclosures made by the Sole Administrator.
- Conclude on the appropriateness of the Sole Administrator's use of the going concern basis of accounting and, based on the audit evidence obtained, whether or not 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 consolidated financial statements or, if such disclosures are inadequate, to express a modified opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may be the cause of the Company ceasing to be a going concern.
- We assessed the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the entity's Sole Administrator regarding, among other matters, the planned scope and timing of the audit and significant audit findings, as well as any significant deficiencies in internal control that we identify during the course of the audit.

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Among the significant risks that have been reported to the Sole Director of Lusat Air, S.L. and subsidiaries, we have determined those that have been of the greatest significance in the audit of the consolidated financial statements for the current period and which are, consequently, the risks considered to be the most significant.

We describe these risks in our auditor's report unless legal or regulatory provisions prohibit public disclosure.

KPMG Auditores, S.L.
Registered in the R.O.A.C. n° 50702

Pilar Blanco Vicente

Registered at the R.O.A.C. n° 23.937

August 1, 2024

tUDITORcS

KPMG AUDITORES, S.L.

2024 No. O1/2d/181M

96,00 EUR

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LUSAT AIR, S.L. and Subsidiary Companies

Annual Financial Statements for the year ended December 31, 2023 and Management Report

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LUSAT AIR S.L. AND SUBSIDIARIES

Consolidated balance sheet as of December 31, 2023
(Expressed in euros)

Active	*Note*	*2023*	*2022*
Intangible assets	**4**	**34.765.040,28**	**42.216.483,36**
Goodwill on consolidation		29.095.743,80	38.009.795,86
Other intangible assets		5.669.296,48	4.206.687,50
Property, plant and equipment	**6**	**224.498.812,16**	**239.651.797,55**
Land and buildings		17.258.583,01	17.891.591,46
Technical installations and other property, plant and equipment		196.561.733,04	218.397.392,22
Fixed assets under construction and advances		10.678.496,11	3.362.813,86
Long-term investments in group and associated companies	**9.1**	**5.486.402,84**	**5.147.193,17**
Equity method investees		5.486.402,84	5.147.193,17
Long-term financial investments		**9.773.223,31**	**10.392.409,83**
Deferred tax asset		**9.174.029,88**	**6.393.691,94**
Total non-current assets		**283.697.508,47**	**303.801.575,84**
Stocks	**8**	**36.086.095,63**	**29.200.363,48**
Trade and other receivables		**49.117.078,50**	**54.362.607,80**
Customers for sales and services	**9**	39.938.660,94	47.090.833,39
Accounts receivable group		2.056.322,39	290.057,19
Sundry accounts receivable	**10**	2.441.610,13	4.007.761,70
Staff		124.038,76	9.341,92
Current tax assets	**15**	406.044,87	154.093,77
Other receivables from public authorities	**15**	4.150.401,41	2.810.519,83
Short-term investments in group and associated companies		**4.005.561,36**	**21.153,49**
Short-term financial investments	**15**	**9.734.949,07**	**771.457,47**
Short-term accruals		**10.163.648,30**	**16.539.336,00**
Cash and cash equivalents		**20.752.274,27**	**52.924.217,05**
Treasury		20.752.274,27	52.924.217,05
Total current assets		**129.859.607,13**	**153.819.135,29**
Total assets		**413.557.115,60**	**457.620.711,13**

The accompanying notes form an integral part of the consolidated financial statements for the year ended December 31, 2023.

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LUSAT AIR S.L. AND SUBSIDIARIES

Consolidated balance sheet at December 31, 2023
(Expressed in euros)

Shareholders' equity and liabilities	*Note*	*2023*	*2022*
Shareholders' equity	**11**	**115.474.047,43**	**132.973.650,14**
Capital stock		125.025.081,72	125.025.081,72
Reservations		1.951.591,07	12.403.243,37
Results attributable to the parent company		(17.291.362,18)	(10.243.411,77)
Other equity instruments	**5**	5.788.736,82	5.788.736,82
Adjustments for change in value		**(507.719,57)**	**(369.126,53)**
Conversion differences		(507.719,57)	(369.126,53)
External partners		**4.273.499,79**	**4.216.311,11**
Total shareholders' equity		**119.239.827,65**	**136.820.834,72**
Long-term provisions		**216.151,84**	**146.345,06**
Long-term debt		**190.854.145,31**	**213.427.268,38**
Debts with credit institutions	**13**	150.479.495,87	163.814.318,35
Finance lease payables	**13**	34.083.937,22	39.451.648,35
Other financial liabilities		6.290.712,22	10.161.301,69
Deferred tax liabilities	**15**	**2.881.367,41**	**3.546.018,37**
Total non-current liabilities		**193.951.664,56**	**217.119.631,81**
Liabilities related to non-current assets held for sale		**349.391,70**	**349.391,70**
Short-term debt		**34.513.226,98**	**34.460.226,81**
Debts with credit institutions	**13**	16.379.966,84	10.371.598,65
Finance lease payables	**13**	17.503.652,23	23.987.521,33
Other financial liabilities		629.607,91	101.106,83
Short-term debts with group and associated companies		**107.689,82**	**21.153,02**
Trade and other payables		**59.242.358,63**	**65.832.717,03**
Suppliers	**13**	741.182,07	116.767,11
Other creditors	**13**	50.660.338,70	56.894.048,97
Staff		1.528.475,27	3.174.002,55
Other debts with public administrations	**15**	6.312.362,59	5.647.898,38
Short-term accruals		**6.152.956,26**	**3.016.756,04**
Total current liabilities		**100.365.623,39**	**103.680.244,60**
Total equity and liabilities		**413.557.115,60**	**457.620.711,13**

The accompanying notes form an integral part of the consolidated financial statements for the year ended December 31, 2023.

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LUSAT AIR, S.L. AND SUBSIDIARIES

Consolidated profit and loss account for the year ended December 31, 2023
(Expressed in euros)

Profit and loss statement	*Note*	*2023*	*2022*
Net sales		**463.320.259,84**	**482.822.155,93**
Sales	**16.1**	407.652.186,98	425.948.732,55
Services rendered		55.668.072,86	56.873.423,37
Changes in inventories of finished goods and work in progress		**(272.155,12)**	**2.592.985,69**
Work performed by the group for its assets		**7.357.291,12**	**454.491,65**
Procurement	**16.2**	**(18.101.753,41)**	**(13.231.575,86)**
Consumption of raw and other consumable materials		(12.272.632,50)	(10.750.082,44)
Work performed by other companies		(5.829.120,91)	(2.481.493,42)
Other operating income		**4.775.258,88**	**188.594,16**
Personnel expenses	**16.3**	**(104.262.452,87)**	**(105.092.145,67)**
Wages, salaries and similar		(85.108.021,66)	(87.999.311,84)
Social charges		(19.154.431,21)	(17.092.833,83)
Other operating expenses	**16.5**	**(270.265.948,07)**	**(276.512.957,64)**
External Services		(221.525.306,61)	(239.182.447,79)
Tributes		(48.218.215,93)	(37.167.784,79)
Losses, impairment and var. of provisions for trade operations		(522.425,53)	(162.725,06)
Depreciation of fixed assets	**4 y 5**	**(69.883.419,43)**	**(73.084.880,17)**
Impairment and gains or losses on disposal of fixed assets	**16.4**	**(12.072.157,26)**	**(20.728.220,76)**
Gains (losses) on disposal of fixed assets		(12.072.157,26)	(20.728.220,76)
Other results	**16.4**	**(286.409,39)**	**2.165.062,17**
Operating income (loss)		**308.514,29**	**(426.490,51)**
Financial income		**1.661.588,00**	**8.485.147,46**
Marketable securities and other financial instruments		1.661.588,00	8.485.147,46
Financial expenses		**(13.289.385,51)**	**(6.513.169,66)**
Exchange differences	**17**	**(2.672.596,74)**	**(813.596,17)**
Translation differences are charged to income for the year.		(2.672.596,74)	(813.596,17)
Impairment and disposals of financial instruments		**(58.602,37)**	**(46.004,76)**
Financial result		**(14.358.996,62)**	**1.112.376,86**
Negative difference in consolidation of companies accounted for by the equity method		(375.240,12)	-
Income before taxes		**(14.425.722,45)**	**685.886,36**
Income tax		(1.190.451,05)	(8.442.247,17)
Consolidated income for the year		**(15.616.173,50)**	**(7.756.360,81)**
Profit attributable to the parent company		(17.291.362,18)	(10.243.411,77)
Profit attributable to minority interest		1.675.188,68	2.487.050,96

The accompanying notes form an integral part of the consolidated financial statements for the year ended December 31, 2023.

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LUSAT AIR, S.L. AND SUBSIDIARIES

Consolidated statement of changes in shareholders' equity for the year ended December 31, 2023
(Expressed in euros)

A) CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE

	Note	*2023*	*2022*
Result of the consolidated income statement		**(15.616.173,50)**	**(7.756.360,81)**
Total income and expenses recognized directly in shareholders' equity		**-**	**-**
Total transfers to the consolidated statement of profit and loss		**-**	**-**
Total recognized revenues and expenses		**(15.616.173,50)**	**(7.756.360,81)**

The accompanying notes form an integral part of the consolidated financial statements for the year ended December 31, 2023.

LUSAT AIR, S.L. AND SUBSIDIARIES

Consolidated statement of changes in shareholders' equity for the year ended December 31, 2023 (Expressed in euros)

B) CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

Euros	Capital	Reserves of the parent company and of consolidated companies	Result for the year attributable to the Parent Company	Other instruments of patrimony	Adjustments for changes in value	External partners	Total Equity
OPENING BALANCE FOR FISCAL YEAR 2022	**125.025.081,72**	**9.921.562,09**	**8.093.268,65**	**6.991.836,82**	**45.417,01**	**1.243.708,44**	**151.320.874,73**
Adjustments for errors	-	(2.968.797,05)	(238.862,32)	-	-	(598.415,76)	(3.806.071,13)
ADJUSTED OPENING BALANCE OF FISCAL YEAR 2022 (*)	**125.025.081,72**	**6.952.765,04**	**7.854.406,03**	**6.991.836,82**	**45.417,01**	**645.292,68**	**147.514.799,30**
Distribution of income for the year 2021	-	-	-	-	-	-	-
Total recognized revenues and expenses	-	-	(10.243.411,77)	-	-	2.487.050,96	**(7.756.360,81)**
Transactions with partners or owners	-	-	-	-	-	-	-
Other changes in shareholders' equity	-	5.450.478,33	(7.854.406,03)	(1.203.100,00)	(414.543,54)	1.083.958,16	**(2.937.604,07)**
YEAR-END BALANCE 2022	**125.025.081,72**	**12.403.243,37**	**(10.243.411,77)**	**5.788.736,82**	**(369.126,53)**	**4.216.301,80**	**136.820.834,42**
Adjustments for errors							
ADJUSTED OPENING BALANCE OF FISCAL YEAR 2022	**125.025.081,72**	**12.403.243,37**	**(10.243.411,77)**	**5.788.736,82**	**(369.126,53)**	**4.216.311,11**	**136.820.834,42**
Distribution of income for the year 2022	-	-	-	-	-	-	-
Total recognized revenues and expenses	-	-	(17.291.362,18)	-	-	1.675.188,68	**(15.616.173,50)**
Transactions with partners or owners	-	-	-	-	-	-	-
Other changes in shareholders' equity	-	(10.451.652,30)	10.243.411,77	-	(138.593,04)	(1.618.000,00)	**(1.964.833,57)**
YEAR-END BALANCE 2023	**125.025.081,72**	**1.951.591,07**	**(17.291.362,18)**	**5.788.736,82**	**(507.719,57)**	**4.273.499,79**	**119.239.827,65**

The accompanying notes form an integral part of the consolidated financial statements for the year ended December 31, 2023.

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LUSAT AIR, S.L. AND SUBSIDIARIES

Consolidated Statement of Cash Flows
(Expressed in euros)

	Notes	2023	2022
A) CASH FLOWS FROM OPERATING ACTIVITIES		**67.326.138,55**	**85.594.549,04**
1. Income for the year before taxes		**(14.425.722,45)**	**685.886,36**
2. Adjustments to the result		**96.723.336,72**	**92.554.394,76**
a) Depreciation and amortization of fixed assets (+)		69.883.419,43	73.084.880,17
c) Variation in provisions (+/-)	4 y 5	419.198,48	(146.329,30)
e) Results from retirements and disposals of fixed assets (+/-)	16.4	12.072.157,26	20.728.220,76
f) Gains/losses on disposal of financial instruments (+/-)		58.602,37	46.004,76
g) Financial income (-)		(1.661.588,00)	(8.485.147,46)
h) Financial expenses (+)		13.289.385,51	6.513.169,66
i) Exchange differences (+/-)		2.672.596,74	813.596,17
Changes in working capital		**1.281.326,67**	**(1.463.322,41)**
a) Stocks (+/-).		(6.885.732,15)	6.697.789,13
b) Debtors and other accounts receivable (+/-)		5.245.529,30	(13.099.268,74)
c) Other current assets (+/-)		6.375.687,70	(7.396.313,33)
d) Accounts payable and other payables (+/-)		(6.590.358,40)	21.331.253,24
e) Other current liabilities (+/-)		3.136.200,22	(8.996.782,71)
4. Other cash flows from operating activities		**(16.252.802,39)**	**(6.182.409,67**
a) Interest payments (-)		(13.289.385,51)	(6.513.169,66)
d) Income tax receivable (payable) (+/-)		(1.190.451,05)	(8.442.247,17)
e) Other payments (collections) (-/+)		(1.783.400,90)	8.773.007,16
B) CASH FLOWS FROM INVESTING ACTIVITIES		**(72.427.064,92)**	**(84.078.321,18)**
6. Payments for investments (-)		**(75.356.707,41)**	**(94.076.353,39)**
a) Group companies, net of cash in consolidated companies		(4.323.617,54)	-
d) Intangible assets		(1.493.518,93)	(7.778.908,29)
e) Property, plant and equipment		(60.517.476,97)	(83.099.501,54)
g) Other financial assets		(9.022.093,97)	(3.197.943,56)
7. Proceeds from divestments (+)		**2.929.642,48**	**9.998.032,22**
a) Group companies, net of cash in consolidated companies		-	524.414.53
e) Property, plant and equipment		2.310.455,96	8.942.733,03
g) Other financial assets		619.186,52	530.884,65
C) CASH FLOWS FROM FINANCING ACTIVITIES		**(24.398.419,67)**	**34.626.531,53**
Receivables and payments for equity instruments		**(289.644,89)**	**(450.552,81)**
b) Restatement of investments and other (-)		(289.644,89)	(450.552,81)
10. Receivables and payments for financial liability instruments.		**(22.433.586,10)**	**37.564.135,30**
a) Issuance		14.718.348,80	58.802.970,26
2. Payable to credit institutions (+)		14.631.812,00	53.809.948,00
3. Payable to group and associated companies (+)		86.536,80	21.153,02
5. Other debts (new perimeter companies and others) (+)		-	4.971.869,24
b) Repayment and amortization of		(37.151.934,90)	(21.238.834,96)
2. Payable to credit institutions (-)		(33.953.416,42)	(21.238.834,96)
4. Other debts (-)		(3.198.518,48)	-
11. External partners		**(1.675.188,68)**	**(2.487.050,17)**
D) EFFECT OF CHANGES IN EXCHANGE RATES		**(2.672.596,74)**	**(813.596,17)**
E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		**(32.171.942,78)**	**35.329.163,22**
Cash and cash equivalents at beginning of year		52.924.217,05	17.595.053,82
Cash and cash equivalents at end of year		20.752.274,27	52.924.217,05

The accompanying notes form an integral part of the consolidated financial statements for the year ended December 31, 2023.

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1. GROUP COMPANIES, PARENT COMPANY AND DEPENDENT COMPANIES

LUSAT AIR, S.L. (hereinafter "the Parent Company") was incorporated on March 7, 1996, with its registered office at 14 Ingeniero Torres Quevedo Street, Madrid. The Parent Company together with its subsidiaries form the LUSAT AIR group and subsidiaries (hereinafter the "Group").

In December 2016, by means of a contribution under the special tax regime, 100% of the shareholding of AIRCRAFT LEASING SPAIN, S.L. was contributed to LUSAT's equity, which was valued at 125,000,002.40 euros, and this company in turn participates in the companies listed below, all of which have been included in the accompanying consolidated financial statements.

SWIFT GLOBAL LOGISTICS S.L.U. was also merged by absorption by its sole shareholder SWIFTAIR, S.A., effective for accounting purposes on January 1, 2016, by means of a merger transaction also subject to the special tax regime.

On September 25, 2018, LUSAT AIR, S.L. acquired 99.99% directly and 0.01% indirectly through its subsidiary SWIFTAIR, S.A. through the subrogation of the former in the debts that CORPORACION YGNUS AIR, S.A. held with its former sole shareholder and owner in the amount of 200,000 euros.

In the 2020 financial year, the company concluded its acquisition of 100% control of the capital of WEST ATLANTIC AB, a company based in Sweden.

Likewise, in the past fiscal year 2019 it incorporated the subsidiary LUSAT AIR LEASING IRELAND LTD, based in Ireland, with a share capital of 250,000.00 euros, of which it subscribed 100%. During 2022, capital was increased by €3,000,000.00 which was 100% subscribed by Lusat Air.

TOP FREIGHT SOLUTIONS, S.L. was fully integrated into Lusat as the group gained control over the company with a 50% shareholding in the capital stock during the previous year. Aircraft Leasing Spain acquired 7.98%, which complements Swiftair S.A.'s 42.02% shareholding.

The main activities of the companies comprising the Lusat Air Group are as follows:

LUSAT AIR, S.L. was incorporated on March 7, 1996, and its corporate purpose is the transport of goods by road, rail, sea or air, with its own means or those of others, as well as the contracting of freight, and the purchase and sale, leasing by and for the company itself, of all kinds of real estate.

SWIFTAIR, S.A. was incorporated on October 14, 1986 and its corporate purpose is the air transportation of passengers and cargo, the commercial operation of aircraft and the repair and maintenance of aircraft.

SWIFTAIR HELLAS, S.A. was incorporated on April 6, 2000 and its corporate purpose is the air transport of goods with its base of operations in Greece.

TOP FREIGHT SOLUTIONS, S.L. was incorporated on March 14, 1997 as a limited liability company. Its corporate purpose is the air, sea and land transportation of all kinds of goods, nationally and internationally.

AIRCRAFT LEASING SPAIN S.L. was incorporated on December 3, 2002 and its corporate purpose is the purchase, sale and lease of aircraft.

BALCARGO SL was incorporated on April 21, 2004, and its corporate purpose is the purchase and sale of aircraft and air transport.

TRANSPORTE AÉREO MAR DE VIGO S.A. was incorporated in 2007 and its corporate purpose is the transport logistics of goods.

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EXTREMEÑA DE FINCAS RUSTICAS S.L. was incorporated on November 15, 2013 and its corporate purpose is the air transport and the management and administration of rustic or urban properties.

CORPORACION YGNUS AIR S.A. was incorporated on June 20, 1994, and its corporate purpose is the commercial operation of domestic and/or foreign aircraft, its own and others, with the proper licenses for the transportation of passengers and goods under the modalities of regular and non-scheduled air traffic service.

WEST ATLANTIC AB was formed as a result of the merger of two companies in 2011 and its corporate purpose is the air transport of goods, commercial operation of aircraft and aircraft repair and maintenance.

EUROPEAN AVIATION MAINTENANCE was incorporated in 2007 and its corporate purpose is the repair and maintenance of aircraft, based in the United Kingdom.

WEST ATLANTIC SWEDEN AB was incorporated in 1955 and its corporate purpose is air freight transport based in Sweden.

WEST ATLANTIC UK LTD was incorporated in 1994 and its corporate purpose is air freight transport based in the United Kingdom.

WEST ATLANTIC AIRCRAFT MANAGEMENT AB. was incorporated in 2001 and its corporate purpose is the commercial operation of aircraft.

LUSAT AIR LEASING IRELAND was incorporated in June 2019 being its corporate purpose the commercial operation of aircraft and their repair and maintenance.

SWEDISH ATP MANAGEMENT AB was incorporated in 2019 being its business purpose the commercial operation of aircraft and their repair and maintenance.

ELMAS BUSINESS S.L. was incorporated in 2015 and its corporate purpose is the acquisition, holding, enjoyment, management, administration, management and transfer of transferable securities or any type of securities that grant a participation in all kinds of companies, activities or business businesses, as well as the direction and management, where appropriate, of the activities carried out by such entities.

LABORDOC S.L. was established in 2014 being its corporate purpose the provision of teaching services at the levels of early childhood education, primary and compulsory secondary education, high school 1 and 2. In addition, development of sports and cultural activities, school canteens, cafeterias and other hospitality services.

BADESI BUSINESS S.L. was incorporated in 2015 and its corporate purpose is the leasing of real estate.

GUAMOR LAND S.A. was incorporated in 2015 and its corporate purpose is the holding of shares.

The Parent Company has established in its bylaws the beginning and end of the fiscal year, which generally coincides with the calendar year and ends on December 31 of each year.

The currency of the main economic environment in which the Group operates is the euro, which is therefore its functional currency. None of the shares of the Group's companies are listed on the stock exchange.

All amounts included in these notes to the consolidated financial statements are stated in euros unless expressly stated otherwise.

LUSAT AIR, S.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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Consolidated Companies in the Group:

In accordance with the criteria of Royal Decree 1159/2010, of September 17, which approves the rules for the preparation of the Consolidated Financial Statements, the information related to the different companies that make up the Group at December 31, 2023 and December 31, 2022 is detailed below (as an exception, in 2022, 7.98% of TOP FREIGHT was acquired by AIRCRAFT LEASING SPAIN, which in 2021 did not exist, the rest of the companies/percentages remain the same), in 2022, 7.98% of TOP FREIGHT was acquired by AIRCRAFT LEASING SPAIN, which did not exist in 2021, the rest of the companies/percentages are maintained), as well as the method applied for their consolidation:

Name	Address	Nominal % share.	Amount of participation (in euros)
1) SWIFTAIR, S.A.	Madrid (Spain)	99	11.224.073,31
Subsidiaries of SWIFTAIR, S.A.			
1.1) SWIFTAIR HELLAS, S.A.	Greece	100	1.392.025,42
1.2) TOP FREIGHT SOLUTIONS, S.L.	Madrid (Spain)	42,02	2.685.976,00
2) AIRCRAFT LEASING SPAIN, S.L.	Madrid (Spain)	100	125.000.002,40
Dependent companies of AIRCRAFT LEASING SPAIN, S.L.			
2.1) BALCARGO, S. L.	Madrid (Spain)	100	
2.2) TRANSP. AEREO MAR DE VIGO S.A.	Vigo (Spain)	100	
2.3) EXTREMEÑA DE FINCAS RUSTICAS, S.L.	Madrid (Spain	71,44	
2.4) TOP FREIGHT SOLUTIONS, S.L.	Madrid (Spain)	7,98	
3) EXTREMEÑA DE FINCAS RUSTICAS, S.L.	Madrid (Spain	71,44	2.500.000,00
Subsidiaries of Extremeña de Fincas Rústicas S.L.			
3.1) ELMAS BUSINESS S.L.	Madrid (Spain)	75	
3.2) BADESI BUSINESS S.L.	Madrid (Spain)	75	
3.3) LABORDOC, S.L.U.	Madrid (Spain)	75	
3.4) GUARMOR LAND S.A.	Lisbon (Portugal)	100	
4) CORPORACION YGNUS AIR S.A.	Madrid (Spain)	100	100.000,00
5) WEST ATLANTIC AB	Goteburg (Sweden)	100	22.112.000,00
Subsidiaries of WEST ATLANTIC AB			
5.1) EUROPEAN AVIATION MAINT	United Kingdom	100	
5.2) WEST ATLANTIC SWEDEN AB	Sweden	100	
5.3) WEST ATLANTIC UK LTD.	United Kingdom	100	
5.4) WEST ATLANTIC AIRCRAFT MANAG AB	Sweden	100	
		100	
6) LUSAT AIR LEASING IRELAND LTD.	Ireland	100	3.250.000,00
7) SWEDISH ATP MANAGEMENT AB	Sweden	100	24.104.732,86

LUSAT AIR, S.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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The equity figures of the companies comprising the group as of December 31, 2023 are as follows:

Name	Capital	Reservations	Result fiscal year 2023	Shareholders' equity fiscal year 2023
1) SWIFTAIR SA	10.595.572,87	8.321.075,76	(5.908.218,50)	13.008.430,13
Subsidiaries of SWIFTAIR, S.A.				
1.1) SWIFTAIR HELLAS S.A.	1.092.022,72	-226.685,33	292.150,77	1.157.488,16
1.2) TOP FREIGHT SOLUTIONS	63.000,00	1.227.106,09	2.765.424,05	2.555.530,14
1.3) ALAIRE NAVIGATION AIRLINE COMPANY	930.000,00	272.427,98	1.197.574,11	1.850.002,09
2) AIRCRAFT LEASING SPAIN, S.L.	2.497.324,76	105.510.740,11	14.652.891,68	122.660.956,55
Dependent companies of AIRCRAFT LEASING SPAIN, S.L.				
2.1) BALCARGO S.L.	5.000,00	4.548.548,22	432.828,28	4.986.376,50
2.2) BRAVO	60.000,00	20.008,56	368.566,58	112.575,14
2.3) EXTREMEÑA DE FINCAS RÚSTICAS S.L.	1.400.000,00	2.851.751,31	-109.564,26	4.142.187,05
2.4) TRANSP. AEREO MAR DE VIGO S.A.	70.000,00	1.559.574,52	168.472,01	1.798.046,53
3) EXTREMEÑA DE FINCAS RUSTICAS, SL.				
Subsidiaries of Extremeña de Fincas Rústicas S.L.				
3.1) ELMAS BUSINESS S.L.	604.000,00	587.102,25	(203.573,59	987.528,66
3.2) BADESI BUSINESS S.L.	465.519,69	159.550,56	5.832,28	630.902,53
3.3) LABORDOC, S.L.U.	342.814,00	(77.448,91)	(602.050,33)	(336.685,24)
3.4) GUARMOR LAND S.A.	400.000,00	2.249.284,44	136.989,53	2.786.273,97
4) YGNUS AIR SA CORPORATION	100.000,00	5.612.613,03	270.759,94	5.983.372,97
5) WEST ATLANTIC AB	6.973.264,81	3.596.378,17	-3.070.439,15	7.499.203,83
Subsidiary companies of WEST ATLANTIC AB				
5.1) EUROPEAN AVIATION MAINT	2,28	94.788,36	90.026,98	184.817,63
5.2) WEST ATLANTIC SWEDEN AB	1.338.950,98	1.532.245,96	-1.242.196,75	1.629.000,19
5.3) WEST ATLANTIC UK LTD.	1.140,28	3.819.570,09	-3.528.284,16	292.426,22
5.4) WEST ATLANTIC AIRCRAFT MANAG AB	892.633,98	193.958,98	219.261,89	1.305.854,86
6) LUSAT AIR IRELAND LTD.	3.250.000,00	-1.729.134,63	2.320.613,61	3.841.478,98
7) SWEDISH ATP MANAGEMENT AB	44.631,70	3.237.342,01	(2.712.908,82)	569.064,89

LUSAT AIR, S.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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The equity figures of the companies comprising the group as of December 31, 2022 are as follows:

Name	Capital	Reservations	Result fiscal year 2022	Equity fiscal year 2022
1) SWIFTAIR SA	10.389.407,69	7.274.321,25	(3.747.089,75)	13.916.639,19
Subsidiaries of SWIFTAIR, S.A.				
1.1) SWIFTAIR HELLAS S.A.	1.092.022,72	276.714,46	558.806,61	1.927.543,79
1.2) TOP FREIGHT SOLUTIONS	63.000,00	(4.288.904,63)	5.516.010,72	1.290.106,09
1.3) ALAIRE NAVIGATION AIRLINE COMPANY	930.000,00	(2.172.324,19)	2.444.752,17	1.202.427,98
2) AIRCRAFT LEASING SPAIN, S.L.	2.497.324,76	87.640.751,40	17.869.988,71	108.008.064,87
Dependent companies of AIRCRAFT LEASING SPAIN, S.L.				
2.1) BALCARGO S.L.	5.000,00	4.116.148,63	432.399,60	4.553.548,23
2.2) BRAVO	60.000,00	(12.877,79)	387.130,77	434.252,98
2.3) EXTREMEÑA DE FINCAS RÚSTICAS S.L.	1.400.000,00	2.790.586,55	61.164,76	4.251.751,31
2.4) TRANSP. AEREO MAR DE VIGO S.A.	70.000,00	1.430.194,37	158.042,74	1.658.237,11
3) EXTREMEÑA DE FINCAS RUSTICAS, SL.				
Subsidiaries of Extremeña de Fincas Rústicas S.L.				
3.1) ELMAS BUSINESS S.L.	604.000,00	590.795,35	(2.523,96)	1.192.271,39
3.2) BADESI BUSINESS S.L.	465.519,69	198.747,64	(37.589,49)	626.677,84
3.3) LABORDOC, S.L.U.	342.814,00	346.352,09	(396.425,78)	292.740,31
3.4) GUARMOR LAND S.A.	400.000,00	2.488.235,60	(238.951,16)	2.649.284,44
4) YGNUS AIR SA CORPORATION	100.000,00	5.000.971,81	611.641,22	5.712.613,03
5) WEST ATLANTIC AB	7.109.112,59	719.103,58	2.949.234,93	10.777.451,10
Subsidiaries of WEST ATLANTIC AB				
5.1) EUROPEAN AVIATION MAINT	2,3	232.315,12	(136.709,60)	95.607,82
5.2) WEST ATLANTIC SWEDEN AB	1.365.386,54	93.028,34	1.469.500,00	2.927.914,87
5.3) WEST ATLANTIC UK LTD.	1.150,09	3.509.321,45	343.086,83	3.853.558,37
5.4) WEST ATLANTIC AIRCRAFT MANAG AB	910.257,69	182.051,54	15.747,46	1.108.056,69
6) LUSAT AIR IRELAND LTD.	3.250.000,00	1.384.354,00	(3.113.489,69)	1.520.864,31
7) SWEDISH ATP MANAGEMENT AB	45.512,88	12.024.564,79	(9.861.128,47)	2.208.949,21

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1.1 Subsidiaries

Consolidation has been carried out by applying the full consolidation method to all subsidiaries, which are those in which the Parent Company exercises or may exercise, directly or indirectly, control, understood as the power to govern the financial and operating policies of a company in order to obtain economic benefits from its activities. This circumstance is generally, but not exclusively, manifested by the direct or indirect ownership of 50% or more of the voting rights of t h e parent company.

The share of minority shareholders in the equity and results of the consolidated subsidiaries is presented under "Minority interests" in "Shareholders' equity" in the consolidated balance sheet and "Income attributable to minority interests" in the consolidated income statement, respectively.

All subsidiaries have the same fiscal year as the Parent Company, which closes on December 31 of each year, except for Labordoc S.L.U. and Badesi Business S.L., which close on August 31 of each year.

1.2 Associated companies

Associated companies are accounted for by the equity method. These companies are those over which significant influence is exercised in their management, understood as the power to intervene in the financial and operating policy decisions of the investee, but without exercising control or joint control. Significant influence is presumed when one or more group companies hold at least 20% of the voting rights of a company that does not belong to the Group.

The equity method consists of the inclusion in the account "Long-term investments in Group and associated companies - Investments accounted for by the equity method" of the value of the net assets and goodwill, if any, corresponding to the shareholding in the associated company. The net income obtained in each year corresponding to the percentage of ownership in these companies is reflected in the consolidated statement of income as "Share in income of companies accounted for by the equity method".

All associated companies have the same fiscal year as the Parent Company, which closes on December 31 of each year.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by the Director of the Parent Company for submission to the approval of the General Shareholders' Meeting, and it is considered that they will be approved without modifications.

The figures included in the Consolidated Financial Statements are expressed in euros, unless otherwise indicated.

2.1 Regulatory framework

The regulatory financial reporting framework applicable to the Group, which is set forth in:

- The Commercial Code and other commercial legislation

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- The Standards for the Preparation of Consolidated Financial Statements approved by Royal Decree 1159/2010, and the General Accounting Plan approved by Royal Decree 1514/2007 and its amendments approved by Royal Decree 602/2016 and Royal Decree 1/2021.

- The mandatory standards approved by the Instituto de Contabilidad y Auditoría de Cuentas (Accounting and Auditing Institute) in development of the General Accounting Plan and its complementary standards.

- The rest of the applicable Spanish accounting regulations.

2.2 Faithful image

The consolidated financial statements for 2023 have been obtained from the accounting records of the Parent Company and its subsidiaries and associates, and are presented in accordance with the regulatory financial reporting framework applicable to them, and in particular, with the accounting principles and criteria contained therein, so as to present fairly the Group's consolidated equity and financial position at December 31, 2023 and the consolidated results and cash flows of the Group for the year ended December 31, 2023.

These consolidated financial statements for the year 2023, which have been prepared by the Sole Director of the Parent Company, will be submitted for approval by the Shareholders' Meeting of Lusat Air, S.L., and it is estimated that they will be approved without modification.

The Consolidated Financial Statements for the previous year were approved by the Ordinary General Shareholders' Meeting on February 5, 2024.

2.3 Critical aspects of valuation and estimation of uncertainty and relevant judgments at application of accounting policies

The preparation of the consolidated financial statements requires the application of significant accounting estimates and the making of judgments, estimates and assumptions in the process of applying the Group's accounting policies. In this sense, a detail of the aspects that have involved a higher degree of judgment, complexity or in which the assumptions and estimates are significant for the preparation of the consolidated financial statements are summarized below:

-Useful life of property, plant and equipment and intangible assets and estimation of residual values

-The evaluation of possible impairment losses on goodwill and property, plant and equipment.

Likewise, although the estimates made by the Parent Company's Director have been calculated based on the best information available at December 31, 2023, it is possible that events that may occur in the future may make it necessary to modify them in future years. The effect on the consolidated financial statements of any changes arising from adjustments to be made in future years would be recorded prospectively.

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2.4 Line item grouping

Certain items in the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows are presented in grouped form to facilitate their understanding, although, to the extent significant, the information has been included in the corresponding notes to these consolidated financial statements.

2.5 Comparison of information

In accordance with mercantile legislation, each of the items of the balance sheet, the income statement, the statement of changes in equity, the statement of cash flows and the consolidated annual report are presented for comparative purposes, in addition to the figures for fiscal year 2023, those corresponding to the previous year, which were part of the consolidated annual accounts for fiscal year 2022 approved by the Sole Shareholder on February 5, 2024.

2.6 Going concern

The consolidated financial statements are prepared on the premise of the continued management and unlimited duration of the company and, therefore, their preparation is not intended to determine the value of the equity for the purpose of its disposal, whether global or partial, or to obtain the liquidation value of the company.

At December 31, 2023, the Group has a positive working capital of €29,493,983.78 (€50,138,890.69 at December 31, 2022).

Therefore, the Parent Company's Sole Director prepares these consolidated financial statements under the going concern principle, which contemplates that the Group will realize its assets and meet its commitments in the normal course of its operations.

The parent company Lusat Air, S.L. has obtained a loss in 2023 amounting to 26,263,669.99 euros (a profit of 2,787,261.00 euros in 2022) and the proposal for the distribution of results made by the Sole Director was as follows:

	31/12/2023	31/12/2022
Basis of delivery:		
Profit and loss	(26.263.669,99)	2.787.261,00
Total	**(26.263.669,99)**	**2.787.261,00**
Distribution:		
Negative results from previous years	(26.263.669,99)	569.257,10
Legal reserve	-	278.726,10
Voluntary reserve	-	1.939.277,80
Total	**(26.263.669,99)**	**2.787.261,00**

At December 31, 2023, the Parent Company's reserves totaled 4,514,669.74 euros (1,727,408.74 euros in 2022).

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3. RECORDING AND VALUATION STANDARDS

The main accounting and valuation standards used by the Group in the preparation of these consolidated financial statements for 2023 are as follows:

3.1. Dependents

a) Control acquisition

Acquisitions by the Parent Company (or another Group company) of control of a subsidiary constitute a business combination that is accounted for using the acquisition method. This method requires the acquiring company to account, at the acquisition date, for the identifiable assets acquired and liabilities assumed in a business combination, as well as, if applicable, the related goodwill or negative goodwill. Subsidiaries are consolidated from the date on which control is transferred to the Group, and are excluded from consolidation on the date on which control ceases.

The acquisition cost is determined as the sum of the acquisition-date fair values of assets delivered, liabilities incurred or assumed and equity instruments issued by the acquirer and the fair value of any contingent consideration that depends on future events or the fulfillment of certain conditions, which should be recorded as an asset, liability or equity according to their nature.

Expenses related to the issuance of the equity instruments or financial liabilities delivered do not form part of the cost of the business combination and are recorded in accordance with the rules applicable to financial instruments. Fees paid to legal advisors or other professionals involved in the business combination are expensed as incurred. Neither are the expenses generated internally for these items, nor those incurred by the acquired entity, if any, included in the cost of the combination.

The excess, at the acquisition date, of the cost of the business combination over the proportionate share of the value of the identifiable assets acquired less the value of the liabilities assumed representing the equity interest in the acquired company is recognized as goodwill. In the exceptional case that this amount exceeds the cost of the business combination, the excess is recognized in the income statement as income.

b) Staged control acquisition

When control over a subsidiary is acquired through several transactions carried out on different dates, goodwill (or the negative difference) is obtained by the difference between the cost of the business combination, plus the fair value at the acquisition date of any previous investment of the acquiring company in the acquiree, and the value of the identifiable assets acquired less the value of the liabilities assumed. Any gain or loss arising as a result of the measurement at fair value at the date on which control of the acquirer's previous interest in the acquiree is obtained is recognized in the income statement. If, previously, the investment had been measured at fair value, the valuation adjustments pending to be charged to profit or loss for the year are transferred to the income statement.

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c) Consolidation method

The assets, liabilities, income, expenses, cash flows and other items of these Consolidated Financial Statements of the Group companies are included in the Consolidated Financial Statements of the Group by the full integration method.

This method requires the following:

1. Time homogenization. The Consolidated Financial Statements are drawn up on the same date and for the same period as the Consolidated Financial Statements of the company obliged to consolidate.

2. Valuation homogenization. The assets and liabilities, income and expenses and other items in the Consolidated Financial Statements of the Group companies have been valued using uniform methods. Those asset or liability items, or those items of income or expenses that had been valued according to non-uniform criteria with respect to those applied in consolidation have been revalued, making the necessary adjustments, for the sole purpose of consolidation.

3. Aggregation. The different items of the Individual Annual Accounts previously homogenized are aggregated according to their nature.

Elimination of investment-equity. The book values representing the equity instruments of the subsidiary held, directly or indirectly, by the Parent Company are offset against the proportional part of the equity items of the aforementioned subsidiary attributable to such holdings, generally on the basis of the values resulting from applying the acquisition m e t h o d described above. In consolidations subsequent to the year in which control was acquired, the excess or deficit of equity generated by the subsidiary since the acquisition date that is attributable to the Parent Company is presented in the consolidated balance sheet u n d e r reserves or adjustments for changes in value, depending on their nature. The portion attributable to minority interests is recorded under "Minority interests".

4. Minority interest. Minority interests are valued on the basis of their effective interest in the net worth of the subsidiary after incorporating the above adjustments. Goodwill on consolidation is not attributed to minority interests. The excess between the losses attributable to minority interests in a subsidiary and their proportionate share of equity is attributed to them, even if this results in a debit balance in this item.

5. Eliminations of intra-group items. Receivables and payables, income and expenses and cash flows between Group companies are eliminated in full. Likewise, all the results produced by internal operations are eliminated and deferred until they are realized against third parties outside the Group.

d) Change in shareholding without loss of control

Once control over a subsidiary has been obtained, subsequent transactions that give rise to a change in the Parent Company's interest in the subsidiary, without resulting in a loss of control over it, are considered in the Consolidated Financial Statements as a transaction involving equity securities, and the following rules are applied:

a) There is no change in the amount of goodwill or negative difference recognized, nor in the amount o f other assets and liabilities recognized;

b) The profit or loss that would have been recognized in the individual accounts is eliminated, on consolidation, with the corresponding adjustment to the reserves of the company whose shareholding is reduced;

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c) The amounts of "Adjustments for changes in value" and "Grants, donations and legacies" are adjusted to reflect the participation in the subsidiary's capital held by Group companies;

d) The share of minority interests in the subsidiary's equity will be shown on the basis of the percentage of ownership that third parties outside the Group hold in the subsidiary, after the transaction, which includes the percentage of ownership in the goodwill recorded in the consolidated financial statements associated with the change that has occurred;

e) The necessary adjustment resulting from points a), b) and c) above will be recorded in reserves.

e) Loss of control

When control of a subsidiary is lost, the following rules apply:

a) The profit or loss recognized in the individual financial statements is adjusted for consolidation purposes;

b) If the subsidiary is classified as a jointly controlled entity or associate, it is consolidated and the equity method is initially applied, considering for initial valuation purposes, the fair value of the retained interest at that date;

c) The equity interest in the subsidiary retained after the loss of control and which does not belong to the consolidation perimeter is valued in accordance with the criteria applicable to financial assets, considering as initial valuation the fair value at the date on which it ceases to belong to the aforementioned perimeter;

d) An adjustment is recognized in the consolidated income statement to show the share of minority interests in the income and expenses generated by the subsidiary in the year up to the date of loss of control, and in the transfer to the income statement of the income and expenses recognized directly in equity.

3.2. Intangible assets

As a general rule, intangible assets are initially valued at cost, either acquisition price or production cost. The cost of intangible assets acquired through business combinations is their fair value at the acquisition date.

After initial recognition, intangible assets are valued at cost, less accumulated amortization and, if applicable, the accumulated amount of impairment losses recorded.

Intangible assets are assets with finite useful lives and are therefore amortized systematically on the basis of their estimated useful lives and residual values. The amortization methods and periods applied are reviewed at each year-end and, where appropriate, adjusted prospectively. At least at year-end, the existence of signs of impairment is assessed, in which case the recoverable amounts are estimated and the appropriate valuation adjustments are made.

When the useful life of these assets cannot be reliably estimated, they are amortized over a period of ten years, without prejudice to the periods established in the specific rules on intangible assets.

The LUSAT Group recognizes for accounting purposes any loss that may have occurred in the recorded value of these assets due to their impairment, with a balancing entry under "Net impairment losses" in the consolidated income statement. The criteria for recognizing impairment losses on these assets and, where applicable, the impact of impairment losses recorded in prior years are similar to those applied to property, plant and equipment and are explained below.

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a) Goodwill

The acquisition by the Parent Company of control of a subsidiary constitutes a business combination to which the acquisition method is applied. In subsequent consolidations, the elimination of the equity investment in subsidiaries is generally based on the values resulting from applying the acquisition method described below at the date of control.

Business combinations are accounted for by applying the acquisition method, for which the acquisition date is determined and the cost of the combination is calculated, recording the identifiable assets acquired and liabilities assumed at their fair value as of that date.

Goodwill or the negative difference of the combination is determined by the difference between the fair values of the assets acquired and liabilities assumed recorded and the cost of the combination, all referred to the acquisition date.

The cost of the combination is determined by the aggregation of:

-The fair values at the acquisition date of assets transferred, liabilities incurred or assumed and equity instruments issued

-The fair value of any contingent consideration that is contingent on future events or the fulfillment of predetermined conditions

Expenses related to the issuance of equity instruments or financial liabilities delivered in exchange for the items acquired are not part of the cost of the combination.

Likewise, since January 1, 2010, the fees paid to legal advisors or other professionals involved in the combination and, of course, the expenses generated internally for these items are not part of the cost of the combination. These amounts are charged directly to the income statement.

If the business combination is carried out in stages, so that prior to the acquisition date (date of acquisition of control), there was a previous investment, the goodwill or negative difference is obtained by the difference between:

- The cost of the business combination, plus the acquisition-date fair value of any prior interest of the acquiring company in the acquiree, and,

- The value of identifiable assets acquired less the value of liabilities assumed, determined as indicated above.

Any gain or loss arising as a result of the valuation at fair value on the date on which control is obtained over the previously existing interest in the acquiree will be recognized in the profit and loss account. If the investment in this investee had previously been measured at fair value, the valuation adjustments pending to be charged to profit or loss for the year will be transferred to the income statement. On the other hand, the cost of the business combination is presumed to be the best reference for estimating the fair value at the date of acquisition of any previous investment.

In the exceptional case that a negative difference arises in the combination, it is charged to the profit and loss account as income.

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If at the closing date of the year in which the combination occurs, the valuation processes necessary to apply the acquisition method described above cannot be concluded, this accounting is considered provisional, and these provisional values may be adjusted in the period necessary to obtain the required information, which in no case will exceed one year. The effects of the adjustments made in this period are accounted for retroactively by modifying the comparative information if necessary.

Subsequent to initial recognition, goodwill is valued at acquisition cost less accumulated amortization and, if applicable, the accumulated amount of recognized impairment losses. In accordance with the applicable regulations, the useful life of goodwill has been established at 10 years and its amortization is on a straight-line basis.

b) Computer applications

They are valued at acquisition or production cost, including the development costs of the web pages. The useful life of these items is estimated at 3 years.

The expenses of the Company's own personnel who have worked on the development of computer software are included as an increase in the cost of the software, with a credit to "Work performed by the Company on its assets" in the consolidated statement of income.

Repairs that do not represent an extension of useful life and maintenance costs are charged to the income statement in the year in which they are incurred.

3.3. Property, plant and equipment

It is valued at acquisition or production cost, which includes, in addition to the invoiced amount after deducting any discounts or price reductions, all additional and directly related expenses incurred until it is put into operation, such as the costs of levelling and demolition, transport, insurance, installation, assembly and other similar expenses. The Group includes in the cost of tangible fixed assets that require a period of more than one year to be ready for use, operation or sale, the financial expenses related to specific or generic financing, directly attributable to the acquisition, construction or production.

The value of property, plant and equipment also includes the initial estimate of the present value of the obligations assumed as a result of dismantling or retirement and other obligations associated with the asset, such as rehabilitation costs, when these obligations give rise to the recording of provisions. As well as the best estimate of the present value of the contingent amount, however, contingent payments that depend on magnitudes related to the development of the activity are recorded as an expense in the profit and loss account as they are incurred.

The Group has no dismantling, retirement or rehabilitation commitments for its assets. Therefore, no securities have been recorded in assets to cover such future obligations.

The Group's Sole Administrator considers that the book value of the assets does not exceed their recoverable value.

An impairment loss is recognized for an item of property, plant and equipment when its carrying amount exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Expenses incurred during the year in connection with works carried out by the Group are charged to the corresponding expense accounts. The costs of expansion or improvement leading to an increase in production capacity or to a lengthening of the useful life of the assets are included in the assets as an increase in their value. Property, plant and equipment in progress accounts are charged for the amount of such costs, with a credit to the income item which includes the work performed by the Group for itself.

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In finance leases, the asset is recorded in accordance with its nature, and a financial liability for the same amount, which is the lower of the fair value of the leased asset and the present value at the inception of the lease of the agreed minimum lease payments.

Depreciation of property, plant and equipment is provided on a straight-line basis over their estimated useful lives from the time they are available for use, estimating a residual value of zero, based on the following years of useful life:

TANGIBLE FIXED ASSETS		SERVICE LIFE / YEARS
Constructions		30 years
Tooling		5-13 years
Other facilities		4-10 years
Furniture		10 years
Information processing equipment		4 years
Aircraft (hull and core)		10 years
Aircraft (engines)		
	OVH	12000 h/flight
	HSI	6000 h/flight
Vehicles		7 years
Other property, plant and equipment		4-10 years

The Group assesses at least at the end of each reporting period whether there is any indication of impairment losses on its property, plant and equipment that would reduce the recoverable amount of such assets to an amount lower than their carrying amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. If the asset does not generate cash flows that are independent from other assets or groups of assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount of assets is the higher of their fair value less costs to sell and their value in use. The value in use is determined on the basis of the expected future cash flows to be derived from the use of the asset, expectations about possible variations in the amount or time distribution of the flows, the time value of money, the price to be paid for bearing the uncertainty related to the asset and other factors that market participants would consider in the valuation of future cash flows related to the asset.

In the event that the estimated recoverable amount is lower than the net book value of the asset, the corresponding impairment loss is recorded with a charge to the consolidated income statement, reducing the book value of the asset to its recoverable amount.

Once the impairment loss or reversal of impairment has been recognized, the depreciation for subsequent years is adjusted to the new carrying amount.

Notwithstanding the foregoing, if the specific circumstances of the assets reveal an irreversible loss, this is recognized directly in losses from fixed assets in the consolidated income statement.

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3.4. Leases

Leases are classified as finance leases provided that the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. Other leases are classified as operating leases.

Operating Lease

In operating leases, the ownership of the leased asset and substantially all the risks and rewards incidental to the leased asset remain with the lessor.

Revenues from operating leases, net of incentives granted, are recognized as revenue on a straight-line basis over the lease term, unless another systematic basis of allocation is more representative because it more appropriately reflects the time pattern of consumption of the benefits derived from the use of the leased asset.

Revenues from operating leases are recognized in the income statement as they accrue. Direct costs attributable to the lease are included as an increase in the value of the leased asset and are recognized as an expense over the term of the lease, applying the same criteria used for the recognition of lease income.

When the Company acts as lessee, lease expenses are charged to the income statement on a straight-line basis according to the agreements and the life of the lease.

3.5. Financial instruments

The Group has recorded under financial instruments those contracts that give rise to a financial asset in one entity and, simultaneously, to a financial liability or equity instrument in another entity. Therefore, this standard is applicable to the following financial instruments:

3.5.1. Classification of financial assets-long-term and short-term financial investments

a.1) *Financial assets at fair value through profit or loss.*

This category includes all financial assets, unless they should be classified in any of the other categories. Included are
financial assets held for trading are included in this category. The concept of trading of financial instruments generally reflects active and frequent purchases and sales with the objective of generating a profit from short-term fluctuations in price or brokerage margin.

A financial asset is considered to be held for trading when:

- Originated or acquired for the purpose of selling in the short term (for example, debt securities, regardless of their maturity, or listed equity instruments acquired for the purpose of selling in the short term).

- Forms part, at the time of initial recognition, of a portfolio of jointly identified and managed financial instruments for which there is evidence of recent actions to obtain gains in the short term.

- It is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designated as a hedging instrument.

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For equity instruments that are not held for trading and are not to be measured at cost, a company may make an irrevocable election at initial recognition to present subsequent changes in fair value directly in equity. In any case, an enterprise may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss that would otherwise have been included in another category, if doing so eliminates or significantly reduces a valuation inconsistency or accounting mismatch that would otherwise arise from measuring the assets or liabilities on different bases.

- Initial valuation: They are valued at fair value. Transaction costs directly attributable to them are recognized in the income statement for the year.

- Subsequent valuation: Fair value through profit or loss.

- Impairment: They are not impaired since they are at all times valued at fair value, and changes in value are charged to income for the year.

a.2) Financial Assets at Amortized Cost.

A financial asset is included in this category, even when it is admitted to trading on an organized market, if the company holds the investment with the objective of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding. Contractual cash flows that are solely collections of principal and interest on the principal amount outstanding are inherent to an agreement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is agreed at a zero or below-market interest rate.

In general, this category includes receivables from trade operations and receivables from non-trade operations.

- Trade receivables: these are financial assets arising from the sale of goods and the rendering of services in connection with the entity's trade operations with deferred collection.

- Non-trade receivables: financial assets which, not being equity instruments or derivatives, do not have a commercial origin and whose collections are of a determined or determinable amount, arising from loan or credit transactions granted by the Company.

- Initial measurement: Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equal to the fair value of the consideration given, plus directly attributable transaction costs. However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, may be valued at their nominal value when the effect of not discounting cash flows is not significant.

- Subsequent valuation: Financial assets included in this category are valued at amortized cost. Accrued interest will be recorded in the profit and loss account, applying the effective interest rate method. However, loans maturing in less than one year which, in accordance with the provisions of the preceding paragraph, are initially valued at their nominal value, will continue to be valued at that amount, unless they are impaired. When the contractual cash flows of a financial asset are modified due to the issuer's financial difficulties, the company shall analyze whether an impairment loss should be recorded.

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- Impairment: The Entity records the corresponding impairment losses for the difference between the recoverable amount of the accounts receivable and the carrying amount at which they are recorded. At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, is impaired as a result of one or more events that have occurred after initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the debtor's insolvency.

The impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, if applicable, those from the execution of real and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition.

Impairment losses, as well as their reversal when the amount of such loss decreases due to a subsequent event, are recognized as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognized at the date of reversal had no impairment loss been recognized.

a.3) Financial assets at fair value through equity.

A financial asset is included in this category when the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding, and it is not held for trading or classified in the category regulated in paragraph 2. Also included in this category are investments in equity instruments for which, although they should have been included in the category of financial assets at fair value through profit or loss, the irrevocable option to classify them in this category has been exercised.

- Initial valuation: The financial assets included in this category are initially valued at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equal to the fair value of the consideration given, plus any directly attributable transaction costs. The initial valuation shall include the amount of any preemptive subscription rights and similar rights that may have been acquired.

- Subsequent measurement: Financial assets included in this category are measured at fair value, without deducting any transaction costs that might be incurred in their disposal. Changes in fair value are recorded directly in equity until the financial asset is derecognized or impaired, at which time the amount so recognized is taken to the income statement.

- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset is impaired as a result of one or more events that have occurred after its initial recognition, and that cause the asset to be impaired:

  - delay in estimated future cash flows;
  - the lack of recoverability of the carrying amount of the asset, evidenced, for example, by a prolonged or significant decline in its fair value.

The valuation adjustment for impairment of these financial assets is the difference between their cost or amortized cost less, if applicable, any valuation adjustment for impairment previously recognized in the income statement and the fair value at the time the valuation is made. The accumulated losses recognized in equity due to a decrease in fair value, provided that there is objective evidence of impairment in the value of the asset, are recognized in the income statement.

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If the fair value is increased in subsequent years, the valuation adjustment recognized in prior years is reversed with a credit to the income statement for the year. However, if the fair value of an equity instrument increases, the valuation adjustment recognized in prior years is not reversed with a credit to the income statement and the increase in fair value is recorded directly in equity.

a.4) Financial assets at cost.

In any case, they are included in this valuation category:

- Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or cannot be reliably estimated, and derivatives underlying these investments.

- Hybrid financial assets whose fair value cannot be reliably estimated, unless the requirements for accounting at amortized cost are met.

- Contributions made as a result of joint ventures and similar agreements.

- Participating loans whose interest is contingent in nature, either because a fixed or variable interest rate is agreed upon, conditioned to the achievement of a milestone in the borrower company (for example, the attainment of profits), or because it is calculated exclusively by reference to the evolution of the borrower company's activity.

- Any other financial asset that initially should be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value.

- Initial valuation: They are valued at cost, which is equal to the fair value of the consideration given plus directly attributable transaction costs.

- Subsequent valuation: The equity instruments included in this category are valued at cost, less, if applicable, the accumulated amount of impairment adjustments.

- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the carrying amount of an investment is not recoverable. The Company records the corresponding impairment losses for the difference between the book value and the recoverable amount, understood as the higher of fair value less costs to sell and the present value of the future cash flows derived from the investment, which in the case of equity instruments are calculated, either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this type of asset is calculated on the basis of the equity of the investee and the unrealized gains existing at the valuation date, net of the tax effect. In determining this value, and provided that the investee has in turn invested in another investee, the equity included in the consolidated financial statements prepared by applying the criteria of the Commercial Code and its implementing regulations is taken into account.

The recognition of impairment losses and, if applicable, their reversal, are recorded as an expense or income, respectively, in the income statement. The reversal of the impairment will be limited to the carrying amount of the investment that would be recognized at the date of reversal if the impairment had not been recorded.

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Reclassification of financial assets

When the entity changes the way in which it manages its financial assets to generate cash flows, it shall reclassify all the assets affected in accordance with the criteria established in the preceding sections of this standard. The reclassification of category is not a derecognition but a change in the valuation criteria.

Interest and dividends received from financial assets

Interest and dividends on financial assets accrued after the time of acquisition are recognized as income in the consolidated income statement. Interest is recognized using the effective interest method and dividend income from investments in equity instruments is recognized when the Group's rights to receive it have arisen.

In the initial valuation of financial assets, the amount of explicit interest accrued and not yet due at that time, as well as the amount of dividends agreed by the competent body at the time of acquisition, are recorded separately in the initial valuation of financial assets, based on their maturity.

Derecognition of financial assets

The Group derecognizes financial assets when the rights to the cash flows of the related financial asset expire or have been assigned and the risks and rewards of ownership have been substantially transferred. In the specific case of accounts receivable, it is understood that this is generally the case if the risks of insolvency and default have been transferred.

When the financial asset is derecognized, the difference between the consideration received net of attributable transaction costs and the carrying amount of the asset, plus any cumulative amount recognized directly in consolidated equity, determines the gain or loss arising on derecognition of the asset, which is included in profit or loss for the consolidated period in which the gain or loss arises.

On the other hand, the Group does not derecognize financial assets, and recognizes a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

3.5.2. Cash and cash equivalents

This caption in the accompanying consolidated balance sheet includes cash on hand and at banks, demand deposits and other short-term highly liquid investments with maturities of less than three months that are readily realizable in cash and are not subject to a risk of changes in value.

3.5.3. Financial liabilities

Financial liabilities, for valuation purposes, are included in one of the following categories:

b.1) Financial liabilities at amortized cost.

All financial liabilities are classified in this category except when they must be valued at fair value through profit or loss. In general, this category includes trade payables and non-trade payables.

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Participating loans that have the characteristics of an ordinary or common loan will also be included in this category, notwithstanding the fact that the transaction is agreed at a zero interest rate or below market.

- Initial valuation: They are initially valued at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted f o r directly attributable transaction costs. However, debits for commercial transactions with a maturity not exceeding one year and which do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, may be valued at their nominal value, when the effect of not discounting the cash flows is not significant.

- Subsequent valuation: at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debts maturing in less than one year which, in accordance with the provisions of the preceding paragraph, are initially valued at their nominal value, continue to be valued at that amount.

b.2) Financial liabilities at fair value through profit or loss.

This category includes financial liabilities that meet some of the following conditions:

- They are liabilities held for trading;

- These are liabilities that, from the time of initial recognition, have been irrevocably designated by the entity to be carried at fair value through profit or loss, provided that such designation complies with the objective established in the accounting standards.

Optionally and irrevocably, hybrid financial liabilities subject to the requirements established in the PGC may be included in their entirety in this category.

- Initial measurement: Fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received. Transaction costs directly attributable to them are recognized in the income statement for the year.

- Subsequent valuation: Fair value through profit or loss.

Derecognition of financial liabilities

The group will derecognize a financial liability, or part of it, when the obligation has been extended, i.e. when it has been satisfied, cancelled or has expired.

Bonds delivered and received

Deposits or guarantees provided as security for certain obligations are valued at the amount actually paid, which does not differ significantly from their fair value.

For guarantees given or received for operating leases or for the rendering of services, the difference between their fair value and the amount disbursed is considered as an advance payment or collection for the lease or rendering of the service, which is charged to the income statement during the period of the lease or during the period in which the service is rendered, in accordance with the standard on income from sales and rendering of services.

In estimating the fair value of the bonds, the remaining period is taken as the minimum contra ctual term committed during which the amount cannot be returned, without taking into account the statistical behavior of return.

When the bond is s h o r t - t e r m, it is not necessary to discount cash flows if its effect is not significant.

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Fair value

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

In general, in the valuation of financial instruments measured at fair value, the Group calculates fair value by reference to a reliable market value, the quoted price in an active market being the best reference for such fair value. For those instruments for which there i s no active market, the fair value is obtained, where appropriate, by applying valuation models and techniques.

It is assumed that the carrying value of trade receivables and payables approximates their fair value.

3.5.4. Derivative financial instruments and hedge accounting

The Group is exposed to fluctuations in the exchange rates of the different countries in which it operates. In order to mitigate this risk, it follows the practice of formalizing, on the basis of its forecasts and budgets, hedging contracts for exchange rate risks when the outlook for market evolution makes it advisable to do so.

Likewise, it maintains an exchange rate exposure to potential variations that may occur in the different currencies in which it maintains debt with financial entities, and therefore hedges this type of transaction when the outlook for market evolution so advises.

On the other hand, the group is exposed to variations in interest rate curves as it maintains all its debt with financial entities at variable interest rates. In this sense, the group enters into interest rate risk hedging contracts, basically through contracts with structures that assure maximum interest rates.

At year-end the contracts in force have been valued by comparing, for each contract individually, the agreed price with the quotation of each currency and, if applicable, with the reference interest rate at the closing date, and the changes in their value have been recognized in the income statement.

3.6. Stocks

They are valued at acquisition price or production cost. The acquisition price is the amount invoiced by the supplier, net of discounts and interest added to the nominal value of the debits, plus the additional costs of making the inventories available for sale: transport, customs duties, insurance and other costs attributable to the acquisition. As for the cost of production, inventories are valued by adding to the acquisition cost of raw materials and other consumables, the costs directly attributable to the product and the portion that reasonably corresponds to the costs indirectly attributable to the products.

The FIFO method is the one adopted by the Group as it is considered the most appropriate for its management.

Indirect taxes on inventories are only included in the acquisition price or production cost when they are not directly recoverable from the tax authorities.

For inventories that require a period of more than one year to be sold, financial expenses a r e included a s provided for in the standard on property, plant and equipment.

Advances to suppliers on account of future supplies of inventories are valued at cost.

The valuation of obsolete, defective or slow-moving products is reduced to their potential realizable value.

When the net realizable value of inventories is lower than their acquisition price or production c o s t , the appropriate valuation adjustments are made and recognized as an expense in the consolidated income statement.

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If the circumstances that caused the adjustment to the value of inventories cease to exist, the amount of the adjustment is reversed and recognized as income in the consolidated statement of income.

3.7. Income tax

Income tax expense or income comprises both current tax and deferred tax.

Current income tax assets or liabilities are measured at the amounts expected to be paid to or recovered from the tax authorities, using tax rates and regulations in force or approved and pending publication at year-end.

Current or deferred income tax is recognized in profit or loss, unless it arises from a transaction or economic event that has been recognized in the same or a different period, against equity or from a business combination.

I. Recognition of deferred tax liabilities

The Group recognizes deferred tax liabilities in all cases, except when they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the date of the transaction affects neither accounting profit nor taxable income.

II. Recognition of deferred tax assets

The Group recognizes deferred tax assets whenever it is probable that sufficient future taxable profit will be available against which they can be utilized or when tax legislation provides for the possibility of future conversion of deferred tax assets into a receivable from the tax authorities.

However, assets arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and at the date of the transaction affects neither accounting profit nor taxable income are not recognized.

Unless there is evidence to the contrary, it is not considered probable that future taxable profits will be available to the Group when their future recovery is expected to take more than ten years from the year-end date, regardless of the nature of the deferred tax asset or in the case of credits arising from deductions and other tax benefits pending application for tax purposes due to insufficient taxable income, when the activity has been carried out or the income has been obtained that gives rise to the right to the deduction or allowance and there are reasonable doubts as to whether the requirements to make them effective have been met.

The Group only recognizes deferred tax assets arising from tax loss carryforwards to the extent that it is probable that future taxable profits will be available against which they can be utilized within a period not exceeding that established by the applicable tax legislation, with a maximum limit of ten years, unless there is evidence that their recovery is probable within a longer period, when the tax legislation allows them to be utilized within a longer period or does not establish time limits on their offset.

On the other hand, it is considered probable that the Group has sufficient taxable profits to recover the deferred tax assets, provided that there are sufficient taxable temporary differences, related to the same tax authority and referring to the same taxpayer, whose reversal is expected in the same tax year in which the deductible temporary differences are expected to reverse or in years in which a tax loss arising from a deductible temporary difference can be offset against earlier or later taxable profits.

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The Group recognizes deferred tax assets that have not been recognized because they exceed the ten-year recovery period, to the extent that the future reversal period does not exceed ten years from the year-end date or when there are sufficient taxable temporary differences.

In determining future taxable profits, the Group takes into account tax planning opportunities whenever it intends to adopt or is likely to adopt them.

(i) Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the years in which the assets are expected to be realized or the liabilities are expected to be settled, based on tax rates and regulations that are in force or approved and pending publication and after considering the tax consequences that will arise from the manner in which the Group expects to recover the assets or settle the liabilities.

(ii) Ranking

Deferred tax assets and liabilities are recognized in the consolidated balance sheet as non-current assets or liabilities, regardless of the expected date of realization or settlement.

3.8. Revenues and Expenses

The Group's ordinary business is the transportation of passengers and cargo by air and t h e commercial operation of aircraft.

The Group recognizes revenue under a contract as control over the goods or services committed to (i.e., the obligation(s) to be performed) is transferred to the customer.
Revenue represents the transfer of committed goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Five steps are established for revenue recognition:

1. Identify the existence of the contract(s).
2. Identify the obligations committed to the client.
3. Determine the transaction price
4. Allocate the transaction price to the committed obligations.
5. Recognize revenue when or as the transfer of committed obligations occurs.

Based on this recognition model, sales of goods are recognized when the products have been delivered to the customer and the customer has accepted them, even though they have not been invoiced, or, if applicable, the services have been rendered and the collectibility of the related receivables is reasonably assured.

3.9. Provisions and contingencies

As credit balances covering current obligations arising from past events, the settlement of which is probable to result in an outflow of resources, but whose amount and/or timing of settlement is uncertain.

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The financial statements include all provisions for which it is considered more likely than not that the obligation will have to be settled. Unless they are considered remote, contingent liabilities are not recognized in the financial statements and are disclosed in the notes to the financial statements.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences, and any adjustments arising from the restatement of such provisions are recorded as a financial expense as accrued.

3.10 Related party transactions

Transactions between group companies, except those related to mergers, spin-offs and non-monetary contributions of businesses in which particular rules apply, including investments in group companies, are recognized at the fair value of the consideration given or received. The difference between such value and the agreed amount is recorded in accordance with the underlying economic substance, either as a contribution or a dividend distribution.

The specific rules take as a reference for valuing the businesses received, the values of the consolidated annual accounts of the group or major subgroup in which the assets and liabilities are included, whose Parent Company is Spanish. In the event that the aforementioned accounts are not prepared under any of the grounds for exemption provided for in the consolidation rules, the values existing before the transaction was carried out in the individual annual accounts of the contributing or absorbed company will be used.

In addition, the transfer prices are adequately supported and therefore the Parent Company's Directors consider that there are no significant risks in this respect that could give rise to significant liabilities in the future.

3.11. Heritage elements of an environmental nature

Costs incurred, if any, in systems, equipment and installations whose purpose is to minimize the environmental impact of the activity and/or to protect and improve the environment are recorded as investments in fixed assets.

All other expenses related to the environment, other than those mentioned above, are considered to be expenses for the year. For the calculation of possible environmental provisions that may arise, provisions are made according to the best estimate of their accrual at the time they become known, and in the event that insurance policies do not cover the damages caused.

The Sole Director confirms that the Group has no environmental liabilities, expenses, assets, provisions and contingencies that could be significant in relation to its net worth, financial position and results.

The company has no greenhouse gas emission rights.

3.12 Foreign currency transactions

Transactions in foreign currencies are recorded in the Group's functional currency (euros) at the exchange rates prevailing at the time of the transaction. During the year, differences arising between the exchange rate recorded and the exchange rate in effect at the date of collection or payment are recorded as financial income or expense in the consolidated income statement. The Group has not changed its functional currency, which is the euro, during the year.

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Also, at December 31 of each year, balances receivable or payable denominated in foreign currencies are translated at the closing exchange rate. The resulting valuation differences are recorded as financial results in the consolidated income statement.

The conversion of balances in foreign currencies into euros is carried out in two consecutive stages:

1) Translation of foreign currency balances to the functional currency of the subsidiaries.

Transactions in foreign currencies carried out by consolidated entities are initially recorded in their respective financial statements at the equivalent value in their functional currencies, resulting from applying the exchange rates in effect at the dates on which the transactions are carried out.

Subsequently, for presentation purposes in their individual financial statements, consolidated entities translate foreign currency balances into their functional currencies using year-end exchange rates. Exchange differences are charged or credited to the income statement in the individual financial statements.

2) Translation to euros of the financial statements of subsidiaries whose functional currencies are other than the euro.

Balances in the financial statements of consolidated entities whose functional currency is not the euro are translated to euros as follows:

- Assets and liabilities, by application of the year-end exchange rates.

- Income and expenses and cash flows, applying the average exchange rates for the year.

- Equity, at historical exchange rates.

The differences arising in the translation process are recorded under the heading 'Translation differences' in consolidated shareholders' equity.

Goodwill and fair value adjustments of assets and liabilities of foreign entities, arising at the time of acquisition, are treated as foreign currency assets/liabilities of such entities and translated at the year-end exchange rate.

The average and year-end exchange rates used in the translation to euros of balances held in the main foreign currencies were as follows:

Currency	31/12/2023	Media 2023
EUR	1,00000	1,0000
USD	1,0903	1,0829
GBP	0,86168	0,8699
SEK	11,2028	11,4728

3.13. External partners

Minority interests in subsidiaries acquired after the transition date are recorded at the acquisition date at the percentage of interest in the fair value of the identifiable net assets. Minority interests in subsidiaries acquired prior to the date of transition were recognized at the percentage interest in the equity of the subsidiaries at the date of first consolidation. Minority interests are presented in equity in the consolidated balance sheet separately from equity attributable to the Parent Company. The share of minority interests in the profit or loss for the year is also presented separately in the consolidated income statement.

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The share of the Group and minority interests in the profits or losses and in the changes in equity of the subsidiaries, after considering the adjustments and eliminations arising from consolidation, is determined on the basis of the percentages of ownership existing at year-end, without considering the possible exercise or conversion of potential voting rights and after discounting the effect of dividends, agreed or not, of preferred shares with cumulative rights that have been classified in equity accounts.

The results and income and expenses recognized in equity of subsidiaries are allocated to equity attributable to the Parent Company and to minority interests in proportion to their shareholdings, even if this results in a balance receivable from minority interests. Agreements entered into between the Group and minority interests are recognized as a separate transaction.

The Company has included as external partners:

Society	% Minority Interests
Top Freight Solutions	50%
Bravo Aviation Services	50%
Extremeña de Fincas Rústicas	75,00%
Elmas Business (subgroup)	25,00%

4. INTANGIBLE FIXED ASSETS

Movements during fiscal years 2023 and 2022 were as follows:

Fiscal year 2023 (euros)	Beginning balance	High	Low	Ending balance
Goodwill	88.959.314,90	-	-	88.959.314,90
Other fixed assets	5.186.041,09	2.068.651,78	(145.510,08)	7.109.182,79
Total Cost	94.145.355,99	2.068.651,78	(145.510,08)	96.068.497,69
Amortization of goodwill	(50.949.519,04)	(8.914.052,06)	-	(59.863.571,10)
Depreciation Other Fixed Assets	(979.353,60)	(473.642,97)	13.110,26	(1.439.886,31)
Total Amortization	(51.928.872,64)	(9.387.695,03)	13.110,26	(61.303.457,41)
Net book value	42.216.483,35	(7.319.043,25)	(132.399,82)	34.765.040,28

Fiscal year 2022 (euros)	Beginning balance	High	Low	Ending balance
Goodwill	84.549.986,91	4.409.327,99	-	88.959.314,90
Other fixed assets	1.816.954,83	3.369.086,26	-	5.186.041,09
Total Cost	86.366.941,74	7.778.414,25	-	94.145.355,99
Amortization of goodwill	(42.264.993,65)	(8.684.525,39)	-	(50.949.519,04)
Depreciation Other Fixed Assets	(953.344,13)	(26.009,47)	-	(979.353,60)
Total Amortization	(43.223.984,25)	(8.710.534,86)	-	(51.928.872,64)
Net book value	43.148.603,96	(932.120,61)	-	42.216.483,35

On July 10, 2022, the purchase of TOP FREIGHT gave rise to goodwill of 4,409,328 euros (difference between the net equity of the subsidiaries existing at that date and the amount of the consideration transferred to obtain control of them).

The amount of fully depreciated assets as of December 31, 2023 amounts to 806,585.85 euros and as of December 31, 2022 amounted to 480,267.45 euros.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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5. NEGATIVE DIFFERENCES

There are no significant negative consolidation differences in fiscal year 2022, nor in the preceding year, other than:

- Those resulting from the integration of the WEST ATLANTIC AB Company, which generated a negative difference of consolidation of 4,072,002.05 euros.
- An amount of 1,716,734.77 euros relating to the integration of the subsidiary in 2020 SWEDISH ATP MANAGEMENT AB (SAM) in foreign currency.

The sum of the two negative consolidation differences is included in other equity instruments.

6. TANGIBLE FIXED ASSETS

The table of changes in the consolidated financial statements for the years 2023 and 2022, respectively, is as follows:

Fiscal year 2023 (euros)	Opening balance	High	Retirements/Transfers	Ending balance
Constructions	19.351.471,65	2.481.400,58	-	21.832.872,23
Machinery	32.895.820,67	16.231.151,33	(9.174.695,82)	39.952.276,18
Tooling	5.786.209,48	1.067.833,84	(118.665,57)	6.735.377,75
Other facilities	9.163.414,22	177.226,28	(25.461,00)	9.315.179,50
Furniture	1.516.233,27	198.161,79	(36.986,63)	1.677.408,43
Information processing equipment	1.310.622,90	4.056.041,93	(3.981.156,54)	1.385.508,30
Transportation elements and other intangible assets.	412.786.560,89	32.388.214,43	(40.868.528,65)	404.306.246,67
Technical installations in assembly	3.510.541,66	3.917.446,78	3.250.507,67	10.678.496,11
Total Cost	**486.320.874,74**	**60.517.476,96**	**(50.954.986,55)**	**495.883.365,16**
Total Amortization	***(246.669.077,20)***	***(60.938.457,19)***	***36.222.981,39***	**(271.384.553,00)**
NET BOOK VALUE	***239.651.797,54***	***(420.980,23)***	***(14.732.005,15)***	***224.498.812,16***

Fiscal year 2022 (euros)	Beginning balance	Highs	Retirements/Transfers	Ending balance
Constructions	4.208.524,30	201.133,00	14.941.814,35	19.351.471,65
Machinery	25.925.266,97	10.905.602,00	(3.935.048,30)	32.895.820,67
Tooling	4.385.484,48	2.480.006,00	(1.079.281,00)	5.786.209,48
Other facilities	5.339.596,22	4.008.583,00	(184.765,00)	9.163.414,22
Furniture	645.563,21	1.163.621,06	(292.951,00)	1.516.233,27
Information processing equipment	1.430.744,42	537.359,48	(657.481,00)	1.310.622,90
Transportation elements and other intangible assets.	414.173.329,49	59.308.200,00	(60.694.968,60)	412.786.560,89
Technical installations in assembly	15.197.053,21	4.494.997,00	(16.181.508,55)	3.510.541,66
Total Cost	**471.305.562,30**	**83.099.501,54**	**(68.084.189,10)**	**486.320.874,74**
Total Amortization	***(221.057.852,93)***	***(64.373.345,31)***	***38.763.121,05***	***(246.669.077,20)***
NET BOOK VALUE	***250.247.709,37***	***18.725.156,23***	***(29.321.068,05)***	***239.651.797,54***

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As of December 31, 2023, the fleet operated by the Group consisted of: 25 ATRs, of which 5 are ATR-42s and 20 ATR-72s (16 freighters and 4 in their passenger configuration). The Boeing 737 fleet consists of 20 classic B737s and 11 B737-800s. The group has 9 B757-200s, 5 at Cygnus Airlines, 3 at Swiftair and one at West Atlantic Sweden. The Embraer fleet currently consists of 4 aircraft and the Metro fleet of 3, both fleets are used exclusively by the Greek subsidiary.

The main fixed asset disposals carried out in 2023 are the Lusat Ireland aircraft that have been sold (one B737-300 from and one CRJ) together with the sale of what remained in Swedish ATP's (SAM) ATP fixed assets. The fixed asset disposals that occurred during 2022 are mainly caused by the disruption in the use of the ATP fleet and its derecognition from the fixed assets that remained on West Atlantic's and SAM's balance sheet. This fleet has definitely ceased to be operational.

Most of the activations recognized by the subsidiaries SWIFTAIR and AIRCRAFT LEASING SPAIN correspond to overhauls and repairs performed on aircraft engines and hulls to extend their useful life.

During 2023, the amount of additions recognized by the subsidiary SWIFTAIR for aircraft overhauls amounted to €22,779,602.73 (€21,214,067.66 in 2022) and the cost of certain aircraft overhauls amounting to €17,980,526.38 (€15,439,029.23.47 in 2022) was written off.

During fiscal year 2023, AIRCRAFT LEASING SPAIN has acquired three B-737 aircraft from companies of the Lusat group for a total amount of 13,712,895.00 euros. The internal margin on these sales has been eliminated in the consolidated accounts. In fiscal year 2022 it acquired one B737 aircraft for an amount of 2,832,863.20 euros.

Of the amount allocated by the Group as depreciation of property, plant and equipment in 2023, a total of 21,571,968.77 euros corresponds to AIRCRAFT LEASING SPAIN (24,210,768.84 euros in 2022) and to SWIFTAIR a depreciation expense of 24,490,691.15 euros (22,603,884.48 euros in 2022).

There are no fixed assets not assigned to operations.

There are no fully depreciated assets in use, except for the following, classified by type of asset:

EXERCISES	2023	2022
Constructions	1.005.722,90	1.007.290,27
Machinery (rotables)	3.946.550,35	4.919.303,53
Tooling	1.245.626,39	1.677.474,80
Other facilities	1.138.897,67	1.013.237,60
Furniture	321.292,01	458.861,87
Information processing equipment	670.500,32	1.103.649,45
Transport elements	69.238.395,93	85.304.333,34
Other property, plant and equipment	2.162.784,62	1.908.151,67
Totals	**79.729.770,19**	**97.392.302,53**

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The group has fully operational since 2022 the new hangar located at Adolfo Suárez Madrid Barajas Airport with the capacity to perform 5 simultaneous C-checks.

No assets have been acquired from g r o u p companies that have not been eliminated in the consolidation process.

There are no firm commitments for the purchase or sale of property, plant and equipment, except for those financed through financial leases.

During 2023 and 2022, the Group has not capitalized financial expenses as an increase in the value of its fixed assets.

There are no impairment losses of significant importance or amount.

As a result of the disposal of property, plant and equipment, the following amounts have been recognized in the income statement for the years 2023 and 2022, respectively:

GAIN OR LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT 2023	
Negative Results	12.533.161
Positive Results	461.004
NET INCOME	**(12.072.157)**

GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT 2022	
Negative Results	20.925.988
Positive Results	197.767
NET INCOME	**(20.728.221)**

The Group's policy is to take out insurance policies to cover the possible risks to which the various items of its property, plant and equipment are subject. The Group's management reviews annually, or when circumstances make it necessary, the coverage and risks covered and the amounts to be reasonably covered for the following year are agreed upon.

7. LEASES AND SIMILAR TRANSACTIONS

Financial leases:

The detail of fixed assets under finance leases as of December 31, 2023 and 2022 is as follows.

In fiscal year 2023:

Finance leases	1 exercise	between 1 and 5	Following	Total Debt
Aircraft	8.333.029,67	16.410.700,06	-	24.743.729,73
Engines	9.170.622,56	17.673.237,16	-	26.843.859,72
Total Debt	**17.503.652,23**	**34.083.937,22**	**-**	**51.587.589,45**

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In fiscal year 2022:

Finance leases	1 exercise	between 1 and 5	Following	Total Debt
Aircraft	14.783.353,10	20.022.962,00	-	34.806.315,10
Engines	9.204.168,30	19.428.686,50	-	28.632.854,80
Total Debt	**23.987.521,40**	**39.451.648,50**	**-**	**63.439.169,90**

Operating leases

The amount of expenses in fiscal 2023 and 2022 for operating lease payments are as follows 42,821,500 and 38,852,388 euros, respectively, included in other operating expenses.

The breakdown of minimum lease payments for non-cancelable operating leases is as follows (in thousands of euros):

Minimum future payments	2023	2022
Up to one year	34.300,00	40.000,00
Between one and five years	69.300,00	109.000,00
More than five years	-	-
Total	**103.600,00**	**149.000,00**

8. STOCKHOLDINGS

Inventories in the consolidated balance sheet correspond to aircraft consumables. The composition of inventories at December 31, 2023 and 2022 in euros is as follows:

Stocks	2023	2022
Aeronautical consumables	24.004.204,58	24.367.061,57
Advances to Suppliers	12.081.891,05	4.833.301,91
Total	**36.086.095,63**	**29.200.363,48**

The vast majority of consumables came from SWIFTAIR for 18,527,786 euros and from WEST ATLANTIC for 5,252,712 euros.

9. FINANCIAL ASSETS

	2023		2022	
	Non-current	Current	Non-current	Current
Financial assets at amortized cost amortized				
Credits				
Deposits and bonds	9.773.223,31	-	10.392.409,83	-
Other financial assets	-	2.056.322,39	-	290.057,19
Customers for sales and services rendered	-	39.938.660,94	-	47.090.834,23
Staff	-	124.038,76	-	9.341,92
Other accounts receivable	-	2.441.610,13	-	4.007.761,70
Total	**9.773.223,31**	**44.560.632,22**	**10.392.409,83**	**51.397.995,04**
Financial assets at cost				
Equity instruments	5.486.402,84	-	5.147.193,14	-
Total	**5.486.402.,84**	**-**	**5.147.193,14**	**-**
Total financial assets	**15.259.626,15**	**44.560.632,22**	**15.539.602,97**	**51.397.995,04**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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9.1 Analysis by category

Current and non-current financial assets held by the Company as of December 31, 2023 and 2022 in euros are classified as follows:

As of December 31, 2023 and 2022, the carrying amount of financial assets at amortized cost does not differ significantly from their fair value.

9.2 Investments in associates (equity method)

The detail of the cost and impairment associated with each interest, as well as the equity position of each company as of December 31, 2023 and 2022, is as follows:

(euros)	2023	2022
Society	Value in books	Value in books
Rosalro 1952 S.L. (associate of Guarmor Land)	5.444.123,21	5.435.485,54
Swiftair Morocco	33.747,00	33.747,00
Madrid Cargo Aéreo	-	4.799,00
Mais	2.200,00	-
Kafusa	-	2.007,00
Swiftair Algeria SARL	5.154,60	5.154,60
PGH	1.178,00	-
Outstanding payments on shares	-	(334.000,00)
TOTAL	**5.486.402,81**	**5.147.193,14**

The movement of items is as follows:

(euros) Society	01/01/2023 Value in books	Low	High	Participation in results	31/12/2023 Value in books
Rosalro 1952 S.L. (associate of Guarmor Land)	5.435.485,54	-	8.637,67	-	5.444.123,21
Swiftair Morocco	33.747,00	-	-	-	33.747,00
Madrid Cargo Aéreo	4.799,00	(4.799,00)	-	-	-
Mais	-	-	2.200,00	-	2.200,00
Kafusa	2.007,00	(2.007,00)	-	-	-
Swiftair Algeria SARL	5.154,60	-	-	-	5.154,60
PGH		-	1.178,00	-	1.178,00
Outstanding payments on shares	(334.000,00)	334.000,00	-	-	-
TOTAL	**5.147.193,14**	**327.194,00**	**12.015,67**		**5.486.402,81**

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10. TRADE DEBTORS

The breakdown of trade and other accounts receivable in euros is as follows:

Accounts receivable (euros)	2023	2022
Customers for sales and services rendered	39.938.660,94	47.090.833,39
Sundry accounts receivable	2.441.610,13	4.007.761,70
Total	**41.994.983,33**	**51.098,595,09**

The Company has an impairment of customers in the amount of 512,084.46 euros at the end of 2023, 162,725.06 euros in 2022.

11. NET WORTH

Equity as of December 31, 2023 and 2022, in euros, is distributed as follows:

NET ASSETS as of December 31, 2023	**119.239.827,35**
OWN FUNDS	
Capital	**125.025.081,72**
Capital stock of parent company	125.025.081,72
Reservations	**1.951.591,07**
Other equity instruments	**5.788.736,82**
Negative Goodwill WEST ATLANTIC AB Consolidation	4.072.002,05
Negative Difference SWEDISH AP MANAGEMENT Consolidation	1.716.734,77
Conversion differences (SAM WEA)	**(507.719,57)**
Consolidated income for the year attributable to the Parent Company	**(17.291.362,18)**
External Partners	**4.273.499,79**
NET ASSETS as of December 31, 2022	**136.820.834,72**
OWN FUNDS	
Capital	**125.025.081,72**
Capital stock of parent company	125.025.081,72
Reservations	**12.403.243,37**
Other consolidation reserves	**5.788.736,82**
Negative Goodwill WEST ATLANTIC AB Consolidation	4.072.002,05
Negative Difference SWEDISH AP MANAGEMENT Consolidation	1.716.734,77
Conversion differences (SAM WEA)	**(369.126,53)**
Consolidated income for the year attributable to Parent Company	**(10.243.411,77)**
External Partners	**4.216.311,11**

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Capital Stock

The Capital Stock of the parent company LUSAT as of December 31, 2023 and 2022 is represented by 20,768,286 shares, each with a par value of €6.02, fully subscribed and paid up.

As of December 31, 2023 and 2022, Mr. Salvador Moreno y González-Aller owned 99% of these shares. The remaining shares logically do not exceed 10%.

Legal reserve

Pursuant to Article 274 of the Spanish Corporations Law, companies must transfer 10% of their income to the legal reserve until such reserve reaches at least 20% of paid-in capital stock. The legal reserve, until it exceeds the aforementioned limit, may only be used to offset losses if there are not sufficient other reserves available for this purpose, and to increase capital to the extent that the reserve exceeds 10% of the increased capital. The legal reserve of the Parent Company in 2023 and 2022 amounts to 196,889.15 and 5,015.86 euros respectively.

Conversion difference

There is a negative translation difference in 2023 of EUR 507,719.57 and a negative translation difference in 2022 of EUR 369,126.53 without the effect on the result for the year. These differences are the result of exchange rates between SEK and EUR existing between both years and related to the acquisition of the subgroup with head office WEST ATLANTIC AB and the subsidiary SAM acquired in 2020). This amount is included in equity in these consolidated financial statements.

Profit for the year attributable to the Parent Company

The contribution of each company included in the scope of consolidation to the consolidated results is as follows:

Company (euros)	Result 2023
Fully consolidated companies	
Aircraft Leasing Spain SL	14.185.191,68
Balcargo, S. L.	432.828,28
Bravo Aviation Services S.L.	184.283,29
Cia Aerea de Navegación Alaire, SL	598.787,06
YGNUS Air Corporation, S.A.	270.759,94
Extremeña Group	(556.772,68)
Lusat Aircraft Leasing Ireland LLC	2.320.613,61
Swedish ATP Management AB	(2.712.908,82)
Swiftair Hellas S.A.	292.150,77
Swiftair SA	(7.600.719,59)
Top Freight Solutions, S. L.	1.107.712,03
Transporte Aereo Mar de Vigo, S.A.	168.472,01
West Atlantic Group	(11.172.180,74)
Total	**(2.481.783,17)**
Of companies consolidated by the equity method	
Mais Madeira Air Integ. Solutions	(375.240,12)
Total	**(375.240,12)**
Profit attributable to the parent company	
Lusat Air SL	(14.434.338,89)
Total	**(17.291.362,18)**

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External partners

The composition of and changes in the minority interest caption by company are as follows:

(euros) Society	01/01/2023 Book value	Disposals due to dividend distribution	Participation in results	Conversion Differences	31/12/2023 Book value
Top Freight Solutions SL	3.102.916,45	(1.270.000,00)	1.706.499,08	-	3.539.415,53
Bravo Aviation Services S.L.	220.004,00	(348.000,00)	184.283,29	-	56.287,29
Extremeña de Fincas Rústicas SL	654.036,31	-	(199.947,91)	-	454.088,40
ELMAS (Group)	239.354,35	-	(15.645,78)	-	223.708,57
TOTAL	**4.216.311,11**	**(1.618.000,00)**	**1.675.188,68**	**-**	**4.273.499,79**

12. Information about the nature and level of risk arising from financial instruments

The Group's risk management policies are established and approved by the Parent Company's Administrator. Based on these policies, the Group's Finance Department has established a series of procedures and controls to identify, measure and manage the risks arising from the activity with financial instruments. These policies establish that the Group may not engage in speculative operations with derivatives.

The Group's activities are exposed to various financial risks: credit risk, market risk and liquidity risk. The Company does not use derivatives to hedge risks.

Credit risk

Credit risk arises from the possible loss caused by the non-compliance with the contractual obligations of the Company's counterparties, i.e. the possibility of not recovering the financial assets for the amount recorded and within the established term.

Credit risk arises from cash and cash equivalents, as well as from customers, including accounts receivable.

To manage credit risk, the Group distinguishes between financial assets arising from operating activities and those arising from investment activities.

Operational activities

The Parent Company's Sole Administrator together with the head of the Group's Financial Department establish the collection conditions for each customer. The credit quality of each customer is assessed taking into account its financial position, past experience and other factors.

On a monthly basis, a detail is prepared with the aging of each of the balances receivable, which serves as the basis for managing their collection. Overdue accounts are claimed by the Financial Department and, if they are not settled, the file is sent to the Company's lawyers within a maximum period of one month.

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For the year ended December 31, 2022, management does not expect any default losses t o be incurred by any of the counterparties indicated.

Investment activities

The Group's investment policies are also established by the Sole Administrator and the head of the Finance Department.

Market risk

Market risk arises from the possible loss caused by variations in the fair value or future cash flows of a financial instrument due to changes in market prices. Market risk includes interest rate risk.

Interest rate risk

Interest rate risk arises from the possible loss caused by changes in the fair value or future cash flows of a financial instrument due to changes in market interest rates. The Group's exposure to the risk of changes in interest rates, if any, is mainly due to long-term loans and credits received at variable interest rates. The Group manages interest rate risk through the distribution of financing received at fixed and variable rates, if any.

Other price risks

The acquisition of shares or equity interests in unlisted companies must be approved by the Parent Company's management and is normally conditional upon obtaining a position enabling it to take control or at least to exercise significant influence.

Liquidity risk

Liquidity risk arises from the possibility that the Company may not be able to have liquid funds, or access to t h e m , in sufficient quantity and at the appropriate cost, to meet its payment obligations at all times. The Company's objective is to maintain the necessary liquid funds. The Company's financial management aims to maintain flexibility in financing through the availability of credit lines if necessary. Management monitors the forecasts of the Company's liquidity reserve (comprising credit facilities and cash and cash equivalents), based on expected cash flows.

Exchange rate risk

The Company operates internationally and, therefore, is exposed to foreign exchange risk from foreign currency transactions, especially the U.S. dollar. The exchange rate risk arises from recognized assets and liabilities and net investments in foreign operations.

The Company carries out transactions with suppliers abroad, whose invoices and payments thereof are exposed to foreign currency translation risk. The exchange rate risk on the Company's foreign operations in U.S. dollars is managed mainly through borrowings denominated in the corresponding currency.

LUSAT AIR, S.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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13. FINANCIAL LIABILITIES

13.1 Classification of financial liabilities by category

The classification of financial liabilities by categories and classes, as well as the comparison of fair value and book value is as follows:

FINANCIAL LIABILITIES	2023	2022
	Financial liabilities at amortized cost	Financial liabilities at amortized cost
NON CURRENT	**184.563.433,09**	**203.265.966,70**
Long-term debt with credit institutions	150.479.495,87	163.814.318,35
Long-term leasing liabilities	34.083.937,22	39.451.648,35
CURRENT	**85.285.139,84**	**91.369.936,06**
Short-term debt with Credit Entities	16.379.966,84	10.371.598,65
Short-term debt under finance leases	17.503.652,23	23.987.521,33
Sundry creditors	50.660.338,70	56.894.048,97
Suppliers	741.182,07	116.767,11
Total	**269.848.572,93**	**294.635.902,76**

There are no significant differences between the book value and the fair value of financial liabilities.

In 2023 the syndicated loan formalized in 2022 remained in place. This loan was modified in February 2023, extending the maturity in order to be able to use tranche B, extending the use until February 2025 and modifying the repayment schedule. The remaining terms of the syndicated loan have not been modified.

Description of the syndicated loan. This loan is registered in the company Lusat Air. Total amount of the

Syndicated Loan: 199,000,000 Euros.

Maturity: 5 years.
It is formalized in 3 tranches:
Tranche A: Limit 123,000,000 euros. Drawn down at 12/31/2023: 123,000,000 euros.
Tranche B: Limit: 45,000,000 euros. Drawn down at 12/31/2023: 7,009,948 euros.
Tranche C. Revolving Limit: 30,000,000 euros. Drawn at 12/31/2023: 3,500,000 euros.

Repayment Year	Section A	Section B
2024	7%	4%
2025	17%	11%
2026	20%	21%
2027	20%	32%
2028	36%	29%
Total	**100%**	**100%**

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The other important part of the financial liabilities is the bank leasing debt that finances part of the company's fixed assets in the company Aircraft Leasing Spain with a total debt of 72,425,223.82 euros, of which 22,157,570.59 mature in 2024.

All transactions between related companies that have not been eliminated in the consolidation process have been carried out at market price.

13.2 Maturity breakdown

The amounts of financial liabilities classified by year of maturity are as follows:

Fiscal year 2023 (euros)	2025	2026	2027	2028	Rest	Total
Loans	28.873.281,27	33.483.403,07	33.019.834,36	53.816.595,22	1.286.381,94	**150.479.495,86**
Financial creditors	14.553.650,65	12.498.803,24	4.782.189,39	1.708.058,48	541.235,46	**34.083.937,22**
Total financial liabilities	**43.426.931,92**	**45.982.206,31**	**37.802.023,75**	**55.524.653,70**	**1.827.617,40**	**184.563.433,08**

Fiscal year 2022 (euros)	2024	2025	2026	2027	Rest	Total
Loans	15.329.476,40	28.326.136,30	32.501.317,00	32.783.512,50	54.873.876,10	**163.814.318,30**
Financial creditors	15.577.823,70	12.410.246,10	10.237.761,40	1.225.817,10	-	**39.451.648,30**
Total financial liabilities	**30.907.300,10**	**40.736.382,50**	**42.739.078,30**	**34.009.329,70**	**54.873.876,10**	**203.265.966,70**

INFORMATION ABOUT THE DEFERRALS FROM PAYMENT DEFERRALS MADE PRODUCED A SUPPLIERS. THIRD ADDITIONAL PROVISION. "DUTY OF INFORMATION" OF LAW 15/2010 OF JULY 5.

This information for fiscal years 2023 and 2022 is detailed in the following table:

	2023	2022
	Days	Days
Average supplier payment period	54,16	50,13
Ratio of paid operations	85,16%	88,98%
Ratio of transactions pending payment	14,84%	14,27%
	Amount Euros	Amount Euros
Total, payments made	353.637.412,44	317.109.244,44
Total, outstanding payments	51.683.631,78	41.526.114,46

Law 15/2010, of July 5, 2010, amending Law 3/2004, of December 29, 2004, which establishes measures to combat late payment in commercial transactions, in its article 4, determines a maximum period of 60 days for private commercial entities. The Information on invoices paid in the period lower than the maximum period established in the late payment regulations is as follows:

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	2023	2022
Number of invoices paid in a period shorter than the maximum period established in the late payment regulations.	43.791	45.634
Total number of invoices paid	61.512	62.538
of no. of invoices paid in a period < the maximum established in the late payment regulations over the total no. of invoices paid in a period < the maximum established in the late payment regulations over the total no. of invoices paid in a period < the maximum established in the late payment regulations fras. paid	71,19%	72,97%
Total payments made in a period shorter than the maximum period established in the late payment regulations	385.106.484,50	401.316.236,79
Total payments made in the period	508.671.438,56	522.787.597,54
as a % of total monetary payments to your suppliers	75,71%	76,76%

14. ACCRUALS

At December 31, 2023, there are short-term asset accruals amounting to 10,163,648.30 euros (16,539,336.00 euros in 2022). Short-term liability accruals amount to 6,152,956.26 euros (3,016,756.04 euros in 2022). Most of the prepaid income comes from the Swiftair Company.

15. FISCAL SITUATION

The consolidated companies file their tax returns on an individual basis. 2013 was the first year in which they opted for the application of the special Tax Consolidation Tax Regime, taking as a tax group for these purposes the group formed by SWIFTAIR, SA, SWIFT GLOBAL LOGISTICS, SL and LUSAT AIR SL. In 2016, SWIFT GLOBAL LOGISTICS SL was absorbed by SWIFTAIR SA through a deed of merger by absorption and therefore disappeared from the tax calculation. Likewise, the companies described in Note 1 of these notes to the consolidated financial statements were incorporated into the consolidation group in 2016, and AIRCRAFT LEASING SPAIN SL, BALCARGO SL, LUZ DE SOLLER SL and TRANSPORTE AEREO MAR DE VIGO were included in the calculation of the consolidated corporate income tax as from the last financial year 2017.
SL. The subsidiary EXTREMEÑA DE FINCAS RUSTICAS SL given that it does not exceed 75% of participation in application of the current regulations cannot form part of the tax consolidation group for corporate income tax purposes, likewise the subsidiary CORPORACION YGNUS AIR SL in application of the tax regulations began as a subsidiary of the tax group in the past fiscal year 2019. In the fiscal year 2022, AIRCRAFT LEASING SPAIN SL absorbed the company LUZ DE SOLLER, S.L.

Corporate income tax is calculated on the basis of the economic or accounting result, obtained by applying generally accepted accounting principles, which does not necessarily coincide with the tax result, understood as the taxable income.

The last four years are pending inspection in the Group companies.
The returns cannot be considered final until they are time-barred or accepted by the Tax Authorities and, notwithstanding the fact that tax legislation is open to interpretation, the Manager believes that any tax liabilities that may arise as a result of an inspection will not have a material effect on the Consolidated Financial Statements taken as a whole.

Current corporate income tax legislation establishes various tax incentives. The Group companies have availed themselves of these incentives, which can be deducted from their corporate income tax liability.

The reconciliation between the accounting income for 2023 (and 2022) and the taxable income, integral and differential consolidated income tax assessments is as follows:

LUSAT AIR, S.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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Sums of individual taxable income:		5.256.919,68
Lusat Air, S.L.	(7.415.826,51)	
Swiftair, S.A.	(9.630.069,03)	
ALS, S.L.	21.410.190,80	
Balcargo, S.L.	573.622,52	
Tte. Aereo Mar de Vigo, SL	171.929,03	
UEP Airways	(242.221,14)	
Cygnus	389.294,0 1	
	5.256.919,68	
Adjustment for non-deductible financial expenses		
Adjustment 50% negative BI for the period		8.644.058,34
Reversal of 50% of negative BI for prior periods		
Previous consolidated taxable income:		13.900.978,02
BIN Group Compensation:		-
Previous Group BIN clearing:		561.223,04
Consolidated taxable income:		13.339.754,98
Tax rate:	25,00%	
Full consolidated tax liability:		3.334.938,75
International double taxation deduction		30.240,00
Adjusted gross income:		3.304.698,75
Minimum net quota:		2.000.963,25
Deduction of 30% reversal of depreciation in current year		41.507,78
Liquid Quota:		3.263.190,97
Withholdings and payments on account:		1.599.718,43
Withholdings	174.682,60	
Installment payments	1.425.035,83	

LUSAT AIR, S.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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	Lusair Air, S.L. Consolidated IS 2022		Group 452/12
Individual taxable income amounts:			21.022.432,49
Lusat Air, S.L.	6.083.174,58		
Swiftair, S.A.	(7.283.037,90)		
ALS, S.L.	20.933.634,19		
Balcargo, S.L.	573.050,94		
Tte. Aereo Mar de Vigo, SL	158.245,64		
UEP Airways	(268.823,26)		
Cygnus	826.188,3 0		
	21.022.432,49		
Eliminations:			
Elimination of internal stock transactions:			
Elimination of internal transactions of depreciable fixed assets			
Elimination of internal land transactions			
Elimination of internal transactions of credit rights and financial acts			
Elimination of internal derivative transactions			
Elimination of internal transactions of equity instruments			
Elimination of other internal transactions			
Elimination of internal dividends			
Incorporations:			63.752,90
Incorporation of internal stock transactions:			
Additions to internal transactions of depreciable fixed assets			63.752,90
Incorporations internal land operations			
Incorporation of internal transactions of credit rights and financial instruments			
Incorporation of internal derivative transactions			
Incorporation of internal operations of equity instruments			
Additions to other internal operations			
Previous consolidated taxable income:			21.086.185,39
BIN Group Compensation:			-
Previous Group BIN clearing:			2.511.873,33
Consolidated taxable income:			18.574.312,06
Tax rate:		25,00%	
Full consolidated tax liability:			4.643.578,02
International double taxation deduction			26.820,00
Adjusted gross income:			4.616.758,02
Minimum net quota:			2.786.146,81
Other deductions:			-
Deduction for donations			-
IT deduction			-
Deduction of 30% reversal of prior years' depreciation (Group)			-
Deduction of 30% reversal of prior years' depreciation (previous group)			-
Deduction of 30% reversal of depreciation in the current year			41.507,78
Liquid Quota:			4.575.250,24
Withholdings and payments on account:			2.034.295,00
Withholdings			72.746,96
Installment payments			1.961.548,04
TO ENTER			2.540.955,24

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Debts and credits with Public Administrations as of 12/31/23 and 12/31/22 in euros are as follows:

CONCEPT	2023		2022	
	BALANCE DEBTOR	BALANCE CREDITOR	BALANCE DEBTOR	BALANCE CREDITOR
H.P. Accounts receivable for various items	4.150.401,41	-	2.714.232,00	-
H.P. Payable for tax items	-	4.408.929,44	-	4.834.639,74
Social Security	-	1.904.433,15	-	1.499.706,83
TOTAL	**4.150.401,41**	**6.313.362,59**	**2.714.232,00**	**6.334.346,57**

The companies have applied positive or negative differences due to adjustments derived from financial leasing contracts, penalties for non-deductible expenses, and limitations on the deductibility of depreciation and amortization. Likewise, they have offset negative results from previous years with the limitation corresponding to their level of turnover.

Elmas Business, S.L. forms with Badesi Business, S.L. an own tax consolidation group (number 0408/17) which is not integrated in the tax consolidation group of Lusat Air (number 0452/12), as it does not have the minimum percentage of participation required by the Corporate Income Tax Law to be included in the tax consolidation group of Lusat. Air, S.L.

Deferred tax assets

The detail of the amounts included in this caption of the consolidated balance sheet at the end of 2023 and 2022 is as follows (in euros):

	2023	2022
Deferred tax assets	9.174.029,88	6.393.691,94
TOTAL	**9.174.029,88**	**6.393.691,94**

In 2023 and 2022, loss carryforwards have been applied to offset the positive results obtained in the group, with the corresponding percentage and corporate limits in accordance with current tax legislation.

Deferred tax liabilities

The detail of the amounts comprising this caption of the consolidated balance sheet is shown in the following table (in euros):

	2023	2022
Deferred tax liabilities	2.881.367,41	3.546.018,37
TOTAL	**2.881.367,41**	**3.546.018,37**

LUSAT AIR, S.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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16. INCOME AND EXPENSES

16.1 Revenue

The distribution of the net sales corresponding to the Group's ordinary activity is as follows:

a) Distribution by area of activity (euros):

	31.12.2023	31.12.2022
Freight Transportation	413.043.970,75	467.487.243,66
Transportation Passengers	17.365.719,09	12.755.005,00
Training and other courses	32.910.570,00	2.579.907,27
TOTALS	**463.320.259,84**	**482.822.155,93**

b) Distribution by geographic area:

More than 80% of the flights are international in nature, given the peculiarity of the services it provides (transport of passengers and goods by air), both in fiscal 2023 and 2022.

16.2. Expenses

The detail of the expenses incurred by the Group in the supplies item during fiscal years 2023 and 2022, respectively, i s as follows (euros):

	2023	2022
Consumption of raw materials	12.272.632,50	10.750.082,44
Work performed by other companies	5.829.120,91	2.481.493,42

16.3. Personnel Expenses

The detail of personnel expenses for fiscal years 2023 and 2022, respectively, is as follows (euros):

PERSONNEL EXPENSES	2023	2022
Wages and salaries	85.108.021,66	87.999.311,84
Social Security	18.124.093,44	16.368.579,27
Other social charges	1.030.337,77	724.254,56
TOTAL	**104.262.452,87**	**105.092.145,67**

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The average number of people employed in the LUSAT Group (dominant and dependent) during fiscal years 2023 and 2022, respectively, distributed by category, was as follows:

LUSAT GROUP (12/31/2022)	MEN	WOMEN
Managers	21	5
Pilots	418	23
Administrative Staff	377	179
Maintenance Personnel	147	10
Personal Handling	203	18
TCP's	16	8
Others (mainly teachers)	19	65
TOTAL STAFF	**1.201**	**308**

LUSAT GROUP (12/31/2022)	MEN	WOMEN
Managers	14	5
Pilots	501	25
Administrative Staff	275	137
Maintenance Personnel	199	18
Personal Handling	136	11
TCP's	15	12
Others (mainly teachers)	14	59
TOTAL STAFF	**1.154**	**267**

The Group has hired 3 people with disabilities as of December 31, 2023.

16.4. Other income statement captions

The detail of the other captions of the income statement for the years 2023 and 2022 in euros, respectively, is as follows:

2023	EXPENSES	INCOME	TOTAL
Sale and disposal of property, plant and equipment	(12.533.161,04)	461.004,00	(12.072.157,26)
Other results	(924.968,95)	638.559,56	(286.409,39)
TOTAL	(13.458.129,99)	1.047.702,71	(12.410.427,28)

2022	EXPENSES	INCOME	TOTAL
Sale and disposal of property, plant and equipment	(20.925.988,39)	197.767,63	(20.728.220,76)
Other results	(648.508,82)	2.813.570,99	2.165.062,17
TOTAL	(21.574.497,21)	3.011.338,62	(18.563.158,59)

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16.5. Other Group operating expenses

The detail of the Group's other operating expenses in 2023 and 2022, in euros, is as shown in the following table:

Other operating expenses	2023	2022
Leases and royalties	42.821.499,95	39.035.602,71
Repairs and Maintenance	61.014.740,25	51.437.515,53
Independent Professional Services	24.262.849,74	36.511.005,62
Transportation	1.015.027,75	1.068.397,05
Insurance premiums	5.630.977,46	5.853.078,43
Banking Services	813.441,97	1.240.749,27
Advertising Propaganda Public Relations	474.906,06	425.920,74
Supplies	50.530.188,60	64.489.586,90
Other services	34.961.674,83	39.120.591,54
Tributes	48.218.215,93	37.167.784,79
Impairment of trading operations	522.425,53	162.725,06
TOTAL	**270.265.948,07**	**276.512.957,64**

17. FOREIGN CURRENCY

The most significant amounts corresponding to purchases and sales classified by foreign currency are detailed in the following table:

		2023	
Currencies		Sales (euros)	Purchases (euros)
GBP	Pound Sterling	110.326.162,28	60.055.529,25
NOK	Norwegian Krone	7.688.198,95	15.163.047,46
USD	U.S. Dollar	111.348.471,54	151.288.935,74
SEK	Swedish Crown	11.140.496,62	17.466.413,65

		2022	
Currencies		Sales (euros)	Purchases (euros)
GBP	Pound Sterling	114.969.968,17	62.583.363,22
NOK	Norwegian Krone	8.011.807,63	15.801.284,55
USD	U.S. Dollar	116.035.308,08	157.656.930,75
SEK	Swedish Crown	11.609.418,07	18.201.603,14

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During the year, the Group obtained exchange losses amounting to 3,834,844.45 euros, and profits for the same reason amounting to 3,361,187.98 euros, resulting in a net loss for the year of 813,596.17 euros (losses of 766,980.45 euros in the previous year, 4,725,104.80 euros and 3,958,124.35 euros respectively).

NOTE 18. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

a) Board of Directors and Senior Management

During this fiscal year the LUSAT group has recorded the amounts shown in the following table for remuneration accrued by the members of the Administrative Bodies in their capacity as employees of the Companies, and as remuneration to directors who are not employees of the Companies:

As of December 31, 2023:

DIRECTORS' REMUNERATION			
TYPE OF COMPENSATION	DINERARIA	IN SPECIES	**TOTAL**
AS EMPLOYEES	92.704,22	-	**92.704,22**
AS ADVISORS	709.667,85	9.606,32	**719.274,11**

As of December 31, 2022:

DIRECTORS' REMUNERATION			
TYPE OF COMPENSATION	DINERARIA	IN SPECIES	**TOTAL**
AS EMPLOYEES	92.704,22	-	**92.704,22**
AS ADVISORS	770.945,60	10.139,30	**781.114,90**

There are no loans granted by the Group to all the members of its Administrative Bodies, nor commitments, guarantees, sureties or advances of any kind during the year or in the preceding year.

Remuneration of senior management personnel was as follows:

Concepts	2023	2022
Earnings from work in cash	467.982,85	423.839,99
Income from Work in Kind	9.606,32	10.139,30

b) Information regarding conflict of interest situations by members of the Board of Directors

In order to avoid situations of conflict of interest with the Group's interests, during the period the directors of the Parent Company who have held positions on the Board of Directors of the Parent Company have complied with the obligations set forth in Article 228 of the revised text of the Capital Companies Act. Likewise, both they and the persons related to them have abstained from incurring in the cases of conflict of interest foreseen in article 229 of said law, except in those cases in which the corresponding authorization has been obtained.

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19. ENVIRONMENTAL INFORMATION

In environmental matters, the subsidiaries Swiftair S.A., Swiftair Hellas, West Atlantic AB, West Atlantic UK, Corporacion Ygnus Air SA, the companies that operate the aircraft, strictly follow all the requirements established by the applicable legislation, and also seek the most appropriate formulas to reduce the environmental impact.

With respect to possible contingencies that may arise in environmental matters, all the Group's subsidiaries consider that these are sufficiently covered by the insurance policies they have taken out, as well as by the provisions for probable or certain liabilities, litigation in progress and outstanding indemnities or obligations of undetermined amount.

20. Auditor's fees

The total fees for audit services for fees accrued by the auditor to the various companies comprising the consolidation group in 2023 amounted to 30,000 euros (25,000 euros in 2022), irrespective of the time of invoicing.

Details of the services rendered by the auditor of the consolidated financial statements (principal auditor):

The auditor has not rendered any tax or other services other than those derived from the issuance of its audit reports on the annual financial statements.

21. POST-CLOSING EVENTS

On January 3, 2024, Aircraft Leasing Spain, S.L. formalized a purchase and sale agreement with TXG Group for the sale of the Boeing 737-400 aircraft and its two CFM 56-3 engines.

On March 15, 2024, the Company signed a novation of the syndicated loan agreement, modifying the repayment of the loan of the portion of tranche B (see note 13) held with several financial institutions with Banco Santander as principal.

In addition, subsequent to year-end, the Company's Directors consider that no further significant events have occurred.

LUSAR AIR, S.L. AND SUBSIDIARIES

DILIGENCE Dfi SIGNATURES

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The members of the Board of Directors of Lusat Air S.L. have prepared the attached Consolidated Financial Statements as of December 31, 2023 at their meeting of June 30, 2023. All the pages of these Consolidated Financial Statements, comprising the Consolidated Balance Sheet, the Consolidated Profit and Loss Statement, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, and the Consolidated Annual Report for the year ended December 31, 2023, which are constituted by the documents attached hereto, have been inspected by the Secretary of the Board, all the **members** of the Board of Directors signing on this page.

Madrid, June 30, 2024

SOLE ADMINISTRATOR

Fernando Llorens Sáenz

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LUSAT AIR, S. L. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR FISCAL YEAR 2023

1.- BUSINESS EVOLUTION:

The Lusat Air S.L. Group is primarily a group of four air cargo airlines specialized in integrated mail and express solutions. Thanks to its long experience, the Group is able to offer its customers efficient and customized solutions for air cargo services, aircraft maintenance, airworthiness services and aircraft leasing. The priority market for the Lusat Air S.L. Group's airlines is to provide scheduled air transport capacity to Global Integrators, the various national couriers and other express companies. In 2023, Lusat Air S.L. Group's airlines operated more than 55,642 flights.

Since the acquisition in 2020 by the Lusat Air S.L. Group of 100% of West Atlantic AB and all its subsidiaries, the organization has become an airline group dedicated primarily to the transport of mail and express cargo.

Despite the general difficulties of the economy in 2023 due to high inflation levels and interest rate hikes the Lusat Air Group managed to maintain the level of revenues, with total revenues being 463.3 million. Lusat Air has a solid base of long-term contracts that guarantee the utilization of all aircraft by 2023. Financially, the group's performance continued the positive trend, reporting a consolidated EBITDA of 82.6 million, but below expectations.

The Group "maintains a solid financial profile" in the first half of the year, with a maturity of The average cost of long-term debt is 5 years, and an average cost of 2.d %.

Following the signing in February 2022 of a long-term syndicated loan for 200 million euros, the Group "has a high financial capacity to execute projects in its portfolio and continue to grow, w i t h more than 40 million euros of liquidity".

The Group forecasts an EBITDA for 2024 of approximately +15% compared to 2023, based on the new routes already signed to date with the Group's main customers and a progressive recovery in profitability, subject to the evolution of the current inflationary and supply context.

The Group expects to maintain its financial debt at 2.3 times adjusted EBITDA, above the figure as of December 2022.

In terms of commercial activity, the Group has already signed several new routes for a total value of approximately 60 million euros, most of which correspond to Europe and are mainly focused on medium distance.

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2.- EVENTS SUBSEQUENT TO YEAR-END

There are no subsequent events that the sole director considers relevant to his presentation except as detailed below.

Lusat Air S.L. and DEPENDENT has continued to maintain its framework and processes for identifying, assessing and managing risk and prioritizes investments to address the risks it faces. The key risks and uncertainties highlighted in 2023 that affect us and the aviation industry in general are:

1. The war in Ukraine.
2. Average fuel prices.
3. Inflation.
4. Interest rates.
5. The euro dollar and euro pound exchange rate.

We have identified mitigation actions together with our customers to enable our companies to continue to respond as necessary to manage the risk environment, particularly in relation to personnel, technological obsolescence and the impact of exchange rates.

3.- INVESTMENTS IN RESEARCH AND DEVELOPMENT

As of December 31, there were no research and development expenses.

4.- ACQUISITION OF OWN SHARES

There have been no acquisitions of treasury stock during fiscal year 2023.

RISKS ASSOCIATED WITH THE ACTIVITY

The Group's activities are exposed to different types of financial risks, mainly credit, liquidity and market risks.

5.1 Credit risk

The Group's principal financial assets are cash and cash equivalents, trade and other receivables, and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is mainly attributable to its trade payables. The amounts are reflected in the balance sheet net of allowances for credit losses, estimated by Group management based on the experience of previous years and its assessment of the current economic environment.

5.2 dReiees o l dez

The Group is not significantly exposed to liquidity risk, due to the maintenance of sufficient cash and credit facilities to meet outflows.

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necessary for its normal operations. In the event of financing needs, the Group has recourse to credit facilities.

The general situation of the financial markets, especially the banking market, has been particularly unfavorable for borrowers. The Group pays constant attention to the evolution of the different factors that can help to solve liquidity crises and, in particular, to the sources of financing and their characteristics.

In particular, we can summarize the points on which most attention is paid:

+ Liquidity of monetary assets: the placement of surpluses is always carried out, if necessary, at very short terms.
- Diversification of credit line maturities and control of financings and refinancings
- Control of the remaining life of financing lines.

The use of other sources in the future is not excluded.

5.3 Market risk

There are no significant market risks, regardless of those that may arise from the current economic-financial crisis, which the Group's Directors consider will not affect the Company's viability.

5.4 Exchange rate risk

The Company operates internationally and, therefore, is exposed to foreign exchange risk from foreign currency transactions, especially the U.S. dollar. The exchange rate risk arises from recognized assets and liabilities and net investments in foreign operations.

The Company carries out transactions with suppliers abroad, whose invoices and payments thereof are exposed to foreign currency translation risk. The exchange rate risk on the Company's foreign operations in U.S. dollars is managed mainly through borrowings denominated in the corresponding currency.

6.- CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

Lusat Air Group believes that companies are an essential part of society and have an equal, if not greater, responsibility than citizens to drive development in the form of welfare, innovation and growth. The Group strives to continuously improve the cargo flight services provided, which connect time-sensitive regional infrastructures through aviation. To contribute to sustainable development, employees must not only consider the Group's financial development, but also the impact on society and the environment. Increased efficiency through resource optimization and reduced environmental impact will result in greater competitiveness and higher profitability in the long term. As air cargo operations are an essential part of society's development, it is important for the Group to stay one step ahead and ensure a sustainable future for generations to come.

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This sustainability report is a way of communicating to society our vision of sustainability and where we are in our work, and thus also meeting the requirements set out in Law 11/2018, of December 28, on non-financial information and diversity (amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Account Auditing). The statement of non-financial information is part of the Group's Management Report. We provide information on environmental, social, labor and human rights issues, which are relevant to the company and important for the development of its business activities. It also enables us to gather our ideas and obtain a starting point for further development.

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6.1. GENERAL INFORMATION

6.1.1. Brief description of the group's business model, including its business environment, organization and structure.

The group's objective is to meet customers' needs with flexibility, innovation, passion and pride, thus ensuring long-term profitability, while taking into account the needs of other stakeholders.

The Group acts as a provider of outsourced cargo flight operations and offers full charter or ACMI flights (aircraft, crew, maintenance and insurance) to our customers.

The LUSAT AIR SL Group incorporated until 2020 mainly two airlines in Spain, Swiftair S.A and Corporación Ygnus Air S.A. With the incorporation to the Group in September 2018 of 100% of the company CORPORACION YGNUS AIR SA, the Group's offer and capacities were expanded through the incorporation to the fleet of Boeing 757-200F aircraft with greater cargo capacity than the pre-existing ones. In 2020, the Company acquired a 100@o stake in WEST ATLANTIC AB, a company based in Sweden, which operates mainly through its subsidiaries in the UK and Sweden, and 100% of SWEDISH ATP MANAGEMENT AB, based in Sweden, which also leases and maintains aircraft in Sweden. They remain primarily focused on air cargo. These airlines have flexibility as their most important pillar. The airlines' customers benefit from a network primarily dedicated to cargo transport, backed by the group's financial and economic strength. LUSAT AIR, S.L. is the Group's parent company and has a vertical influence on its portfolio of companies.

Our business model is mainly based on the following components:

- The group acquires passenger aircraft between 15 and 20 years old in order to convert them to freighters and thus be able to offer transport services at a competitive price.

The Group's objective is to be able to offer a sufficient range of aircraft with different capacities to meet all its customers' needs in the most efficient way.

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efficient as possible and allow flexibility in contracting among them to maintain this efficiency over time.

We specialize in providing customized solutions for time-critical and highly reliable cargo flights, mainly at night, and thus become a key component of the logistics chains of large logistics providers.

We have our own facilities and maintenance resources, which allows us to maintain and guarantee the safety and reliability of over 96% of our services.

The Lusat Air Group's business concept is:

"To meet the demands of its customers with flexible, safe and cost-effective solutions for which it has a fleet of tailor-made aircraft."

The Group has been affected not only by the post pandemic but also by the increase in aeronautical and energy costs. Consequently, the Group has been forced to focus on implementing some strategic organizational decisions in order to reduce the impact of operating costs by developing greater synergies in the new group and reviewing existing contracts in order to ensure their profitability.

6.1.2. Market presence

Lusat Air Group's main market is the provision of air express cargo services for third parties with dedicated regional cargo aircraft. The market itself is defined by long-term contractual relationships with contracts defined over time and tacitly renewable. Despite historically strong growth, from the second half of 2022 and during 2023, the European air express cargo market began to show signs of stagnation in line with the general economic conditions prevailing at the time; although in 2024 a progressive recovery of the market begins to be noted. In recent years, parcel volumes had been growing rapidly, driven mainly by the rise of business-to-consumer e-commerce. The market is made up of the following key customer sectors:

- National mail organizations such as Royal Mail, Norwegian Mail, La Poste and PostNord.
- global integrators, such as UPS, DHL and FedEx
- Freight forwarders and other cargo carriers

The Group acts as an external provider of air cargo operations, offering full charter capacity or ACMI (Aircraft, Crew, Maintenance and Insurance) flights to its customers. Aircraft are available in different configurations: RORO Mail (roll-on/roll- ofi), bulk, containerized, palletized or a mix of the above.

As a complement to the production of ACMI/Charter operations, the Group offers aircraft leasing and technical services. By acquiring aircraft at attractive prices and assuming the residual value risk, the Group is able to capitalize on its knowledge of how to place aircraft on contract, lease or, to a much lesser extent, remarket them.

The fleet of Grupo Lusat Air S.L. as of December 31, 2023 consisted of six types of aircraft: the Boeing 757-200 (with 30 tons of payload), the Boeing 737-300/400/800 (18,000 tons of payload), the Boeing 737-300/400/800 (18,000 tons of payload) and the Boeing 737-300/800 (18,000 tons of payload).

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tons), the ATR 72 (8 tons), the ATR 42 (5 tons), the Embraer 120 (3 tons) and the Metroliner (1.5 tons). Although the company remains committed to the 6 to 8-ton market for the foreseeable future, growth is more focused on the 18 to 40-ton sector. For the time being, our operations remain mainly in Europe and Africa. In order to unify the fleet and reduce operating costs, during 2022 the group proceeded to retire the entire ATP fleet and replaced them with ATR 72 and CRJ 200.

During 2023, 72,479 flight hours were operated, resulting in a maintenance of the associated business volume in line with the previous year and a higher utilization of the larger aircraft.

The market in Europe is made up of a handful of competitors. Among those operating aircraft of similar capacity are ASL Group in Ireland, Blue Bird of Iceland, Cargo Air of Bulgaria and Amapola in Sweden. In 1995 there were about 30 operators in Europe. Today, after years of consolidation, in the Group's view, fewer than seven competitive operators remain, differentiated by aircraft specialty, regional expertise and payload classification.

For much of the past year, carriers based in Africa, Europe and the Middle East - together, the EMEA region - have carried less cargo by air compared to the pre-pandemic era, yet growth in the freighter fleet has intensified.

Our business segment has significant barriers to entry in terms of asset availability, operating experience and the immense financial and operational requirements necessary to start up a new airline in the European Union. For example, in order to obtain an operating license, one must demonstrate sufficient financial planning for one year of operation of the first aircraft. In addition, there are strict political barriers with respect to cabotage flights and limitations on foreign ownership that virtually exclude non-European competition.

6.1.3. Objectives and strategies

Since its founding, the Group's goal has been to meet the demand for outsourced air cargo solutions, growing with its customers and finding new ways to refine services while reinvesting profits back into the Group and preparing for future growth.

Our vision is to become a reference in air cargo transportation and to maximize the creation of sustainable value for our customers. Our strategic priorities are:

- Operational safety.
- To increase our reliability and quality of service to our customers.
- Improve the common integrated platform.

We achieve our pl iorities through:

- Efficiency, control and innovation.
- Product diversification.

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- Training and development of human capital.
- Sustainable growth and value creation.

The Group's long-term vision is therefore to be the most reliable and flexible supplier of operational aircraft to domestic mail organizations in Europe and to continue to provide and support all global integrators with regional capability, with an increased focus on emerging cargo markets.

6.1.4. Material sustainability aspects of LUSAT AIR

Lusat Air Group's management believes that companies are an integral part of society and have an equal, if not greater, responsibility than citizens to drive future progress in terms of well-being, innovation and growth. The Group aims to continuously improve the air cargo services provided, connecting time-sensitive regional infrastructures by air.

To contribute to sustainable development, employees must not only consider the Group's financial development, but also its impact on society. Increased efficiency through optimization of resources and reduced environmental impact will lead to greater competitiveness and higher profitability in the long term. As air transport operations are an integral part of the social infrastructure, it is important for the Group to stay ahead of the curve and ensure a sustainable future for generations to come.

The most relevant aspects affecting the normal activity of the Lusat Group and which are the subject of this report are as follows:

- Climate change (emissions, fleet, fuel consumption...).
- Power consumption
- Waste
- Noise pollution
- Local economic impact (job creation)
- Employee satisfaction
- Diversity and equality
- Customer satisfaction
- Carbon emissions pricing
- Compliance with legislation and regulation

Some issues relating to occupational diseases, water and biodiversity are not currently considered material to LUSAT AIR based on the scale of our impacts in these areas and the relative importance assigned compared to other issues assessed by our stakeholders. However, we keep these issues under regular review.

6.1.5. Data governance

The scope of our sustainability performance data includes all of our airline and air cargo operations.
The Consolidated Statement of Non-Financial Information is part of the Management's Report for the year ended December 31, 2008.
Group.

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6.2. SOCIAL AND PERSONNEL ISSUES

6.2.1. Description of the policies introduced by the company related to social and personnel matters

The Group's structure means that each operating company is responsible for policies and procedures relating to its direct workforce, including identifying and assessing risks and implementing appropriate controls and measurement procedures. It also has a Group-wide Equal Opportunity policy that aims to address and eliminate discrimination and promote equal opportunity regardless of age, gender, disability, ethnicity, religion or sexual orientation. Given the existence of different operating companies in the Group, all training policies and programs are implemented at each operating company, and each company is responsible for establishing the specific mandatory courses in its organization, the frequency with which they must be held and the employees who must attend.

The following basic Group corporate training courses are common to all operating companies:

- Code of Conduct
- Compliance with competition law
- Anti-bribery and anticorruption compliance
- Privacy, security and data protection

6.2.2. Total number of employees and distribution by pois, gender, age and clasi(ication pro(esional.

1. Equivalent Average Headcount

Equivalent headcount is the number of employees adjusted to include part-time employees, overtime and external suppliers. Average equivalent headcount is the average headcount for each quarter, so measured to better capture seasonality.

The Lusat Group's average equivalent workforce decreased by -3.9% in one year. In 2022, the average equivalent workforce increased by 3.2% in 2022.

2. Headcount at year-end 2023

The headcount is the actual number of people employed by the Group (employees). The headcount The Group's total number of employees at December 31, 2023 is 1,509 (1,421 in 2022).

The breakdown of our employee categories reflects the distribution of the main groups of our "air" -pilots and cabin crew- and "ground" -airport, corporate and maintenance- workforce.

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LUSAT GROUP (12/31/2023)	MEN	WOMEN
Managers	21	5
Pilots	418	23
Administrative Staff	377	179
Maintenance Personnel	147	10
Personal Handling	203	18
TCP s	16	8
Others (mainly teachers)	19	65
TOTAL STAFF	1.201	308

LUSAT GROUP (12/31/2022)	MEN	WOMEN
Managers	14	5
Pilots	501	25
Administrative Staff	275	137
Maintenance Personnel	199	18
Personal Handling	136	11
TCP's	15	12
Others (mainly teachers)	14	59
TOTAL STAFF	1.154	267

3. Number of employees with disabilities

This measure is based on the total number of SWIFTAIR, S.A. employees who have declared a disability. There are a total of 3 people with disabilities currently working for the group (3 in fiscal 2022) in our other operating companies. The average number of employees with disabilities therefore amounts to 0.2% of the Group's workforce (0.2% of the Group's workforce in the past fiscal year).

4. Headcount by geographic area

Grupo Lusat maintains indicators of personnel hired by country. This indicator reflects the distribution of the Group's employees according to the country from which they work.

Most of the contracted personnel work from Spain, where administrative and management tasks predominate, in addition to a large part of maintenance, logistics and crew work.

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Given the Lusat Group's activity, most of its operations are carried out in Europe:

% Staff employed	
EUROPE	Other countries
98%	

At the end of fiscal year 2023, the LUSAT AIR Group had employees in 14 countries.

6.2.3. Gender diversity and staff turnover

1. Employee gender and nationality diversity

The Lusat Group is committed to creating a workforce with diverse perspectives, experiences and backgrounds at all levels and throughout the Group.

At the end of fiscal year 2023, the number of female employees is 308 women (267 women at the end of fiscal year 2022).

The proportion of women in senior management positions in the Group is 19% (26% in fiscal 2022). However, the Group has set a target for 2025 to maintain at least 25% of women in senior management positions. As of December 31, 2023, there is one female member of the Board of Directors.

Given the Lusat Group's international activity, Human Resources considers the recruitment of talent from all over the world as an internationalization strategy. This fact favors the creation of an international network of workers consolidated throughout the Group, which contributes knowledge and experience and allows the Group's companies to maintain a global identity.

All Group companies have updated their diversity and inclusion strategies to reflect LUSAT AIR's objectives.

2. Age diversity

An age diverse workforce balances the need for experienced people with maintaining a plan for succession by hiring new talent.

LUSAT AIR Group reviews age diversity in the following ranges (managerial and non-managerial functions):

- Under 30 years of age.
- From 30 to 50 years old.
- Over 50 years old.

The majority of the Group's workforce is in the 30 to NO age range. However, the Group is committed to young talent by constantly hiring men and women under 30 years of age.

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3. Staff turnover

The Group recognizes the importance of retaining experience and talent to achieve business success and communicates turnover as a parameter of the stability of our workforce.

Employee turnover is measured as the number of people leaving employment in relation to the average number of employees of the Group in the year.

Voluntary turnover occurs when the employee chooses to leave (e.g. resignation, retirement, voluntary dismissal), and non-voluntary turnover occurs when the reasons for leaving do not correspond to a personal decision (e.g. mandatory dismissal, layoff, etc.).

6.2.4. Average remuneration by gender, age ¥ occupational classification

The company will not be able to report any information on average employee compensation this year. The company does not have the information system in place to collect and report this information at the corporate level.

6.2.5. Wage gap between women and men

The Lusat Air Group's equality policy establishes that equal pay is a fundamental right of its employees. Lusat Air Group applies equal pay for all genders, applying the existing salary tables in the collective bargaining agreements of the different companies that make up the group.

6.2.6. Implementation of work disconnection policies

The Lusat Group promotes work-life balance. Throughout the Group, there are many examples of policies and initiatives designed to promote a healthy work-life balance. For example, at SWIFTAIR, S.A., there are certain policies in place to support work-life balance. Some of these are shown below:

- Right of employees to request to work flexible hours.
- Work-sharing policies.
- Establishment of rest periods during the workday.
- Telecommuting policies (depending on the employee's job function).
- Possibility of intercalating work shifts (depending on the employee's job function).
- In the case of pilots and crews, there is the possibility of interleaving air routes, shifts or rosters.
- The Lusat Group companies defend and strictly comply with maternity and paternity leave.
- In the case of pilots, crew and other personnel engaged in air transport operations, the minimum rest periods established are strictly complied with.

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6.2.7. Number of hours of absenteeism

Lusat Air Group companies do not report this information.

6.2.8. Collective Bargaining Agreements

In Spain, where the Company's main offices are located, the Company is governed by the provisions of current regulations, by which the national collective bargaining agreement applicable to the Group is registered and published.
In the rest of the countries in which the group operates, all actions carried out in this context comply with the labor regulations in force in each country.

6.2.9. Universal accessibility for people with disabilities

Measures to provide universal accessibility for people with disabilities: Throughout the Group, we comply with all relevant laws on accessibility for employees and customers with disabilities in our buildings and operations.

6.2.10. Equality. Measures taken to promote equal treatment and opportunities for men and women; measures to promote equal treatment and opportunities for men and women; measures to promote gender equality; protocols against sexual and gender-based harassment; integration and universal accessibility for people with disabilities; policy against all types of discrimination and, where appropriate, management of diversity.

The incorporation of women into leadership positions is critical and we have set a target of 25% women in our senior management by 2025. We will monitor and report on our progress, including with regard to the Group-wide pipeline of senior management positions. To this end, we have put in place a comprehensive action program. LUSAT AIR, S.L. has been working since its foundation to raise awareness of the individual rights of its employees by protecting and enhancing them. In particular, the dignity of people within the company has always been protected by establishing healthy behavioral guidelines and eradicating those behaviors that can be considered illegitimate intrusions into personal privacy or that violate the dignity of people. In this sense, LUSAT AIR, S.L. is committed to align its strategies and operations with ten universally accepted principles in four thematic areas:

- Human Rights.
- Labor Standards.
- Environment.
- Anti-corruption.

Following the publication of the Organic Law 3/2007 of March 22nd for the effective equality of men and women, LUSAT AIR, has as its objectives equal treatment and opportunities among the people who make up the Company and of course to eliminate any hint of discrimination based on sex. The main objectives are detailed below:

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• Promote the principle of equal treatment between men and women, guaranteeing the same professional opportunities in employment, selection, remuneration, training, development, promotion and working conditions.
• Guarantee the absence of direct or indirect discrimination based on sex: Eliminate all manifestations of discrimination in recruitment, internal promotion and training.
• Eliminate any discrimination in the salary policy of LUSAT AIR, S.L.
• To promote the reconciliation of professional, personal and family life of all employees of LUSAT AIR, S.L. regardless of gender.
• Promote equal opportunities at all organizational levels of LUSAT AIR, S.L. through communication and training actions.
• Prevent sexual and gender-based harassment by implementing a code of conduct that protects all employees from sexual offenses.

6.2.11. Health and dryness.

1. Health and safety on land and in the air.

Health and safety are fundamental to our business, both in the air and on the ground. They are our top priority. We are committed to operating in a safe and healthy manner, complying with all applicable laws, regulations, company policies and industry standards. That commitment applies equally to our employees, customers and all those who are affected by our activities. We have robust corporate governance, led by the safety committees of each of our operating companies. The LUSAT AIR Group oversees all matters related to the operational safety of the group's airlines, as well as the systems and resources dedicated to safety activities throughout the Group. Our customers travel in aircraft and move through buildings and environments that are subject to the health and safety regulations in force in each country. The procedures, systems and technology employed in our operations are designed to protect both employees and customers.

2. Rate of accidents at work and occupational diseases.

We report the accidents that occur in what is determined as *lost time* and their severity through the average number of *days lost*.

A lost-time accident is a non-fatal accident that occurs in the course of work or during working hours and results in the loss of productive time. To calculate the lost-time injury frequency rate, the number of lost-time injuries is multiplied by 100,000 and the result is divided by the total number of hours worked in the year.

The severity rate of lost-time accidents measures the impact of occupational accidents as reflected in the sick leave of the affected workers. It is expressed as the average number of days lost per lost-time accident. These data do not include occupational illnesses. In 2023, the Group's employees in Spain had 44 accidents, including 35 lost-time accidents, and, on average, each of these accidents generated 20.7 (18.87 in 2022) days not worked.

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6.2.12. Training.

1. The policies implemented in the field of training and development

Given the existence of different operating companies in the Group, all training policies and programs are implemented at each operating company, and each operating company is responsible for establishing the specific mandatory courses in its organization, the frequency with which they must be held and the employees who must attend. The following basic Group corporate training courses are common to all operating companies:

- Code of Conduct
- Basic knowledge of aviation legislation
- Prevention of occupational hazards.

In turn, in those companies in which air services are provided, certain operational courses are made available to employees, consisting of acquiring knowledge and practical experience through simulators of the aircraft operated by the Group.

2. Total number of training hours by professional category.

Average training hours per year by employee category is calculated by converting airline training data per full-time equivalent employee to be shown as training hours per Group average equivalent workforce.

In 2023, LUSAT AIR continued to invest in employee training throughout the Group, with special emphasis on ensuring safety in all aspects of operations.

6.3. ENVIRONMENT

6.3.1. A description of the policies introduced by the company associated with environmental issues.

Since its foundation, LUSAT AIR, S.L. has maintained a strong commitment to achieve the minimization of the impacts that its activity can produce on the environment, directly or through third parties. This commitment is made clear through the Integrated Management System that, each year, establishes the objectives to be achieved to ensure sustainability and is articulated in four main lines:

- Priority consideration of all aspects related to the environment in the development of our work.
- Responsible use of resources.
- The correct management of our waste.
- The requirement of environmentally sound practices for employees and suppliers.

Regarding this last aspect, there are specific procedures and technical instructions that ensure respectful behavior with the environment, in any of our works. In all our offices we carry out a selective collection of our waste, both hazardous and non-hazardous, which ensures that all of them receive the appropriate treatment. Hazardous waste is delivered to authorized waste managers who are in charge of managing it.

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The non-hazardous waste, such as paper or plastic and other packaging, is delivered to equally authorized waste managers, who are responsible for its recycling. During 2018, the Group obtained its first ISO 14001 certification. Sustainability is part of our business strategy and is fundamental to our long-term growth.

6.3.2. Challenges and oponunidodes of the climate transition.

The Group intends to develop its long-term strategy using all the tools at our disposal: new, more efficient aircraft, effective technology, good operating practices and sustainable fuels; and driving industry-wide action to minimize our carbon footprint. Effectively communicate our practices to customers and suppliers.

6.3.3. Other sustainability challenges and opportunities.

The Group works continuously to minimize operational noise pollution and surcharges. Airport operators and regulators apply operational noise pollution restrictions and surcharge regimes that may restrict our ability to operate, especially at night, and/or may generate additional cost by continually improving operating practices, including continuous descents, slightly steeper approaches, low power and low drag approaches and optimized departures.

Lusat Group maintains corporate social responsibility policies in the supply chain, to avoid possible breaches of the sustainability, corporate social responsibility or anti-bribery framework by a LUSAT AIR supplier or a third party, which may also generate financial, legal, environmental, social and/or reputational impacts. Lusat Group companies impose integrity, sanctions and corporate social responsibility screening for new suppliers. The LUSAT AIR Group Sustainability Policy defines the context and objectives of our sustainability programs. It covers the Group's policies and objectives, governance structure, risk management, climate change and noise pollution strategy and targets, sustainability performance indicators, communication and stakeholder engagement plans. In addition, we have continued to make progress in the adoption of ISO14001.

6.3.4. Amount of provisions and reserves for environmental risks.

We do not take out any specific insurance to cover our environmental risk.

6.3.5. Pollution. Measures to prevent, reduce or repair emissions.

1. Power consumption.

The central maintenance, fleet control and handling facilities in which the group's companies have been operating until now are in the process of being replaced by a hangar and newly built offices adapted to the latest technological advances. The new facilities, located at the Adolfo Suárez Airport (Madrid - Barajas), will come into operation at the end of 2009.

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The partial reduction in energy consumption, which took place in May 2022, not only led to a reduction in the group's energy consumption, but also to a better management and reduction of waste, as well as the integration of all the maintenance work of the group's various operators.

In compliance with the Lusat Air Group's commitment to improve its environmental policy, during 2022 and 2023 a feasibility study was carried out for the installation of latest generation photovoltaic panels in the large facilities that the Group currently occupies in Spain and where operations are carried out during daytime hours, reaching the conclusion that it was advisable to install these solar panels, and the following were approved and contracted:

INSTALLATION	Capacity	Estimated production	Putting in service
SWISS STREET COSLADA	150 KW	230,168 kwh	Feb.-22
INGENIERO TORRES QUEVEDO STREET	118 KW	167,129 kwh	May 23
RAMP7 HANGAR	400 KW	530,000 kwh	Tue.-24

2. Air pollution.

Percentage of the fleet complying with the CAEP standard of the OACI regarding emissions of nitrogen oxides NOx'.

The ICAO CAEP standard applies to NOx emissions from aircraft engines. The standards are becoming increasingly stringent and engines certified to CAEP 8 must emit less than half the NOx emitted by engines certified to the original CAEP standard.

ICAO CAEP 4, 6 and 8 NOx emission standards are applicable to engines manufactured since January 1, 2004, year 2008 and year 2014, respectively.

A large part of the aircraft fleet consists of second-generation turboprop aircraft, which are substantially more environmentally friendly in terms of noise, fuel consumption and CO2 compared to the first generation. Although the Lusat Air S.L. Group had modified and certified the BAe ATP cargo aircraft to the strictest noise level of ICAO chapter four during the year 2022, they were withdrawn and replaced by the more efficient ATR 72.

On the other hand, the expansion of the jet fleet to larger aircraft, which operates with larger and more efficient aircraft that have lower emissions of tons per kilo/km transported. In line with this commitment, by 2022, the Group will retire the smaller and more polluting CRJ 200 jets, which will be completely phased out. The Group plans to retire the Boeing 737-300 within the next two years.

By 2023 the Group has implemented the B737-800 NG fleet, which are also more environmentally friendly from the point of view of noise, fuel consumption and CO2 compared to classic B737 aircraft.

In collaboration with the new ReFuel EU Aviation regulatory framework aimed at promoting the production and use of sustainable aviation fuels (SAF) in the European Union, the

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West Atlantic UK limited conducted an experimental test flight with a new sustainable fuel in 2022, with satisfactory results. It is the group's intention that as long as a fuel with an increasing percentage of SAF is available at affordable prices from suppliers, it will be used.

CO2 emissions produced by flights operated by Swiftair, West Atlantic, West Atlantic Sweden, West Atlantic UK, Swiftair Hellas and Cygnus for the last years were:

Year	Broadcast
2016	23,687 t CO2
2017	22,595 t CO2
2018	36,706t CO2
2019	149,741t CO2
2020	141,647t CO2
2022	139,824t CO2
2023	137,192t CO2

The opening of the new hangar in Madrid Barajas will not only reduce the need for aircraft positioning to third party maintenance centers, which in 2023 meant more than 113 flight hours (85 flight hours in 2022), but will also avoid the transportation of hundreds of parts from our central warehouses in Madrid to these maintenance facilities.

3. Noise pollution

We focus on reducing the noise and air quality impact of our operations on the local communities at the airports we operate. Our sustainability program continues to place a strong emphasis on minimizing the noise impact of our aircraft operations on the lives of the communities surrounding the airports where we operate. While we are proud of the progress we have made in reducing aircraft noise pollution over time, we recognize the persistent concerns of communities regarding noise pollution and are committed to finding solutions.

The ICAO Chapter 4 noise pollution certification comprises the limits of a combination of lateral, approach and flight noise levels.
The ICAO Chapter 4 aircraft noise pollution technology standard applies to new aircraft certified on or after January 1, 2006 and Chapter 14 applies to new aircraft certified on or after January 1, 2017.

69% of our fleet complies with ICAO Chapter 4 noise pollution certification. 60% in the previous year.
The ground services equipment at the Group's main operations centers will be replaced over the next S years, wherever possible, by electric vehicles, which will

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contributes to reducing our carbon footprint and improving air quality for area residents. 1% of the LUSAT GROUP's airport service vehicles are electric. This percentage was 1% in fiscal year 2022.

4. Contamination and consumption of apua.

Water consumption is not material according to the sustainability materiality analysis. The document explains that this information is not considered material given the activity in which the Lusat Air Group is engaged.

5. Voluntary reduction targets established in the medium and long term to reduce greenhouse gas emissions and the means implemented to that end.

Grupo Lusat's climate change objectives are as follows:

- 2% improvement in fuel efficiency.
- Carbon neutral growth from 2025.

6. The consumption of raw materials and the measures taken to improve the efficiency of its

As commercial aircraft will continue to rely on liquid kerosene for the foreseeable future, LUSAT AIR's climate change focus is on acquiring new aircraft with more efficient fuel consumption levels, pursuing operational fuel efficiency and supporting any actions to offset carbon emissions. Given that the Lusat Air Group's aircraft are generally older, being freighter aircraft with low monthly utilization, and in order to improve fuel consumption, Lusat Air has decided that the new aircraft to be added to the fleet over the next few years will have better emissions and noise pollution.

6.3.6. Biodiversity.

Biodiversity is not material according to the materiality analysis in the context of sustainability. The document explains that this information is not considered material given the activities in which the Lusat Air Group is engaged.

6.4. HUMAN RIGHTS.

6.4.1. Description of the policies introduced by the company regarding human rights issues.

LUSAT AIR and its operating companies have policies that define the general guidelines governing the conduct of the Group's directors and employees in the conduct of their business and professional relationships. All directors and employees are expected to act with integrity and in accordance with the laws of the countries in which they operate. LUSAT AIR also has a Code of Conduct that defines the standards of behavior we expect our suppliers to comply with.

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6.4.2. Description of the main risks associated with human rights issues.

We have no known cases of human rights violations within our organization, and we are increasing our screening of suppliers to ensure that this is also the case for you. We work closely with governments and the airports where we operate to ensure that any suspicious traffic on our flights is reported and dealt with appropriately. We train our employees to recognize signs of potential human trafficking situations and facilitate reporting procedures for suspicious circumstances.

6.4.3. Complaints of human rights violations

There are no allegations of human rights violations.

6.4.4. Promotion and enforcement of the provisions of the International Labor Organization's core conventionsf related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labor; the effective abolition of forced or compulsory labor; the effective abolition of child labor; and the elimination of the worst forms of child labor.
incl.

All our employees work from European countries that comply with International Labor Organization (ILO) conventions covering issues considered to be fundamental principles and rights at work: freedom of association and effective recognition of the right to collective bargaining; elimination of all forms of forced or compulsory labor; effective abolition of child labor; elimination of discrimination in respect of employment and occupation.

6.5. FIGHT AGAINST CORRUPTION AND BRIBERY

6.5.1. Corruption prevention policy and program

LUSAT AIR and its operating companies do not tolerate any form of bribery or corruption. This stance is clearly reflected in the Group's policies, which are available to all directors and employees. The main risks identified in the 2023 review relate to the use of third parties, operational and commercial decisions involving public bodies and the improper use of gifts and hospitality. Each operating company defines its training needs, which are determined based on factors such as employee category and responsibilities.

6.5.2. Non-financial key performance indicators (KPIs) related to anti-corruption and bribery

There are channels throughout the Group to which employees can turn for advice or to report actual or suspected complaints or misconduct. In 2023, a total of 0 complaints (0 complaints in 2022) were received through confidential reporting c h a n n e l s .

6.5.3. Measures to combat money laundering

LUSAT AIR has several processes and procedures in place throughout the Group, such as supplier research and management, Know your Counterparty processes, and

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guidelines of the Group's finance department to help combat money laundering in the business.

6.5.4. Contributions to non-profit organizations

In 2018, the Swiftair Almirante José María Moreno Aznar Foundation was created. In 2019, contributions of 30,000 Euros were made. In 2022 and 2023 no contributions were made.

6.6. OTHER SOCIAL ISSUES

6.6.1. Description of the policies introduced by the company related to social issues

We align our sustainability program with the United Nations Sustainability Goals as described below: The United Nations has adopted a plan to "end poverty, fight inequality and injustice, and tackle climate change by 2030." This 2030 Agenda revolves around 17 Sustainable Development Goals (SDGs). Achieving these goals will require major efforts by all sectors of society; the important role of the business sector in this area is widely recognized. In sync with IATA and Sustainable Aviation, we make links to nine SDGs that affect our business, Goal 3: Health and well-being, Goal 7: Affordable and clean energy, Goal 11: Sustainable cities and communities, Goal 4: Quality education, Goal 8: Decent work and economic growth, Goal 12: Responsible production and consumption, Goal 5: Gender equality, Goal 9: Industry, innovation and infrastructure, Goal 13: Climate action.

6.6.2. Sustainable supply chain

Inclusion of social, gender equality and environmental issues in the procurement policy. The LUSAT AIR Supplier Code of Conduct is the main framework that sets the standards to be met by suppliers working with LUSAT AIR and its operating companies. The Supplier Code of Conduct covers labor, health and safety, environmental and business integrity standards.

6.6.3. Consideration of its social and environmental responsibility in its dealings with suppliers and their controls.

See previous answer.

6.6.4. Monitoring and auditing systems and their results

See previous answer.

6.6.5. Customer relationship management

1. Measures to protect the health and safety of consumers

We have robust corporate governance, led by the safety committees of each of our operating companies. LUSAT AIR's Security Committee oversees

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all matters related to the operational safety of LUSAT AIR's airlines, as well as the systems and resources dedicated to safety activities throughout the Group. Our customers travel in aircraft and move through buildings and environments that are subject to the health and safety regulations in force in each country. The procedures, systems and technology employed in our operations are designed to protect both employees and customers.

2. Complaint systems and complaints

LUSAT AIR airline customers can provide feedback and details of complaints in a number of ways, including through our websites, by mail or by calling our customer service centers.

6.6.6. Information fiscal

292 thousand of the Group's results in 2023 came from profits obtained in GREECE, -8,S39 thousand from losses of WEST ATLANTIC AB based in Sweden, -2,712 thousand from losses of SWEDISH ATP MANAGEMENT AB, and 2,320 thousand from profits of LUSAT AIR LEASING IRELAND LTD based in Ireland, the remainder being entirely from companies resident and taxed in Spain. In the preceding 2022 financial year, 558 thousand euros came from profits obtained in GREECE, -8,205 thousand euros from profits of WEST ATLANTIC AB based in Sweden, -9,861 thousand euros from losses of SWEDISH ATP MANAGEMENT AB, and -3,113 thousand euros of LUSAT AIR LEASING IRELAND LTD based in Ireland, the remainder being entirely from resident companies taxed in Spain.

6.7. RISK MANAGEMENT AND MAIN RISK FACTORS

The Management Body has overall responsibility for ensuring that the LUSAT GROUP has an adequate risk management framework, including determining the nature and extent of the risk it is willing to assume in order to achieve its strategic objectives. It supervises the Group's operations to ensure that internal controls are in place and operating effectively. Management is responsible for the execution of agreed plans. LUSAT AIR has an Enterprise Risk Management policy that has been approved by the Board of Directors.

This policy establishes the framework for an integrated risk management procedure and methodology, which ensures a thorough assessment of the risks faced by the Group, including emerging risks. All risks are assessed for their likelihood of impact on the Group's Business Plan and strategy. Key controls and mitigation measures are documented and appropriate response plans are developed. Each risk is clearly monitored.

The highly regulated and competitive environment, coupled with the operational complexity of each of our businesses, exposes the Group to a number of risks. We continue to give priority to mitigating these risks at all levels of the business, although many of them are beyond our control; for example, changes in the political and economic context, government regulation, events beyond our control causing disruptions to the

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service, the volatility of fuel prices and exchange rates, and the competitive environment.

We group our risks into four categories: strategic risks, commercial and operational risks, financial risks, including tax risks, and compliance and regulatory risks.
The following are our forecasts of the key risks that could threaten the Group's business model, future results, solvency and liquidity.

Particular circumstances that imply a higher probability of the risk materializing, if any, are also described below. This list is not intended to be exhaustive.

6.7.1. Strategic risks

Competition and free markets are in the long-term interests of the airline industry and consumers. LUSAT AIR has a strong interest in the continued deregulation and consolidation of the industry. The Group seeks to minimize the risk of government intervention or changes in the regulation of monopoly providers. Overall, the Group's strategic risk remained stable during the year and the continued growth of competitor capacity was monitored and assessed within the Group. The Group continues to support deregulation, manage the supplier base and explore consolidation opportunities. LUSAT AIR relies on the oil industry to invest sufficiently in fuel supply infrastructure to ensure that its flight operations are carried out as planned. The Group enters into long-term contracts with fuel suppliers to ensure fuel supply at a reasonable cost. Potential fuel shortages are covered by contingency plans, which include appropriate investment in fuel supplies. LUSAT AIR depends on the actions of its suppliers, such as airport operators and those responsible for customs control. LUSAT AIR relies on IT systems for most of the relevant business processes. Failure of a critical system can lead to significant disruption of operations and loss of revenue. The increasing degree of integration in LUSAT AIR's supply chain means that the Group is also dependent on the performance of the IT infrastructure of its suppliers, such as airport operators. System control, disaster recovery and business continuity plans are in place to mitigate the risk of failure of critical systems.

6.7.2. Commercial and operational risks

The safety of our customers and employees is one of our core values. The Group seeks to balance the resources dedicated to making our operations more resilient with the impact of operational disruptions on our customers. Management is focused on leveraging the knowledge and experience of employees and ensuring talent development. Succession plans are in place in all operating companies and we aim to engage the most capable professionals in all our businesses. LUSAT AIR remains sensitive to political and economic conditions in markets worldwide. A downturn in national economies or in the global economy can have a significant impact on the Group's financial position, while exchange rate and interest rate movements generate volatility. Following the United Kingdom's decision, the United Kingdom is virtually leaving the EU with the end of 2020. The security of

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our customers and employees is one of the Group's core values. Failure to prevent or respond effectively to a serious security incident can adversely affect its operations and financial results5.

6.7.3. Financial risks

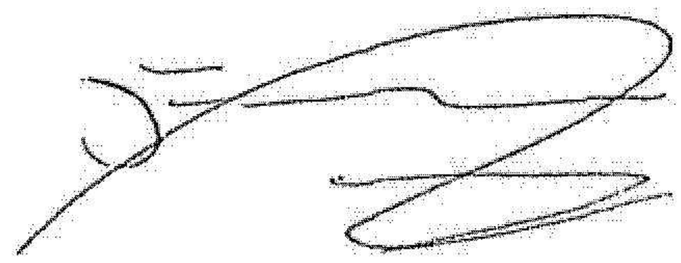
LUSAT AIR takes a low financial risk approach to balance the relatively high commercial and operational risks inherent in the industry. This conservative approach entails maintaining adequate cash balances and substantial financing lines. Clear hedging policies are in place on exposure to fuel price and foreign exchange risk, which explicitly take into account our aversion to variations in cash position and profitability caused by market movements. However, the Group is also careful to calibrate its hedging positions against competitors to ensure that it is not placed at a competitive disadvantage by over-hedging in favorable markets.

In 2023, political and economic events continued to generate uncertainty, increasing the volatility of fuel prices and exchange rates. The Group bears a relative debt burden to be repaid or refinanced. The Group's ability to finance current operations, aircraft orders and future fleet growth plans is vulnerable to a number of factors, including the state of the financial markets and the willingness of entities to finance aircraft. LUSAT AIR's Management Committee regularly reviews the Group's financial position and financing strategy. The Group continues to have easy access to a wide range of financing options. The Group maintains significant amounts in cash and financing facilities to mitigate the risk of short-term disruptions in the aircraft financing market. Volatility in the price of oil and oil derivatives can have a material impact on our operating results. The risk related to fuel prices is partially hedged through the use of derivative financial products in the futures markets. The objective of the hedging program is to increase the predictability of cash flows and profitability. The Group is exposed to foreign exchange risk, both on revenues and purchases Standardized in foreign currencies.

6.7.4. Regulatory and compliance legal

The Group does not tolerate non-compliance with tax *and* regulatory requirements. The Group is exposed to systemic tax risks as a result of changes in tax legislation or when tax authorities question the interpretation of such legislation. Reputational risk exists if the media or other representative bodies question the Group's tax affairs. The Group complies with and is committed to complying with all tax regulations, to acting with integrity in all tax-related matters and to cooperating openly with the tax authorities.

In Madrid on March 27, 2024



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LUSAT AIR, S.L. AND SUBSIDIARIES

Independent Auditor's Report on the Consolidated Statement of Non-Financial Information for the year ended December 31, 2023

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INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION OF LUSAT AIR, S.L. AND SUBSIDIARIES FOR THE YEAR 2023

To the Partners of **LUSAT AIR, S.L.:**

In accordance with Article 49 of the Spanish Commercial Code, we have audited, on a limited assurance basis, the Consolidated Statement of Non-Financial Information (hereinafter referred to as the "Consolidated NFI") for the year ended December 31, 2023, of LUSAT AIR, S.L. and subsidiaries (hereinafter referred to as the "Group"), which forms part of the Group's Consolidated Management Report (pages 3-24 inclusive of the Consolidated Management Report).

Responsibility of the Sole Administrator of LUSAT AIR, S.L.

The formulation of the FSR included in the Group's Consolidated Management Report, as well as its content, is the responsibility of LUSAT AIR's Sole Director, S.L. The NIFS has been prepared in accordance with the contents included in the commercial regulations in force in Spain and following the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI standards) selected, described in accordance with what is mentioned for each subject in the table included in section 6.1 of the aforementioned NIFS.

This responsibility also includes designing, implementing and maintaining such internal control as is considered necessary to enable the EINF to be free from material misstatement, whether due to fraud or error.

The Sole Administration of LUSAT AIR, S.L. is also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the EINF is obtained.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance assurance report based on the work performed, which relates exclusively to the 2023 financial year. We conducted our work in accordance with the requirements of the current International Standard on Assurance *Engagements* 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised),* issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guide on the *Independent Assurance Report on the Statement of Non-Financial Information* issued by the Registry of Auditing Economists (REA) of the General Council of Economists of Spain (CGEE).

We have complied with the independence and other ethical requirements of the Code of Ethics for Accountancy Professionals issued by the

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International Ethics Standards Board for Professional Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (IASC 1) and maintains a comprehensive quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

Scope of work

Our limited assurance work has been carried out through interviews with management and the persons in charge of preparing the information included in the EINF, as well as the review of the processes for gathering such information and the application of analytical procedures and other tests aimed at obtaining evidence on the EINF, such as:

- Obtain knowledge of the business model, policies and management approach applied, as well as the main risks, related to the issues required by the corporate regulations to be included in the NIMF and the information necessary for its review.

- Review of the entity's actions to determine the relevance and completeness of the contents included in the 2023 EINF based on the materiality analysis performed by the entity considering the contents required by current commercial regulations.

- Analysis of the entity's processes to collect and validate the data presented in the EINF for fiscal year 2023.

- Review and analysis of the information on risks, policies and management approaches presented in the FY2023 EINF.

- Review of the information related to the contents included in the EINF for fiscal year 2023 based on the data provided by the information sources, using analytical procedures and review tests on a sample basis.

- Contrast of the financial information reflected in the Financial Information Statement with that included in the Group's Consolidated Financial Statements.

- Obtaining a letter of representation from the Sole Administrator and Management.

In a limited security job, the procedures carried out vary in nature and timing, and are of a lesser extent, than those

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performed in a reasonable safety job and, therefore, the safety obtained is substantially less.

Unqualified conclusion

Based on the procedures performed in our verification and the evidence obtained, no aspect has come to our attention that leads us to believe that the Group's disclosures for the year ended December 31, 2023 have not been prepared, in all material respects, in accordance with the contents set forth in current corporate regulations and following the criteria of the selected GRI standards described in accordance with the table included in section 6 of the aforementioned disclosures.

Use and distribution

This report has been prepared in response to the requirement established in current Spanish mercantile regulations, and therefore may not be suitable for other purposes or jurisdictions.

In Madrid, on July 24, 2024

BULDÚ & GUEVARA AUDITORES, S.L.P.
Registered in the R.O.A.C. under number S-1982.

S.D.: Mr. Juan Segura Buldú

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